

ORDINANCE NO. _____, SERIES 2021

AN ORDINANCE AMENDING CHAPTER 123 OF THE LOUISVILLE METRO CODE OF ORDINANCES (“LMCO”) RELATING THE REGULATION OF PAWNBROKERS, JUNK, SCRAP, SECONDHAND DEALERS, AND SECONDARY METALS RECYCLERS.

SPONSORED BY: COUNCIL MEMBERS FOWLER, MULVIHILL, FLOOD, FOX. AND HOLTON STEWART

WHEREAS, thefts of restricted metals, including catalytic converters, heating and air conditioning coils, and cemetery markers are increasing within Louisville/Jefferson County; and

WHEREAS, the Louisville Metro Code of Ordinances currently regulates the licensing and operation of businesses which deal in restricted metals and other used or secondhand regulated property; and

WHEREAS, increased penalties for violations of the Code in regard to buying and selling restricted metals and other regulated property can deter rising theft; and

WHEREAS, stricter limitations on buying and selling restricted metals and other regulated property can aid Metro Code Enforcement and Louisville Metro Police in detecting and enforcing violations.

NOW, THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (“THE COUNCIL”) AS FOLLOWS:

SECTION I: The following definitions in LMCO § 123.01 are being amended as follows:

For purposes of this ~~subchapter~~ chapter pertaining to pawnbrokers, junk, secondhand and scrap dealers, the following definitions shall apply unless the context clearly indicates or requires a different meaning.

RESTRICTED METALS. Any of the following metal items:

- (1) Manhole covers;
- (2) Electric light poles or other utility poles;
- (3) Guardrails;
- (4) Street signs, traffic signs, or traffic signals;
- (5) Whole road tiles;
- (6) ~~Funeral markers or funeral vases~~ Markers, vases, plaques, or medallions,

whether whole or in pieces, with markings that indicate the items may have been removed from a cemetery;

(7) Railroad equipment, including but not limited to a tie plate, signal house, control box, switch plate, e-clip, or rail tie junction;

(8) Condensing or evaporating coils made from copper, aluminum, or aluminum-copper, including the tubing or rods from a heating or air conditioning unit that is not from a window air conditioning unit or automobile air conditioning unit;

(9) Stainless steel beer kegs;

(10) A catalytic converter or any nonferrous part of a catalytic converter unless attached to and purchased as part of a vehicle; or

(11) Storm drain covers.

SECONDARY METALS RECYCLER. ~~Any person(s) or business who meets the definition of "Secondary Metals Recycler" in KRS 434.900 and is certified with the Kentucky Department of Professional Licensing of the Public Protection Cabinet as provided in KRS 433.902.~~ (1) Any person who is engaged in the business of gathering or obtaining ferrous or nonferrous metals that have served their original economic purpose or is in the business of performing the manufacturing process by which ferrous

metals or nonferrous metals are converted into raw material products consisting of prepared grades and having an existing or potential monetary value;

(2) Any person who has facilities for performing the manufacturing process by which ferrous metals or nonferrous metals are converted into raw material products consisting of prepared grades and having an existing or potential monetary value, other than by the exclusive use of hand tools, by methods including but not limited to processing, sorting, cutting, classifying, cleaning, baling, wrapping, shredding, shearing, or changing the physical form or chemical content thereof; or

(3) Any recycler, dealer in junk or metals, dealer in secondhand articles, vendor of bottles or rags, or collector of or dealer in articles found in ashes, garbage, or other refuse, whether a dealer, collector, or vendor operates an established place of business or an itinerant business.

SECONDHAND DEALER. Any person or entity whose business includes buying, selling, trading, or exchanging any regulated property or restricted metals, regardless of whether secondhand articles are the primary focus of the business.

SECTION II: LMCO § 123.07 is hereby amended as follows:

Every person to whom a Metro Government license is granted to carry on the business of a pawnbroker or a secondhand dealer shall annually enter into bond to Metro Government, with good and sufficient surety, to be approved by the Metro Council, in the penal sum of \$1,000. The bond shall be conditioned that he or she will observe the provisions of KRS 226.030 to KRS 226.050 and the ordinances and laws in force in the Metro Government not inconsistent with KRS 226.030 to 226.050.

SECTION III: LMCO § 123.25 is hereby amended as follows:

Gold, silver, precious metals regulated property and/or restricted metals purchased by a person or mobile dealer as defined in § 123.01, who are carrying on a business as described in § 123.21, above, shall not be sold, modified, altered or destroyed for a period of ~~42~~ 15 calendar days after the date of purchase by a person or mobile dealer who are carrying on a business as described in § 123.21. The property purchased must be kept in its original form, not commingled, along with a copy of the transaction record, as set forth in § 123.22, on the premises of the business location during the holding period for purposes of inspection, if necessary, as provided by this subchapter. This section shall not apply to ferrous metals, nonferrous metals, and items listed in subsection (17) of the definition for "regulated property" in § 123.01.

SECTION IV: LMCO § 123.35 is hereby amended as follows:

Gold, silver, precious metals regulated property and/or restricted metals purchased by a secondary metals recycler as defined in § 123.01, who is carrying on a business as described in § 123.31, above, shall not be sold, modified, altered or destroyed for a period of ~~ten~~ 15 calendar days after the date of purchase by a secondary metals recycler who is carrying on a business as described in § 123.31. The property purchased must be kept in its original form, uncommingled, along with a copy of the transaction record, as set forth in § 123.32, on the premises of the business location during the holding period for purposes of inspection, if necessary, as provided by this subchapter. This section shall not apply to ferrous metals, nonferrous metals, and items listed in subsection (17) of the definition for "regulated property" in § 123.01.

SECTION V: LMCO § 123.99 is hereby amended as follows:

(A) Except for violations of §§ 123.21, 123.22, 123.31, and 123.32, any violation of Chapter 123 shall be classified as a civil offense and shall be enforced through the Code Enforcement Board as provided in §§ 32.275 et seq. or as it may be amended. The civil penalty for violations of this section are set forth below. Each day a violation continues shall be a separate violation of this section.

(B) Any pawnbroker or secondhand dealer who violates any of the provisions of §§ 123.04, 123.05, 123.06, 123.07, 123.08, 123.09, or 123.11 shall be fined not less than \$100, nor more than \$1,000.

(C) Any pawnbroker who violates any of the provisions of § 123.13 shall be fined not less than \$100 nor more than \$1,000.

(D) Any licensee who violates § 123.03 shall be fined not less than \$100, nor more than \$1,000.

(E) Any person, secondhand dealer, secondary metals recycler, or mobile dealer as defined in § 123.01, who violates the provisions of § 123.21 or § 123.31 shall be fined not less than \$100 nor more than \$1,000 for each offense, or imprisoned not more than 50 days, or both. Each day such violations continue, shall constitute a separate offense.

(F) Any person, secondary metals recycler, or mobile dealer as defined in § 123.01, who shall neglect or refuse to comply with or violates the provisions of § 123.22 or § 123.32 shall be fined not less than \$100 nor more than \$1,000 for each offense, or imprisoned not more than 50 days, or both. Each day such person, firm, or corporation shall neglect or refuse to comply with or violate any of the provisions of that section shall constitute a separate offense.

SECTION VI: This Ordinance shall take effect upon its passage and approval.

Sonya Harward
Metro Council Clerk

David James
President of the Council

Greg Fischer
Mayor

Approval Date

APPROVED AS TO FORM AND LEGALITY:

Michael J. O'Connell
Jefferson County Attorney

BY: _____

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