



## Request for City Council Committee Action from Licenses and Consumer Services

**Date:** June 23, 2015

**To:** Council Member Lisa Goodman, Chair  
Community Development and Regulatory Services Committee

**Subject:** Ordinance Amendment related to secondhand goods and antique dealers

**Recommendation:** That the Community Development and Regulatory Services Committee approve amending Chapter 321 of the Minneapolis Code of Ordinances to eliminate outdated requirements and streamline regulations; and amending the License Fee Schedule to represent changes in license fees.

**Previous Directives:** This subject matter was introduced to the Minneapolis City Council on April 17, 2015.

### Department Information

Prepared by: Linda Roberts, Assistant Manager of Business Licenses, 673-3908

Approved by:

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D. Craig Taylor, Executive Director

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Grant Wilson, Manager of Business Licenses

Presenters in Committee: Linda Roberts

### Financial Impact

- Other financial impact – Anticipated revenue loss is listed below.

### Community Impact

- Neighborhood Notification: Public Hearing notices were sent to all license holders, business associations, neighborhood organizations and posted on the Business Licenses' website. Industry meetings were held on November 19, 2014; March 23, 2015; May 4, 2015; May 5, 2015 and June 17, 2015.

- City Goals: Businesses – big and small – start, move, stay and grow here.

### **Supporting Information**

Chapter 321 of the Minneapolis Code of Ordinances was comprehensively updated in 1998. This represented state of the art regulations for individuals involved in secondhand goods transactions. Over the past 17 years, significant changes have occurred in the business, technology and demographic aspects of this industry.

The proposed ordinance amendments modernize the code by streamlining definitions and eliminating outdated requirements. Specific examples include:

- Vintage and Used Clothing Store Licenses: Eliminate the bond; Simplify application requirements; Reduce annual license fee from \$305 to \$100.
- Consignment Stores: A single license is required.
- Antique Dealer: Eliminate Antique Dealer as a specific license type; add as a category of Secondhand Goods license.
- Establish the annual license fee at \$440 for all Class A licenses and \$100 for all Class B licenses.
- Reporting and Recording Items: Update list of items to record/report and methods of submitting this information.

Additionally, significant license fee changes are proposed as reflected on Table A on the next page.

**TABLE A**  
**LICENSE FEE SCHEDULE AMENDMENTS AND REVENUE IMPACT**

<b>Current License Type</b>	<b>Proposed License Type</b>	<b>Current License Fee</b>	<b>Proposed License Fee</b>	<b># of Current Licenses</b>	<b>+/- Annual Revenue</b>
Antique Dealer, Class A	Secondhand Goods, Class A	\$305	<u>\$440</u>	5	\$675
Antique Dealer, Class B	Secondhand Goods, Class B	\$305	<u>\$86</u>	11	(\$2,409)
Antique Mall Dealer, Class A	Secondhand Goods, Class A	\$305	<u>\$440</u>	0	
Antique Mall Dealer, Class B	Secondhand Goods, Class B	\$81	<u>\$86</u>	0	
<del>Antique Mall Dealer, Class A or B,</del> Additional Location		\$22		0	
Antique Mall Operator, Class A	Secondhand Goods, Class A	\$440	\$440	0	
Antique Mall Operator, Class B	Secondhand Goods, Class B	\$440	<u>\$86</u>	11	(\$3,894)
Auction House	Secondhand Goods, Class A	\$125	<u>\$440</u>	0	
Auction House	Secondhand Goods, Class B		<u>\$86</u>	0	
Secondhand Dealer, Class A	Secondhand Goods, Class A	\$305	<u>\$440</u>	33	\$4,455
Secondhand Dealer, Class B	Secondhand Goods, Class B	\$305	<u>\$86</u>	43	(\$9,417)
	<u>Billable Transaction Fee</u>	\$1.50 Per Transaction	<u>\$1.50 Per transaction</u>		
<b>TOTAL CHANGE IN REVENUE:</b>					<b>(\$10,590)</b>

**AN ORDINANCE  
OF THE  
CITY OF MINNEAPOLIS**

**By A. Johnson**

**Amending Title 13, Chapter 321 of the Minneapolis Code of Ordinances relating to Licenses and Business Regulations: Secondhand Dealers.**

The City Council of the City of Minneapolis do ordain as follows:

Section 1. That the title of Article I, Chapter 321 of the Minneapolis Code of Ordinances be amended to read as follows:

**ARTICLE I. - ~~SECONDHAND DEALERS~~ GOODS**

Section 2. That Section 321.10 of the above-entitled ordinance be amended to read as follows:

**321.10. - Definitions.** ~~As used in this article~~ When used in this chapter, the following words shall mean:

Antiques shall mean any used property offered for sale upon the basis, express or implied, that the value of the property, in whole or in substantial part, is derived from its age or its historical association, and exceeds the original value of the item when new.

*Auction house dealer* shall mean any secondhand goods dealer where some, or all, of the secondhand merchandise is offered for sale for the highest bid or offer tendered. If the sale is conducted by means of an auction, the auctioneer must be properly licensed and bonded in accordance with applicable laws.

*Billable transaction* shall mean every reportable transaction conducted by a secondhand goods dealer, regardless of the number of items received in that transaction.

*Business manager* shall mean a person(s) designated by the licensee to operate a business in the licensee's absence. A licensee must designate a manager to operate the licensed business if the licensee does not personally provide on-site supervisory services at the business at least sixty-four (64) hours per month.

*Consignment* shall mean a written agreement between a dealer and a seller that enables the dealer to take temporary possession of secondhand property, owned by the seller, for the purpose of offering it for sale to the public. Agreement shall state the terms under which the seller will be compensated, and the amount of that compensation. All sales must be consummated at a central point or register.

*Dealer* shall mean any natural person, partnership or corporation, either as principal or agent or employee thereof, licensed under this article.

*Precious gems* shall mean any gem that is valued for its character, rarity, beauty or quality, including diamonds, rubies, emeralds, sapphires or pearls, or any other such semi-precious gems or stones, whether as a separate item or in combination as a piece of jewelry or other crafted item.

*Precious metals* shall mean gold, silver, platinum, ~~and sterling silver,~~ silver, and titanium, whether as a separate item or in combination as a piece of jewelry or other crafted item, except items plated with precious metal(s) and the plating equals less than one (1) percent of the items total weight.

*Receive* shall mean to purchase, accept for sale on consignment, broker, or receive in trade for an item of equal or lesser value, any tangible personal property previously owned, used, rented or leased.

*Recordable transaction* shall mean every transaction conducted by a secondhand goods dealer in which merchandise defined in section 321.100 is received, ~~offered for sale,~~ or intended for sale, whether inside or outside the City of Minneapolis.

*Reportable transaction* shall mean every transaction conducted by a secondhand goods dealer, ~~inside the City of Minneapolis,~~ in which merchandise defined in section 321.110(a) is received, ~~and for which a daily report to the police department is required~~ or intended for sale, whether inside or outside the City of Minneapolis.

*Secondhand goods dealer* shall mean any natural person, partnership or corporation, either as principal or agent or employee thereof, whose ~~regular~~ business includes selling or receiving tangible personal properties, excluding motor vehicles, previously owned, used, rented or leased. The term secondhand goods dealer shall include auction house and antique dealers.

Secondhand goods are any items that have been previously owned, used, rented or leased. For the purpose of this section, secondhand goods will also include items that are described as antiques.

*Unique identifier* shall mean a serial number, identification number, model number, owner applied identifier or engraving, "operation ID" number or symbol, or other unique marking.

Section 3. That Section 321.20 of the above-entitled ordinance be amended to read as follows:

**321.20. - License required.** No person shall engage in the business of secondhand ~~dealer~~ goods without a secondhand ~~dealer~~ goods license. No secondhand ~~dealer~~ goods license may be transferred to a different location or a different person. Licenses shall be conspicuously displayed. Issuance of a license under this article shall not relieve the ~~dealer~~ licensee from obtaining any other licenses required to conduct business at the same or any other locations. A secondhand goods dealer licensed under this article shall also obtain a precious metal dealer's license if required to do so under Chapter 322. Persons licensed under Chapter 324 shall not be eligible for a license under this chapter for the same location.

Section 4. That Section 321.30 of the above-entitled ordinance be amended to read as follows:

**321.30. - Exceptions.** The following transactions shall not require a license under this article:

(a) The sale of secondhand or antique goods at events commonly known as "garage sales," "yard sales" or "estate sales" where all of the following are present:

(1) The sale is held on property occupied as a dwelling by the seller or owned, rented or leased by a charitable or political organization.

(2) The occupant owns the items offered for sale and ~~that~~ none of the items offered for sale ~~shall~~ have been purchased for resale or received on consignment for purpose of resale.

(3) The owner of the property conducts the sale and receives all proceeds from the sale.

(4) ~~That no~~ No sale exceeds a period of seventy-two (72) consecutive hours. ~~That no~~ No more than two (2) sales are held in any twelve (12) month period at any residential dwelling.

(b) The sale or receipt of secondhand books, magazines, post cards, postage stamps, or philatelic material.

(c) Goods sold at ~~the~~ a public market pursuant to the provisions of Chapter 201 of the Minneapolis Code of Ordinances.

~~(d) Transactions conducted by an antique dealer licensed under Article II of this chapter.~~

~~(e)~~ d) Goods sold at an exhibition pursuant to Article ~~III~~ of this chapter.

~~(f)~~ e) Transactions conducted by a precious metals dealer licensed under Chapter 322 of the Minneapolis Code of Ordinances, and for which a precious metal dealer's license is required.

~~(g)~~ f) Transactions conducted by a pawnbroker licensed under Chapter 324 of the Minneapolis Code of Ordinances.

~~(h)~~ g) Transactions conducted by a used auto parts dealer licensed under Chapter 348 of the Minneapolis Code of Ordinances.

(h) A business that offers items for consignment as set forth in this chapter at a business that maintains a secondhand goods Class B license.

Section 5. That Section 321.40 of the above-entitled ordinance be amended to read as follows:

**321.40. - License classifications.** (a) Licenses renewed under provisions of this article shall be classified first according to the number of reportable transactions submitted annually to the police department during the twelve (12) month period ending thirty (30) days prior to their renewal date, and then by the type of license. The classifications shall be:

(1) Class A—Dealers that submitted four hundred (400) or more reportable transactions.

(2) Class B—Dealers that submitted fewer than four hundred (400) reportable transactions.

~~(b) All new licenses issued pursuant to this article after July 1, 1998 shall be deemed to be Class A licenses unless:~~

~~(1) Applicant's business plan clearly indicates business will conduct fewer than four hundred (400) reportable transactions in any consecutive twelve (12) month period, or~~

~~(2) If the applicant has any ownership, management or financial interest in any other businesses licensed under Chapters 321, 322 or 324, and the total number of reportable transactions from all businesses licensed pursuant to these chapters, including the current application, is fewer than four hundred (400) in any consecutive twelve (12) month period.~~

~~(e b) All new Class B licenses issued pursuant to this article after July 1, 1998 shall be monitored by the police license inspector and upgraded to shall be required to apply for a Class A license whenever four hundred (400) or more reportable transactions are, or should have been, submitted within any twelve (12) consecutive month period. Licensees shall be subject to all applicable Class A fees and regulations sixty (60) days after being notified in writing of the upgrade, but not sooner than January 1, 1999.~~

Section 6. That Section 321.50 of the above-entitled ordinance be amended to read as follows:

**321.50. - License and billable transaction fees.** (a) The annual license and billable transaction fees for ~~Class A and B Secondhand Dealers and Auction House Dealers~~ licenses issued under this article shall be as established in ~~Appendix J~~, the License Fee Schedule.

~~(b) The billable transaction fee shall be classified according to the medium by which daily reports required by section 321.110 are submitted to the police department. These classifications shall be as follows:~~

~~(1) Modem. Required of all Class A dealers, optional for Class B dealers.~~

~~(2) Manual. Required of all Class B dealers who do not fulfill Class A reporting requirements.~~

~~(e b) The billable transaction license fee shall reflect the cost of processing transactions from the respective classifications and other related regulatory compliance and associated expenses as determined by the city council, and shall be reviewed and adjusted, if necessary, every six (6) months. Dealers Licensees shall be notified in writing thirty (30) days before any adjustment is implemented. The billable transaction fee for modem transactions shall not exceed the billable transaction fee for manual transactions.~~

~~(1) The initial billable transaction fee for modem transaction shall be one dollar fifty cents (\$1.50) per transaction, regardless of the number of items in that transaction.~~

~~(2) The initial billable transaction fee for manual transaction shall be two dollars fifty cents (\$2.50) per transaction, regardless of the number of items in that transaction.~~

~~(d c) Billable transaction fees shall be billed monthly and are due and payable within thirty (30) days. Failure to pay in accordance with these terms is a violation of this article.~~

Section 7. That Section 321.80 of the above-entitled ordinance be amended to read as follows:

**321.80. - Application required.** (a) Contents. Every applicant for a license defined in this article must submit a complete and accurate application on forms provided by the licensing official. All applicants, in addition to a general personal and criminal history, shall be required to submit adequate information to enable a fair determination of their eligibility to hold the license for which they are applying, including:

(1) Whether the applicant holds a current secondhand goods dealer, precious metal dealer, antique dealer or pawnbroker license from this or any other governmental unit.

(2) Whether the applicant has previously been denied, or has had a revoked or suspended, ~~a~~ secondhand goods dealer, precious metal dealer, antique dealer or pawnbroker license from this or any other governmental unit.

(3) The location of the business premises.

(4) The location at which the applicant's business records are maintained.

(5) If the applicant does not own the business premises, a true and complete copy of the executed lease, and the legal description of the premises to be licensed.

(6) Whether all real estate and personal property taxes that are due and payable for the premises to be licensed have been paid, and if not paid, the years and amounts which are unpaid.

~~(7) Whenever the application is for premises either planned or under construction or undergoing substantial alteration, the application must be accompanied by a set of preliminary plans showing the design of the proposed premises to be licensed.~~

~~(8) The applicant's hours of operation, on-site management and parking facilities.~~

~~(9 7)~~ An executed data privacy advisory and consent form authorizing the release of criminal history information.

~~(10 8)~~ Such other information as the city council or issuing authority may require.

(b) New manager. When a ~~dealer~~ licensee places a manager in charge of a business, or if the named manager(s) in charge of a licensed business changes, the ~~dealer~~ licensee must complete and submit the appropriate application, on forms provided by the licensing official, within fourteen (14) days of the change. The application must include all appropriate information required in section 321.80.

(c) Application execution. All applications for a license under this chapter must be signed and sworn to under oath or affirmation by the applicant. If the application is that of a natural person, it must be signed and sworn to by such person; if that of a corporation, by an officer thereof; if that of a partnership, by one (1) of the general partners; and if that of an unincorporated association, by the manager or managing officer thereof.

(d) Investigation. The police license inspector shall investigate into the truthfulness of the statements set forth in the application and shall endorse the findings thereon. The applicant shall furnish to the police license inspector such evidence as the inspector may reasonably require in support of the statements set forth in the application, or in answer to any questions raised by the investigation.

(e) Public hearing. The council member of the ward in which the proposed business would be located may request a public hearing at council, or in the evening hours at a location in the approximate vicinity of the proposed location.

(f) Persons ineligible for a license. No licenses under this chapter will be issued to an applicant who is a natural person, a partnership if such applicant has any general partner or managing partner, a corporation or other organization if such applicant has any manager, proprietor or agent in charge of the business to be licensed, if the applicant:

(1) Is a minor at the time that the application is filed;

(2) Applying for a Class A license ~~Has~~ been convicted of any crime directly related to the occupation licensed as prescribed by Minnesota Statutes, section 364.03, subd. 2, and has not shown competent evidence of sufficient rehabilitation and present fitness to perform the duties of a dealer licensee under this article as prescribed by Minnesota Statutes, section 364.03, subd. 3; ~~or.~~

~~(3) Is not of good moral character or repute.~~

Section 8. That Section 321.90 of the above-entitled ordinance be amended to read as follows:

**321.90. - Bond required.** Before a license will be issued for a Class A secondhand goods dealer, every applicant must submit a five thousand dollar (\$5,000.00) bond on the forms provided by the licensing official. All bonds must be conditioned that the principal will observe all laws in relation to secondhand goods dealers, and will conduct business in conformity thereto, and that the principal will account for and deliver to any person legally entitled, any goods which have come into the principal's hand through the principal's business as a secondhand goods dealer, or in lieu thereof, will pay the reasonable value in money to the person. The bond shall contain a provision that no bond may be canceled except upon thirty (30) days' written notice to the city, which shall be served upon the licensing official.

Section 9. That Section 321.100 of the above-entitled ordinance be amended to read as follows:

**321.100. - Records required.** (a) *Exempt transactions.* The following items, when received by a dealer licensee, are exempt from recording and reporting requirements in this article, regardless of the purchase price paid by the dealer licensee, asking price if consigned or brokered, or value attributed to it if accepted in trade:

(1) The receipt of new or used merchandise from an owner, merchant, manufacturer or wholesaler having an established permanent place of business, and the retail sale or transactions as defined in section 321.30 of said merchandise, ~~provided the secondhand dealer must maintain a record of all such transactions which describes each item, and must identify such items in a manner which relates them to that transaction record. Any identification code used by the dealer must be provided to the police license inspector or the inspector's designee(s) upon request.~~

(2) The sale or receipt of used merchandise donated to recognized non-profit organizations and for which no compensation is paid.

(3) The sale or receipt of large secondhand household kitchen and laundry appliances such as ranges, refrigerators, washers or dryers.

(4) The sale or receipt of secondhand furniture, excluding audio, video and other electronic devices.

(5) The sale or receipt of secondhand cookware, glassware and eating utensils that do not contain precious metals.

(6) The sale or receipt of secondhand clothing and shoes.

(7) The sale or receipt of secondhand infant's, toddler's or children's clothing, appliances, furniture, or safety devices.

(b) *Recordable transactions.* Every ~~dealer~~ licensee, at the time of receipt of any item ~~which has a unique identifier, or is or contains precious metals or gems, regardless of the purchase price, asking price if consigned or brokered, or value attributed to it if accepted in trade, listed in section 321.110(a),~~ or any other item for which the ~~dealer~~ licensee paid ~~fifteen~~ twenty-five dollars (~~\$15.00~~ \$25.00) or more, by check or other consideration, ~~or which the dealer intends to offer for sale, or broker, for thirty dollars (\$30.00) or more,~~ and which is not exempted in section 321.100(a), shall immediately and legibly record, using the English language, in ink or other indelible medium in a book, ~~on forms,~~ or into the APX Bix data capture software or other a computerized record system approved by the police license inspector, the following information:

(1) A complete and accurate description of each item including, but not limited to, any trademark, identification number, serial number, model number, brand name, or other identifying mark on such an item.

(2) The purchase price, asking price if consigned, or value attributed to item if accepted in trade, for each item received.

(3) Date and time the ~~dealer~~ licensee received the item of property.

(4) Full name, residence address, residence telephone number, date of birth, and accurate description of the person from whom the item of property was received, including: sex, height, weight, race, color of eyes and color of hair.

(5) The identification number and state of issue from any of the following forms of identification presented by the seller:

a. Current valid Minnesota driver's license.

b. Current valid Minnesota identification card.

c. Current valid photo driver's license or photo identification card issued by another state or province of Canada.

d. Current valid tribal identification card issued by the Minnesota or Wisconsin tribal government of a tribe recognized by the Bureau of Indian Affairs, United States, Department of the Interior, that contains security features as outlined in MN SS 171.027 © and is listed in the current version of the APS interchange file specifications.

(6) The signature of the person identified in the transaction.

(7) Class A ~~dealers~~ licensees only. In addition to requirements of section 321.100(b)(1) through (6), effective sixty (60) days from the date of notification by the police license inspector of acceptable video standards, ~~but no sooner than January 1, 1999~~, all Class A ~~dealers~~ licensees must take a color digital photograph or color video recording of:

a. ~~Each customer person, from whom the item of property was received,~~ involved in a reportable transaction as defined in section 321.110(a).

b. ~~Every item received which does not have a unique identifier, and which is, or contains, precious metal(s) or precious gem(s).~~

(8) ~~If a photograph is taken, it must be done in a format that will produce a picture at least two (2) inches in length by two (2) inches in width and must be maintained in such a manner that the photograph, if the film is developed, or frame, if the film is exposed but not developed, can be readily matched and correlated with all other records of the transaction to which it relates. Such photographs, or the undeveloped film containing them, must be available to the chief of police or the chief's designee upon request. The major portion of the photograph must include an identifiable front facial close-up of the person who sold, consigned or traded the item. Items photographed must be accurately depicted.~~

~~If a video photograph is taken, the video camera must record the person selling, consigning or trading the item so as to include an identifiable close-up of that person's face. Items photographed by video must be accurately depicted. Video photographs must be electronically referenced by time and date so they can be readily matched and correlated with all other records of the transaction to which they relate. The dealer must inform the person that they are being photographed or videotaped by displaying a sign of sufficient size in a conspicuous place on the premises. The dealer must keep the photographs or exposed videotape or film for ninety (90) days.~~

*Digital photographs.* Effective sixty (60) days from the date of notification by the police license representative, Class A licensees must fulfill the color photograph requirements in section 321.100(b)(7) by submitting them as digital images, in the format specified in the current image file requirement section of the current version of the APS interchange file specifications.

The major portion of the digital image photograph of the customer must include a clear identifiable front facial close up of the customer. Photographs of the items must show a clear close up of the item accurately depicting any unique and identifiable features and markings. The digital images of the person and items must be uploaded daily along with their referenced and corresponding transaction records in accordance with the APS interchange file specifications. Notwithstanding the digital images may be captured from required video recordings, this provision does not alter or amend the requirements in section 321.100(b)(9). Items photographed must be accurately depicted and show all identifying or unique features and markings. The Class A licensee must orally inform the person that he or she is being photographed and by displaying a sign of sufficient size in a conspicuous place in the premises indicating the same.

(9) ~~*Digitized photographs.* Effective sixty (60) days from the date of notification by the police license inspector, but no sooner than July 1, 1999, Class A dealers must fulfill the color photograph requirements in section 321.100(b)(7) by submitting them as digital images, in a format specified by the~~

~~issuing authority, and electronically cross referenced to the reportable transaction they are associated with. Notwithstanding the digital images may be captured from required video recordings, this provision does not alter or amend the requirements in section 321.100(b)(7). Video recordings. The video photograph taken must zoom in on the person selling the item so as to include an identifiable close up of that person's face. Items photographed by video must be accurately depicted. Video photographs must be electronically referenced by time and date so they can be readily matched and correlated with all other records of the transaction to which they relate. The Class A licensee must orally inform the person that he or she is being videotaped and display a sign of sufficient size in a conspicuous place on the premises indicating the same. The Class A licensee must keep the exposed videotape for ninety (90) days in a safe and secure manner so as not to denigrate the conditions and quality of the images. Such video must be available to the chief of police or the chief's designee, upon request.~~

This provision does not alter or amend the requirements in section 321.100(b)7.

(10) *Inspection of records.* The records must at all reasonable times be open to inspection by the police department or licensing official. Records of all transactions shall be retained for at least three (3) years from the date of transaction. Entries of digital images, when implemented, shall be retained a minimum of ninety (90) days.

Section 10. That Section 321.110 of the above-entitled ordinance be amended to read as follows:

**321.110. - Daily reports to police.** (a) Reportable transactions. Except for items received through consignment, or for which payment in full is made with a credit or voucher redeemable for merchandise from the ~~dealer licensee~~, every ~~dealer~~ Class A licensee shall report daily, to the police department, any ~~reportable~~ transaction in which one (1) or more of the following items is received, regardless of the purchase price, asking price if consigned or brokered, or value attributed to it if accepted in trade:

- (1) Any item with a unique identifier, serial number, owner applied number or other identifier.
- (2) Items containing precious metals.
- (3) Items containing precious or semi-precious gems.
- (4) Firearms.
- (5) Any of the following items: ~~for which the dealer paid twenty five dollars (\$25.00) or more, in cash or other consideration, or which the dealer intends to offer for sale, or broker, for fifty dollars (\$50.00) or more.~~
  - a. Electronic audio equipment.
  - b. Electronic video equipment.
  - c. Musical instruments and accessories.
  - d. Photographic and optical equipment, scopes, night vision equipment, and security cameras.
  - e. Electronic ~~office equipment~~ game player units.

f. ~~Computers, monitors, printers, scanners, and computer hardware, global positioning systems (GPS), cameras, lenses, electronic multi-media devices, electronic readers, iPads, and wrist monitor computers, etc.~~

g. ~~Cellular telephones, and pagers, and voice recorders.~~

h. ~~Outboard motors, inboard drives, motors, and powered golf carts.~~

i. ~~Electric and gas powered yard or garden equipment and tools.~~

j. ~~Electric, pneumatic or hydraulic powered construction or mechanic's equipment or tools.~~

~~(6) Sporting equipment limited to bicycles, golf clubs, snow boards, skis, ski boots, snowboards, and hockey goalie pads, regardless of the purchase price, asking price if consigned or brokered, or value attributed to them if accepted in trade, or any other item for which the secondhand dealer paid one hundred dollars (\$100.00) or more, in cash or other consideration, or which the secondhand dealer intends to offer for sale, or broker, for two hundred dollars (\$200.00) or more skates and equipment.~~

~~(7) Architectural elements, lighting fixtures or lamps that are, or contain, stained, etched, leaded, beveled or art glass, limited to those which the secondhand dealer licensee paid one hundred fifty dollars (\$150.00) or more, in cash or other consideration, or which the secondhand dealer licensee intends to offer for sale, or broker, for three hundred dollars (\$300.00) or more.~~

~~(8) Artist signed or artist attributed works of art, other than architectural elements, lighting fixtures or lamps, limited to those for which the secondhand dealer licensee paid two hundred fifty dollars (\$250.00) or more, in cash or other consideration, or which the secondhand dealer licensee intends to offer for sale, or broker, for five hundred dollars (\$500.00) or more.~~

~~(b) Method. Dealers Class A licensees must provide all the required reportable transaction data to the police department with the information required in section 321.100(b)(1) through (6), in writing, on forms approved by the police license inspector, by inputting the data into the APS Biz data capture software or via an electronic upload to APS from the PDS system in accordance with the current version of the APS interchange files specifications, or in another manner, if approved by the police license inspector. Class B licensees must make reportable transactions available to the police license inspector as required by section 321.100(b)(10) for all reportable transactions. The dealer Class A licensee must display a sign of sufficient size, and in a conspicuous place in on the premises, so as to inform all patrons that transactions are reported to the police department daily. Effective sixty (60) days from the date the police license inspector provides dealers with computerized record standards, but no sooner than January 1, 1999, dealers must submit every reportable transaction to the police department daily in the following manner:~~

~~(1) Class A dealers must, and Class B dealers may, provide to the police department the information required in section 321.100(1) through (5), for all reportable transactions, by transferring it from their computer to the police department via modem. All required records must be transmitted completely and accurately after the close of business each day in accordance with standards and procedures established by the issuing authority using a dial callback protocol or other procedures that address security concerns of the dealers and the issuing authority.~~

~~(2) Class B dealers who do not fulfill requirements of section 321.110(b)(1) must provide to the police department the information required in section 321.100(b)(1) through (6), in writing, on forms approved by the police department, by 12:00 noon the first business day following the date of the transaction.~~

~~(c) Billable transaction fees. Dealers, regardless of class, Licensees will be charged for billable transactions at the current rate for the medium by which they were reported to the police department except: listed in the License Fee Schedule. If a licensee is unable to successfully upload the required reports due to computer, ISP, or software problems, the licensee must provide the police department with copies of all reportable transactions for that date by 12:00 noon the next business day.~~

~~(1) If a Class A dealer, or a Class B dealer who has consistently reported via modem, is unable to successfully transfer the required reports by modem, the dealer must provide the police department printed copies of all reportable transactions for that date by 12:00 noon the next business day, and must be charged at the modem rate for billable transactions;~~

~~(2) If the problem is determined to be in the dealer's system and is not corrected by the close of the first business day following the failure, the dealer must provide the required reports as detailed in section 321.110(c)(1), and must be charged at the modem rate for transactions through the close of the first business day following the failure, and at the manual rate for all subsequent billable transactions, until the error is corrected; or~~

~~(3) If the problem is determined to be outside the dealer's system, the dealer must provide the required reports as detailed in section 321.110(c)(1), and will be billed at the modem rate for billable transactions until the error is corrected.~~

~~(4) If a Class A dealer, or a Class B dealer who has consistently reported via modem, is unable to capture, digitize or transmit the photographs required in section 321.100(7) and (8), when implemented, the dealer shall immediately take all required photographs with a still camera, develop the pictures, cross-reference the photographs to the related transaction, and deliver them to the police department by twelve (12) o'clock noon the next business day. Billable transactions will be charged at the modem rate for transactions through the close of the first business day following the failure, and at the manual rate for all subsequent billable transactions, until the error is corrected.~~

~~(5) Section 321.110(c)(1) through (5) notwithstanding, the police license inspector may, upon presentation of extenuating circumstances, extend the period that a qualifying dealer is billed at the modem rate for billable transactions.~~

Section 11. That Section 321.120 of the above-entitled ordinance be amended to read as follows:

**321.120. - Receipt required.** Every dealer licensee must provide a receipt, upon request, to any person from whom they received goods for which a record was required in section 321.100, and must maintain a duplicate of that receipt for three (3) years. The receipt must include sufficient information to enable the police license inspector or the inspector's designee(s) to identify the transaction, and every item related to it, in the dealer's licensee's records.

Section 12. That Section 321.130 of the above-entitled ordinance be amended to read as follows:

**321.130. - Payment by check or credit card only.** When a ~~dealer licensee~~ buys or otherwise receives an item, payment shall be made by check or credit card only. Checks shall be made payable to a named payee who is the actual and identified seller.

Section 13. That Section 321.140 of the above-entitled ordinance be amended to read as follows:

**321.140. - Holding period.** Any item received by a ~~dealer licensee~~, for which a report to the police is required in section 321.110, shall not be sold or otherwise transferred for thirty (30) days after the date the police receive such report except as provided in section 321.200. Items may not be altered, modified or changed in anyway during the holding period. Items cannot be removed from the business to another physical location during the holding period except to an approved off-site storage facility as stated in section 321.200.

Section 14. That Section 321.150 of the above-entitled ordinance be amended to read as follows:

**321.150. - Police order to hold property.** (a) *Investigative hold.* Whenever a law enforcement official from any agency notifies a ~~dealer licensee~~ ~~not~~ to not sell an item, the item must not be sold or removed from the premises. The investigative hold shall be confirmed in writing by the originating agency within seventy-two (72) hours and will remain in effect for fifteen (15) days from the date of initial notification, or until the investigative order is canceled, or until an order to hold/confiscate is issued, pursuant to section 321.150(b), whichever comes first.

(b) *Order to hold.* Whenever the chief of police or the chief's designee notifies a ~~dealer not licensee~~ to not sell an item, the item must not be sold or removed from the licensed premises until authorized to be released by the chief of police or the chief's designee. The order to hold shall expire ninety (90) days from the date it is placed unless the chief of police or the chief's designee determines the hold is still necessary and notifies the ~~dealer licensee~~ in writing.

(c) *Order to confiscate.* If an item is identified as stolen or evidence in a criminal case, the chief of police or the chief's designee may:

- (1) Physically confiscate and remove it from the shop, pursuant to a written order from the chief of police or the chief's designee, or
- (2) Place the item on hold or extend the hold as provided in section 321.150(b), and leave it in the shop.

When an item is confiscated, the person doing so shall provide identification upon request of the ~~dealer licensee~~, and shall provide the ~~dealer licensee~~ the name and phone number of the confiscating agency and investigator, and the case number related to the confiscation. When an order to hold/confiscate is no longer necessary, the chief of police or the chief's designee shall so notify the ~~dealer licensee~~.

Section 15. That Section 321.170 of the above-entitled ordinance be amended to read as follows:

**321.170. - Label required.** ~~Dealers Licensees~~ must attach a label to every item, for which a report to the police department is required in section 321.110, at the time it is received in inventory. Permanently recorded on this label must be the number or name that identifies the transaction in

the ~~dealer's~~ licensee's records, the name of the item, and the date the item can be sold. Labels shall not be re-used.

Section 16. That Section 321.180 of the above-entitled ordinance be amended to read as follows:

**321.180. - Prohibited acts.** The following acts are prohibited under this article:

(a) No person under the age of eighteen (18) years may sell or consign, or attempt to sell or consign, any reportable goods listed in section 321.160 with any dealer licensee, nor may any ~~dealer~~ licensee receive any goods from a person under the age of eighteen (18) years.

(b) No ~~dealer~~ licensee may receive any goods from a person of unsound mind or an intoxicated person.

(c) No ~~dealer~~ licensee may receive any goods for which compensation has been received unless the seller presents one of the following forms of identification:

(1) Current valid Minnesota driver's license.

(2) Current valid Minnesota identification card.

(3) Current valid photo driver's license or photo identification card issued by another state or province of Canada.

(4) Current valid tribal identification card issued by a Minnesota or Wisconsin tribal government of the tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains security features as outlined in MN SS 171.027(c) and that is listed in the current version of the APS interchange file specifications.

(d) No ~~dealer~~ licensee may receive any item of property that possesses an altered or obliterated serial number or "operation identification" number, or any item of property that has had its serial number removed.

Section 17. That Section 321.190 of the above-entitled ordinance be amended to read as follows:

**321.190. - Denial, suspension or revocation.** Any license under this article may be denied, suspended or revoked for one or more of the following reasons:

(a) The proposed use does not comply with the Minneapolis Zoning Code.

(b) The proposed use does not comply with any health, building, building maintenance or other provisions of this Code of Ordinances or state law.

(c) The applicant or ~~dealer~~ licensee has failed to comply with one or more provisions of this chapter.

~~(d) The applicant is not a citizen of the United States or a resident alien, or upon whom it is impractical or impossible to conduct a background or financial investigation due to the unavailability of information.~~

(e d) Fraud, misrepresentation, or bribery in securing or renewing a license.

(f e) Fraud, misrepresentation or false statements made in the application and investigation for, or in the course of, the applicant's business.

(g f) Business practices, or conduct, deemed by the issuing authority to be contrary to the best interests, or safety, of the public.

(h g) Violation within the preceding five (5) years, of any law relating to theft, damage or trespass to property, sale of a controlled substance, or the operation of a business.

(i h) The owner of the premises licensed or to be licensed would not qualify for a license under the terms of this article.

Section 18. That Section 321.200 of the above-entitled ordinance be amended to read as follows:

**321.200. - Off-site storage.** Upon written request, the police license inspector may approve an off-site locked and secured storage facility. The ~~dealer~~ licensee shall permit inspection of the facility in accordance with section 321.160. All provisions of this article regarding record keeping and reporting apply to the facility and its contents. Property shall be stored in compliance with all provisions of the city code. The ~~dealer~~ licensee must either own the building in which the business is conducted, and any approved off-site storage facility, or have a lease on the business premises.

Section 19. That Article II, Chapter 321 of the Minneapolis Code of Ordinances be and is hereby repealed.

## ARTICLE II. - ANTIQUE DEALERS

~~**321.220. - Definitions.** When used in this article:~~

~~Antique shall mean any used property offered for sale upon the basis, express or implied, that the value of the property, in whole or in substantial part, is derived from its age or its historical association and exceeds the original value of the item when new.~~

~~Antique dealer shall mean any natural person, partnership or corporation, either as principal or agent or employee thereof, whose regular business includes selling or receiving goods previously owned, used, rented or leased, and where at least ninety (90) percent, measured according to value, of the used goods on hand at all times, consists of antiques, offered for sale upon the basis, express or implied, that the value of the property, in whole or in substantial part, is derived from its age or its historical association and exceeds the original value of the item when new. For purposes of this article, antique dealer shall include antique mall operator and antique mall dealer unless otherwise delineated.~~

~~Antique mall dealer shall mean an antique dealer who leases space from, or conducts business at, a location licensed by an antique mall operator.~~

~~Antique mall operator shall mean any natural person, partnership or corporation, either as principal, or agent thereof, who operates a business at which one (1) or more antique mall dealers are engaged in business by maintaining separate sales space and identifying themselves to the public as individual antique dealers, and where all of the following requirements are met:~~

~~(a) The business has a single name and address.~~

~~(b) The business operates in a compact and contiguous space.~~

~~(c) The business is under the unified control and supervision of one (1) person, partnership, firm or corporation, which shall hold the antique mall operator license.~~

~~(d) All sales are consummated at a central point or register operated by the antique mall operator and the antique mall operator maintains a comprehensive account of all sales.~~

~~(e) Each antique mall dealer operating at the antique mall operator's location is properly licensed and complies with all applicable requirements of this article.~~

~~(f) The antique mall operator maintains a complete and accurate file of the current and valid licenses issued to each of the antique mall dealers conducting business at that location.~~

~~(g) Individuals, partnerships or corporations that are a part of the business entity licensed as the antique mall operator, and who maintain separate sales space, or identify themselves to the public as an individual antique dealer at that location, are also individually licensed as antique mall dealers.~~

~~Billable transaction shall mean every reportable transaction conducted by an antique dealer, regardless of the number of items received in that transaction.~~

~~Business manager shall mean a person(s) designated by the licensee to operate a business in the licensee's absence. A licensee, other than an antique mall dealer, must designate a manager to operate the licensed business if the licensee does not personally provide on-site supervisory services at the business at least sixty four (64) hours per month.~~

~~Consignment shall mean a written agreement between a dealer and a seller that enables the dealer to take temporary possession of secondhand property, owned by the seller, for the purpose of offering it for sale to the public. Agreement shall state the terms under which the seller will be compensated, and the amount of that compensation.~~

~~Dealer shall mean any natural person, partnership or corporation, either as principal or agent or employee thereof, licensed under this article.~~

~~Precious gems shall mean any gem that is valued for its character, rarity, beauty or quality, including diamonds, rubies, emeralds, sapphires or pearls, or any other such precious gems or stones, whether as a separate item or in combination as a piece of jewelry or other crafted item.~~

~~Precious metals shall mean gold, silver, platinum, and sterling silver, whether as a separate item or in combination as a piece of jewelry or other crafted item, except items plated with precious metal(s) and the plating equals less than one (1) percent of the items total weight.~~

~~Receive shall mean to purchase, accept for sale on consignment, broker, or receive in trade for an item of equal or lesser value, any tangible personal property previously owned, used, rented or leased.~~

~~Recordable transaction shall mean every transaction conducted by a secondhand dealer in which merchandise defined in section 321.310 is received, offered for sale, or intended for sale, whether inside or outside the City of Minneapolis.~~

~~Reportable transaction shall mean every transaction conducted by an antique dealer, inside the City of Minneapolis, in which merchandise defined in section 321.320(a) is received, and for which a daily report to the police department is required.~~

~~Unique identifier shall mean a serial number, identification number, model number, owner applied identifier or engraving, "operation ID" number or symbol, or other unique marking.~~

~~**321.230. — License required.** (a) No person shall engage in the business of antique dealer without a license. No license may be transferred to a different location or a different person. Licenses shall be conspicuously displayed. Issuance of a license under this article shall not relieve the dealer from obtaining any other licenses required to conduct business at the same or any other locations. A dealer licensed under this article shall also obtain a precious metal dealer's license if required to do so under Chapter 322. Persons licensed under Chapter 324 shall not be eligible for a license under this chapter for the same location.~~

~~(b) Chapter 321.230(a) notwithstanding, antique dealers may receive reportable property at a private residence or other private location, providing they fulfill all applicable requirements in this article.~~

~~**321.240. — Exceptions.** The following transactions shall not require a license under this article:~~

~~(a) The sale of reportable goods at events commonly known as "garage sales," "yard sales" or "estate sales" where all of the following are present:~~

~~(1) The sale is held on property occupied as a dwelling by the seller or owned, rented or leased by a charitable or political organization.~~

~~(2) The occupant owns the items offered for sale and that none of the items offered for sale shall have been purchased for resale or received on consignment for purpose of resale.~~

~~(3) The owner of the property conducts the sale and receives all proceeds from the sale.~~

~~(4) That no sale exceeds a period of seventy two (72) consecutive hours. That no more than two (2) sales are held in any twelve-month period at any residential dwelling.~~

~~(b) The sale or receipt of secondhand books, magazines, post cards, postage stamps, or philatelic material.~~

~~(c) Transactions conducted by a secondhand goods dealer pursuant to Article I of this chapter.~~

~~(d) Goods sold at an exhibition pursuant to Article III of this chapter.~~

~~(e) Goods sold at the public market pursuant to the provisions of Chapter 201 of the Minneapolis Code of Ordinances.~~

~~(f) Transactions conducted by a precious metals dealer licensed under Chapter 322 of the Minneapolis Code of Ordinances, and for which a precious metal dealer's license is required.~~

~~(g) Transactions conducted by a pawnbroker licensed under Chapter 324 of the Minneapolis Code of Ordinances.~~

~~(h) Transactions conducted by a used auto part dealer licensed under Chapter 348 of the Minneapolis Code of Ordinances.~~

**321.250. — License classifications.** ~~(a) Licenses renewed under provisions of this article shall be classified first according to the number of transactions submitted annually to the police department during the twelve (12) month period ending thirty (30) days prior to their renewal date, and then by the type of license. The classifications shall be:~~

~~(1) Class A—Licensees that submitted four hundred (400) or more transactions.~~

~~(2) Class B—Licensees that submitted fewer than four hundred (400) transactions.~~

~~(b) All new licenses issued pursuant to this article after July 1, 1998 shall be deemed to be Class A licenses unless:~~

~~(1) Applicant's business plan clearly indicates business will conduct fewer than four hundred (400) reportable transactions in any consecutive twelve (12) month period, or~~

~~(2) If the applicant has any ownership, management or financial interest in any other businesses licensed under Chapters 321, 322 or 324, and the total number of reportable transactions from all businesses licensed pursuant to these chapters, including those projected from the new business, is fewer than four hundred (400) in the consecutive twelve (12) month period ending thirty (30) days prior to the date of the new application.~~

~~All new Class B licenses issued pursuant to this article after July 1, 1998 shall be monitored by the police license inspector and upgraded to a Class A license whenever four hundred (400) or more reportable transactions are, or should have been, submitted within any consecutive twelve (12) month period. Licensees shall be subject to all applicable Class A fees and regulations sixty (60) days after being notified in writing of the upgrade, but not sooner than January 1, 1999.~~

**321.260. — License fees.** ~~(a) The annual license fees for licenses issued under this article shall be as established in Appendix J, License Fee Schedule.~~

~~(b) The billable transaction fee shall be classified according to the medium by which daily reports required by section 321.320 are submitted to the police department. These classifications shall be as follows:~~

~~(1) Modem. Required of all Class A dealers, optional for Class B dealers.~~

~~(2) Manual. Required of all Class B dealers who do not fulfill Class A reporting requirements.~~

~~(c) The billable transaction fee shall reflect the cost of processing transactions from the respective classifications and other related regulatory expenses as determined by the city council, and shall be reviewed and adjusted, if necessary, every six (6) months. Licensees shall be notified in writing thirty (30) days before any adjustment is implemented. The billable transaction fee for modem transactions shall not exceed the billable transaction fee for manual transactions.~~

~~(1) The initial billable transaction fee for modem transaction shall be one dollar fifty cents (\$1.50) per transaction, regardless of the number of items in that transaction.~~

~~(2) The initial billable transaction fee for manual transaction shall be two dollars fifty cents (\$2.50) per transaction, regardless of the number of items in that transaction.~~

~~(d) Billable transaction fees shall be billed monthly and are due and payable within thirty (30) days. Failure to pay in accordance with these terms is a violation of this article.~~

~~**321.270. — Investigation fee.** An applicant for a new license under this article, or for the renewal of an existing license that is more than six (6) months past due, or for a new manager as specified in section 321.90, subd. (b), shall reimburse the city for any extraordinary costs or investigative expenses involved in verifying the license application or assuring compliance with this ordinance. When the police license inspector or the inspector's designee determine an application may require extraordinary investigative expenses, the applicant will be notified and given the opportunity to withdraw the application. If the investigation process is conducted solely within the State of Minnesota, the fee shall not exceed five hundred dollars (\$500.00). If the investigation is conducted outside the State of Minnesota, the issuing authority may recover the actual investigation costs not exceeding ten thousand dollars (\$10,000.00).~~

~~**321.280. — When licenses expire.** Licenses issued under this article shall expire on July first of each year.~~

~~**321.290. — Application required.** (a) Contents. Every applicant for a license defined in this article must submit a complete and accurate application on forms provided by the licensing official. All applicants, in addition to a general personal and criminal history, shall be required to submit adequate information to enable a fair determination of their eligibility to hold the license for which they are applying, including all of the following which are reasonably applicable:~~

~~(1) Whether the applicant holds a current secondhand dealer, precious metal dealer, antique dealer or pawnbroker license from this or any other governmental unit.~~

~~(2) Whether the applicant has previously been denied, or had revoked or suspended, a secondhand dealer, precious metal dealer, antique dealer or pawnbroker license from this or any other governmental unit.~~

~~(3) The location of the business premises.~~

~~(4) The location at which the applicant's business records are maintained.~~

~~(5) If the applicant does not own the business premises, a true and complete copy of the executed lease, and the legal description of the premises to be licensed.~~

~~(6) Whether all real estate and personal property taxes that are due and payable for the premises to be licensed have been paid, and if not paid, the years and amounts which are unpaid.~~

~~(7) Whenever the application is for premises either planned or under construction or undergoing substantial alteration, the application must be accompanied by a set of preliminary plans showing the design of the proposed premises to be licensed.~~

~~(8) The applicant's business plan including, at a minimum, hours of operation, on-site management and parking facilities.~~

~~(9) An executed data privacy advisory and consent form authorizing the release of criminal history information.~~

~~(10) Such other information as the city council or issuing authority may require.~~

~~(b) New manager. When a dealer places a manager in charge of a business, or if the named manager(s) in charge of a licensed business changes, the dealer must complete and submit the appropriate application, on forms provided by the licensing official, within fourteen (14) days of the change. The application must include all appropriate information required in section 321.290.~~

~~(c) Application execution. All applications for a license under this chapter must be signed and sworn to under oath or affirmation by the applicant. If the application is that of a natural person, it must be signed and sworn to by such person; if that of a corporation, by an officer thereof; if that of a partnership, by one (1) of the general partners; and if that of an unincorporated association, by the manager or managing officer thereof.~~

~~(d) Investigation. The police license inspector shall investigate into the truthfulness of the statements set forth in the application and shall endorse the findings thereon. The applicant shall furnish to the police license inspector such evidence as the inspector may reasonably require in support of the statements set forth in the application, or in answer to any questions raised by the investigation.~~

~~(e) Public hearing. The council member of the ward in which the proposed business would be located may request a public hearing at council, or in the evening hours at a location in the approximate vicinity of the proposed location.~~

~~(f) Persons ineligible for a license. No licenses under this chapter will be issued to an applicant who is a natural person, a partnership if such applicant has any general partner or managing partner, a corporation or other organization if such applicant has any manager, proprietor or agent in charge of the business to be licensed, if the applicant:~~

~~(1) Is a minor at the time that the application is filed;~~

~~(2) Has been convicted of any crime directly related to the occupation licensed as prescribed by Minnesota Statutes, section 364.03, subd. 2, and has not shown competent evidence of sufficient rehabilitation and present fitness to perform the duties of a dealer under this article as prescribed by Minnesota Statutes, section 364.03, subd. 3; or~~

~~(3) Is not of good moral character or repute.~~

~~**321.300. — Bond required.** (a) Antique dealers. Before a license will be issued for an antique dealer, every applicant must submit a five thousand dollar (\$5,000.00) bond on the forms provided by the licensing official. All bonds must be conditioned that the principal will observe all laws in relation to dealers, and will conduct business in conformity thereto, and that the principal will account for and deliver to any person legally entitled, any goods which have come into the principal's hand through the principal's business as a dealer, or in lieu thereof, will pay the reasonable value in money to the person. The bond shall contain a provision that no bond may be canceled except upon thirty (30) days' written notice to the city, which shall be served upon the licensing official.~~

~~(b) Antique mall operators. Before a license will be issued for an antique mall operator, every applicant must submit a ten thousand dollar (\$10,000.00) antique mall operator bond on forms provided by the licensing official. All antique mall operator bonds must be conditioned that the operator, and all mall antique dealers licensed to conduct business at the operator's location, will observe all laws in relation to dealers, will conduct business in conformity thereto, and that the operator will account for and deliver to any person legally entitled, any goods which have come into the hands of the operator, or the hands of any of its antique mall dealers, through their business as a dealer, or in lieu thereof, will pay the reasonable value in money to the person. The bond shall contain a provision that no bond may be canceled except upon thirty (30) days' written notice to the city, which shall be served upon the licensing official.~~

~~(c) Antique mall dealers. Before a license will be issued for an antique mall dealer, the licensing official must have in its possession a valid antique mall operator bond issued to the licensed antique mall operator at the location for which the applicant is applying.~~

~~**321.310. — Records required.** (a) Exempt transactions. The following item(s), when received by a dealer, are exempt from recording and reporting requirements in this article, regardless of the purchase price paid by the dealer, asking price if consigned or brokered, or value attributed to it if accepted in trade:~~

~~(1) The receipt of new or used merchandise from a merchant, manufacturer or wholesaler having an established permanent place of business, and the retail sale of said merchandise, provided the secondhand dealer must maintain a record of all such transactions which describes each item, and must identify such items in a manner which relates them to that transaction record. Any identification code used by the dealer must be provided to the police license inspector or the inspector's designee(s) upon request.~~

~~(2) The sale or receipt of used merchandise donated to recognized non-profit organizations and for which no compensation is paid.~~

~~(3) The sale or receipt of secondhand clothing and shoes.~~

~~(b) Recordable transactions. Every dealer, at the time of receipt of any item which the dealer was required to pay for by check, and which has a unique identifier, or is or contains precious metals or gems, regardless of the purchase price, asking price if consigned or brokered, or value attributed to it if accepted in trade, or any other item for which the dealer paid fifteen dollars (\$15.00) or more, by check or other consideration, or which the dealer intends to offer for sale, or broker, for thirty dollars (\$30.00) or more, and which is not exempted in section 321.310(a), shall immediately and legibly record, using~~

the English language, in ink or other indelible medium in a book, on forms, or in a computerized record approved by the police license inspector, the following information:

~~(1) A complete and accurate description of each item including, but not limited to, any trademark, identification number, serial number, model number, brand name, or other identifying mark on such an item.~~

~~(2) The purchase price, asking price if consigned, or value attributed to item if accepted in trade, for each item received.~~

~~(3) Date and time the dealer received the item.~~

~~(4) Full name, residence address, residence telephone number, date of birth, and accurate description of the person from whom the item of property was received, including: sex, height, weight, race, color of eyes and color of hair.~~

~~(5) The identification number and state of issue from any of the following forms of identification presented by the seller:~~

~~a. Current valid Minnesota driver's license.~~

~~b. Current valid Minnesota identification card.~~

~~c. Current valid photo driver's license or photo identification card issued by another state or province of Canada.~~

~~(6) The signature of the person identified in the transaction.~~

~~(7) Class A dealers only. In addition to requirements of section 321.310(b)(1) through (6), effective sixty (60) days from the date of notification by the police license inspector of acceptable video standards, but no soon than January 1, 1999, all class A dealers must take a color photograph or color video recording of:~~

~~a. Each customer involved in a reportable transaction as defined in section 321.320(a).~~

~~b. Every item received that does not have a unique identifier, and which is, or contains, precious metal(s), precious gem(s) or precious stone(s).~~

~~(8) If a photograph is taken, it must be done in a format that will produce a picture at least two (2) inches in length by two (2) inches in width and must be maintained in such a manner that the photograph, if the film is developed, or frame, if the film is exposed but not developed, can be readily matched and correlated with all other records of the transaction to which it relates. Such photographs, or the undeveloped film containing them, must be available to the chief of police or the chief's designee upon request. The major portion of the photograph must include an identifiable front facial close-up of the person who sold, consigned or traded the item. Items photographed must be accurately depicted.~~

~~If a video photograph is taken, the video camera record the person selling, consigning or trading the item so as to include an identifiable close-up of that person's face. Items photographed by video must~~

be accurately depicted. Video photographs must be electronically referenced by time and date so they can be readily matched and correlated with all other records of the transaction to which they relate. The dealer must inform the person that they are being photographed or videotaped by displaying a sign of sufficient size in a conspicuous place on the premises. The dealer must keep the photographs or exposed videotape or film for ninety (90) days.

~~(9) Digitized photographs. Effective sixty (60) days from the date of notification by the police license inspector, but not sooner than July 1, 1999, Class A dealers must fulfill the color photograph requirements in section 321.310(b)(7) by submitting them as digital images, in a format specified by the issuing authority, and electronically cross referenced to the reportable transaction they are associated with. Notwithstanding the digital images may be captured from required video recordings, this provision does not alter or amend the requirements in section 321.310(b)(7).~~

~~(10) Inspection of records. The records must at all reasonable times be open to inspection by the police department or licensing official. Records of all transactions shall be retained for at least three (3) years from the date of transaction. Entries of required digital images, when implemented, shall be retained a minimum of ninety (90) days.~~

~~**321.320. Daily reports to police.** (a) Reportable transactions. Except for items received through consignment, or for which payment in full was made with a credit or voucher redeemable for merchandise from the dealer, every dealer shall report daily, to the police department, any recordable transaction in which one or more of the following items is received, regardless of the purchase price, asking price if consigned or brokered, or value attributed to it if accepted in trade:~~

~~(1) Any item with a unique identifier.~~

~~(2) Any item containing precious metals.~~

~~(3) Any item containing precious gems.~~

~~(4) Firearms.~~

~~(5) Any of the following for which the dealer paid two hundred fifty dollars (\$250.00) or more, in cash or other consideration, or which the dealer intends to offer for sale, or broker, for five hundred dollars (\$500.00) or more.~~

~~a. Antique audio or video equipment.~~

~~b. Antique musical instruments.~~

~~c. Antique photographic and optical equipment.~~

~~d. Antique sporting equipment.~~

~~(6) Architectural elements, lighting fixtures or lamps that are, or contain, stained, etched, leaded, beveled or art glass, limited to those which the dealer paid one hundred fifty dollars (\$150.00) or more, in cash or other consideration, or which the dealer intends to offer for sale, or broker, for three hundred dollars (\$300.00) or more.~~

~~(7) Artist signed or artist attributed works of art, other than architectural elements, lighting fixtures or lamps, limited to those for which the dealer paid two hundred fifty dollars (\$250.00) or more, in cash or other consideration, or which the dealer intends to offer for sale, or broker, for five hundred dollars (\$500.00) or more.~~

~~(b) Method. Dealers must provide to the police department the information required in section 321.310(b)(1) through (6), in writing, on forms approved by the police license inspector, for all reportable transactions. The dealer must display a sign of sufficient size, and in a conspicuous place in the premises, so as to inform all patrons that transactions are reported to the police department daily. Effective sixty (60) days from the date the police license inspector provides dealers with computerized record standards, but no sooner than January 1, 1999, dealers must submit every reportable transaction to the police department daily in the following manner:~~

~~(1) Class A dealers must, and Class B dealers may, provide to the police department the information required in section 321.310(b)(1) through (5), for all reportable transactions, by transferring it from their computer to the police department via modem. All required records must be transmitted completely and accurately after the close of business each day in accordance with standards and procedures established by the issuing authority using a dial-callback protocol or other procedures that address security concerns of the dealers and the issuing authority.~~

~~(2) Class B dealers who do not fulfill requirements of section 321.320(b)(1) must provide to the police department the information required in section 321.310(b)(1) through (6), in writing, on forms approved by the police department, by 12:00 noon the first business day following the date of the transaction.~~

~~(c) Billable transaction fees. Dealers, regardless of class, will be charged for billable transactions at the current rate for the medium by which they were reported to the police department except:~~

~~(1) If a Class A dealer, or a Class B dealer who has consistently reported via modem, is unable to successfully transfer the required reports by modem, the dealer must provide the police department printed copies of all reportable transactions for that date by 12:00 noon the next business day, and must be charged at the modem rate for billable transactions;~~

~~(2) If the problem is determined to be in the dealer's system and is not corrected by the close of the first business day following the failure, the dealer must provide the required reports as detailed in section 321.320(c)(1), and must be charged at the modem rate for transactions through the close of the first business day following the failure, and at the manual rate for all subsequent billable transactions until the error is corrected; or~~

~~(3) If the problem is determined to be outside the dealer's system, the dealer must provide the required reports as detailed in section 321.320(c)(1), and will be billed at the modem rate for billable transactions until the error is corrected.~~

~~(4) If a Class A dealer, or a Class B dealer who has consistently reported via modem, is unable to capture, digitize or transmit the photographs required in section 321.310(b)(7) and (8), when implemented, the dealer shall immediately take all required photographs with a still camera, develop the pictures, cross reference the photographs to the correct transaction, and deliver them to the police department by twelve (12) o'clock noon the next business day. Billable transactions will be charged at~~

the modem rate for transactions through the close of the first business day following the failure, and at the manual rate for all subsequent billable transactions until the error is corrected.

~~(5) Section 321.320(c)(1) through (5) notwithstanding, the police license inspector may, upon presentation of extenuating circumstances, extend the period that a qualifying antique dealer is billed at the modem rate for billable transactions.~~

~~**321.330. — Receipt required.** Every dealer must provide a receipt, upon request, to any person from whom they received goods for which a record was required in section 321.310, and must maintain a duplicate of that receipt for three (3) years. The receipt must include sufficient information to enable the police license inspector or the inspector's designee(s) to identify the transaction, and every item related to it, in the dealer's records.~~

~~**321.340. — Payment by check.** When a dealer buys or otherwise receives merchandise at any location other than those identified in section 321.240(a), payment shall be made by check only, made payable to a named payee who is the actual and identified seller.~~

~~**321.350. — Holding period.** Any item received by a dealer, for which a report to the police is required in section 321.320, shall not be sold or otherwise transferred for thirty (30) days after the date the police receive such report except as provided in section 321.410. Items may not be altered, modified or changed in anyway during the holding period.~~

~~**321.360. — Police order to hold property.** (a) Investigative hold. Whenever a law enforcement official from any agency notifies a dealer not to sell an item, the item must not be sold or removed from the premises. The investigative hold shall be confirmed in writing by the originating agency within seventy-two (72) hours and will remain in effect for fifteen (15) days from the date of initial notification, or until the investigative order is canceled, or until an order to hold/confiscate is issued, pursuant to section 321.150(b), whichever comes first.~~

~~(b) Order to hold. Whenever the chief of police or the chief's designee notifies a dealer not to sell an item, the item must not be sold or removed from the licensed premises until authorized to be released by the chief of police or the chief's designee. The order to hold shall expire ninety (90) days from the date it is placed unless the chief of police or the chief's designee determines the hold is still necessary and notifies the antique dealer in writing.~~

~~(c) Order to confiscate. If an item is identified as stolen, or evidence in a criminal case, the chief of police or the chief's designee may:~~

~~(1) Physically confiscate and remove it from the shop, pursuant to a written order from the chief of police or the chief's designee, or~~

~~(2) Place the item on hold or extend the hold as provided in section 321.360(a), and leave it in the shop.~~

~~When an item is confiscated, the person doing so shall provide identification upon request of the licensee, and shall provide the licensee the name and phone number of the confiscating agency and investigator, and the case number related to the confiscation. When an order to hold/confiscate is no longer necessary, the chief of police or the chief's designee shall so notify the licensee.~~

~~**321.370. — Inspection of items.** The licensee must allow the police license inspector or the inspector's designee(s) to enter the premises where the licensed business is located or business records are maintained, including all off-site storage facilities as authorized in section 321.390, during normal business hours, except in an emergency, for the purpose of inspecting such premises and inspecting the items, ware and merchandise and records therein to verify compliance with this chapter or other applicable laws.~~

~~**321.380. — Label required.** Dealers must attach a label to every item, for which a report to the police department is required in section 321.320, at the time it is received in inventory. Permanently recorded on this label must be the number or name that identifies the transaction in the dealer's records, the name of the item, and the date the item can be sold. Labels shall not be re-used.~~

~~**321.390. — Prohibited acts.** The following acts are prohibited under this article:~~

~~(a) No person under the age of eighteen (18) years may sell or consign, or attempt to sell or consign, any goods with any dealer, nor may any dealer receive any goods from a person under the age of eighteen (18) years.~~

~~(b) No dealer may receive any goods from a person of unsound mind, or an intoxicated person.~~

~~(c) No dealer may receive any goods for which payment by check is required in section 321.340 unless the seller presents one of the following forms of identification:~~

~~(1) Current valid Minnesota driver's license.~~

~~(2) Current valid Minnesota identification card.~~

~~(3) Current valid photo driver's license or photo identification card issued by another state or province of Canada.~~

~~(d) No dealer may receive any item of property that possesses an altered or obliterated serial number or "operation identification" number, or any item of property that has had its serial number removed.~~

~~**321.400. — Denial suspension or revocation.** Any license under this article may be denied, suspended or revoked for one (1) or more of the following reasons:~~

~~(a) The proposed use does not comply with the Minneapolis Zoning Code.~~

~~(b) The proposed use does not comply with any health, building, building maintenance or other provisions of this Code of Ordinances or state law.~~

~~(c) The applicant or licensee has failed to comply with one (1) or more provisions of this chapter.~~

~~(d) The applicant is not a citizen of the United States, or a resident alien, or upon whom it is impractical or impossible to conduct a background or financial investigation due to the unavailability of information.~~

~~(e) Fraud, misrepresentation, or bribery in securing or renewing a license.~~

~~(f) Fraud, misrepresentation or false statements made in the application and investigation for, or in the course of, the applicant's business.~~

~~(g) Business practices, or conduct, deemed by the issuing authority to be contrary to the best interests, or safety, of the public.~~

~~(h) Violation within the preceding five (5) years, of any law relating to theft, damage or trespass to property, sale of a controlled substance, or operation of a business.~~

~~(i) The owner of the premises licensed or to be licensed would not qualify for a license under the terms of this article.~~

~~**321.410. — Off site storage.** Upon written request, the police license inspector may approve an off-site locked and secured storage facility. The antique dealer shall permit inspection of the facility in accordance with section 321.370. All provisions of this article regarding record keeping and reporting apply to the facility and its contents. Property shall be stored in compliance with all provisions of the city code. The licensee must either own the building in which the business is conducted, and any approved off-site storage facility, or have a lease on the business premises.~~

~~**321.420. — Separability.** Should any article, section, subsection, clause or other provision of this ordinance be declared by a court of competent jurisdiction to be invalid, such decision shall not effect the validity of the ordinance as a whole, or any part, other than the part so declared invalid.~~

Section 20. That Article III, Chapter 321 of the Minneapolis Code of Ordinances be amended to read as follows:

## **ARTICLE ~~III~~ II. - EXHIBITIONS AND TEMPORARY MARKETS**