



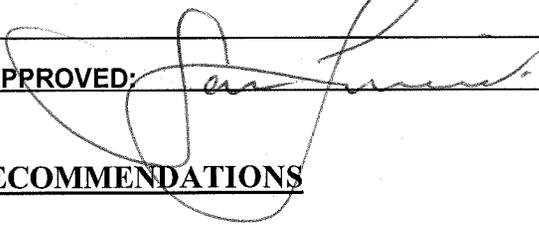
Memorandum

**TO: HONORABLE MAYOR AND
CITY COUNCIL**

FROM: Councilmember Sam Liccardo

**SUBJECT: MODIFICATION OF
PAWNBROKER ORDINANCE**

DATE: October 1, 2012

APPROVED: 

10-1-12

RECOMMENDATIONS

1. Pull this item from consent agenda, and discuss it openly, and invite public comment.
2. Approve the staff recommendation at the October 2, 2012 Council meeting.

BACKGROUND

Typically, when my colleagues seek to have matters on the "consent agenda" publicly debated, they simply pull the matter from consent for full Council discussion.

That appears to be the appropriate remedy here, and I encourage anyone who'd like to discuss this item to show up at Council on its scheduled October 2nd meeting date. No reason to "defer...and re-agendize" this matter is offered in anywhere in Councilmember Kalra's memorandum. No stakeholders are described who appear unable to appear at the Council meeting on that date. No substantive objection is raised to this very minor alteration of the ordinance.

I filed the attached memorandum on August 24, 2012 and the matter appeared before the Rules Committee on two occasions. As we all know, the Rules Committee remains open to the public, and many members of the public typically attend such hearings, and speak on agendized items. The same opportunity remains available to anyone interested in speaking at the October 2nd council meeting.



Memorandum

TO: RULES & OPEN GOVERNMENT
COMMITTEE

FROM: Councilmember Sam Liccardo

SUBJECT: MODIFICATION OF
PAWNBROKER ORDINANCE

DATE: August 24, 2012

APPROVED:

3-24-12

RECOMMENDATION:

Agendize the following item for city council consideration:

Make a minor modification to Chapter 6.52 of the San Jose Municipal Code to enable one person to hold more than one pawnbrokers' permit, and/or to operate at multiple locations.

BACKGROUND

Like many small businesses, pawnbrokers provide a unique service to the community. During very difficult times like these, pawnbrokers often provide financing of "last resort" to residents who can leverage assets to make it through a spell of unemployment, or to get off the street by making a "first month's" payment for rent.

By all accounts, the six (6) pawnshops that exist in San Jose have been operating responsibly for a number of years. This is a highly regulated industry, as federal, state, and local laws govern nearly every aspect of pawn transactions, including interest rates, loan duration, redemption methods, record-keeping and transaction reporting requirements. For example, police departments routinely rely on pawnbroker reports to crack down on fencing and burglary operations.

In San José, an antiquated ordinance restricts the number of pawn shops in the city to six, and prohibits the operation of multiple pawnshops by the same person or entity.

Jan and John Schneider have operated R & J Jewelry in the downtown for several decades, and over the years, they've become community leaders who have created a model business. They would like to expand to purchase another pawnshop, whose owner is seeking to retire. The current prohibition in the municipal code prevents them from doing so.

Given the spate of extensive state regulations that exist today, modifying the "one person/one permit/one location" limitations in our code will have no effect on the integrity of the services being provided by R & J Jewelry or any other business. In light of the extensive vacancy we see in ground-level retail in Downtown, allowing them to "keep the lights on" at the other store will preserve street-level activity and vibrancy. Moreover, this action is consistent with our Council's repeatedly-expressed desire to lift regulatory hurdles for small business, particularly given the sclerotic economic impact of many of the antiquated provisions in our code.