

**TOWN OF PRESCOTT VALLEY
REQUEST FOR COUNCIL ACTION
Date: September 12, 2013**

SUBJECT: Proposed Town Code Amendments – Regulation of Scrap Metal Dealers

SUBMITTING DEPARTMENT: Legal Department

PREPARED BY: Carol Cornell, Paralegal, for Ivan Legler, Town Attorney

AGENDA LOCATION: Comments/Communications , Consent , Work/Study ,
New Business , Public Hearing , Second Reading

ATTACHMENTS: (a) Resolution No. 1849; and (b) Ordinance No. 776

SUMMARY/BACKGROUND: The Town Council adopted Ordinance No. 193 on November 10, 1988, enacting regulations for conducting business as auction houses, junk dealers, pawnshops and secondhand dealers in an effort to avoid trafficking in stolen merchandise. Ordinance No. 193 required persons operating or conducting such business to provide the Chief of Police weekly reports of all pawns, pledges, trades, exchanges or purchases of fire arms, photographic equipment, household appliances, power tools, watches and jewelry, hand tools, and auto accessories (including tires).

On November 21, 1996, the Council adopted Ordinance No. 407 to amend the regulations to strengthen the reporting requirements for auction house operators, junk dealers, pawnbrokers and secondhand dealers.

On June 9, 2005, the Council adopted Ordinance No. 627 to amend the regulations to require special licensing of used goods dealers, including scrap metal dealers, as a tracking mechanism and to establish procedures for a police officer hold for property reasonably believed to be stolen and in the possession of used goods dealers. The amendments also included requirements for scrap metal dealers, jewelry auctions and dealers of precious items consistent with the regulations set forth in A.R.S. §§ 44-1641 *et seq.*, 44-1671 *et seq.*, and 44-1601 *et seq.*

During the last legislative session, the state legislature determined that the registration of scrap metal dealers is a matter of statewide concern and they preempted the power of cities and towns to register scrap metal dealers (reserving to cities and towns only the power to enforce laws relating to business licensing). On April 29, 2013, Governor Brewer approved House Bill 2262, amending A.R.S. §§44-1641 *et seq.* and vesting in the Arizona Department of Public Safety (DPS) the authority to regulate scrap metal dealers throughout the state of Arizona.

The Bill requires all scrap metal dealers to register with DPS and to report all transactions electronically directly to DPS within 24 hours of each transaction. It also requires all law enforcement agencies and all registered scrap metal dealers to register on a free theft notification website provided by DPS. Scrap metal dealers are not required to make reports to local law enforcement agencies if they are reporting as required to DPS pursuant to A.R.S. §§44-1461 *et seq.*

Staff proposes to amend Article 8-05 to conform to the recent amendments to the related provisions in the Arizona Revised Statutes.

[Note: in order to save on publication costs, Arizona statutes permit municipalities to designate lengthy amendments by resolution as separate records, then to adopt those records by reference in a shortened ordinance that only lists penalty provisions. The shortened ordinance is published, and the record is kept on file in the Clerk's Office for public reference.]

OPTIONS ANALYSIS: Council may adopt the proposed amendments or decline adoption.

ACTION OPTION: [the Mayor instructs the Town Clerk to read Ordinance No. 776 by title only for the second reading, then asks "Shall the Ordinance Pass?"] **VOTE.**

RECOMMENDATION: Staff recommends approval of this Ordinance and Resolution.

FISCAL ANALYSIS: There is no fiscal impact associated with this item.

REVIEWED BY:

Management Services Director _____

Town Clerk _____

Town Attorney _____

Town Manager _____

COUNCIL ACTION:

Approved Denied Tabled/Deferred Assigned to _____