



**TO:** Elizabeth Pauli, City Manager  
**FROM:** Danielle Larson, Tax & License Manager, Finance Department  
Andy Cherullo, Finance Director  
**COPY:** City Council and City Clerk  
**SUBJECT:** Ordinance – Chapter 6B.160 Pawnbrokers, Secondhand Dealers and Garage Sales – February 25, 2025  
**DATE:** February 5, 2025

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### **SUMMARY AND PURPOSE:**

An ordinance amending Tacoma Municipal Code Chapter 6B.160 Pawnbrokers, Secondhand Dealers and Garage Sales to 1) add a new exemption from the license requirements for secondhand goods dealers that do not purchase goods directly from members of the general public, 2) add a new exemption to relieve businesses from the daily reporting requirement for items valued at less than \$100, 3) decrease the license fees to amounts that cover the administration and regulation of the licensed activity and 4) clarify language where needed.

### **BACKGROUND:**

In order to effectively regulate business activity in the city there are additional license requirements for certain business activities. The City identifies the pawnbroker and secondhand goods industry as an area that requires additional regulation.

The Finance Department's Tax & License Division recommendation is based on a review of the licensing requirements related to pawnbroker and secondhand goods activities to keep up with current public safety issues, changes in how business activities are conducted and a shift in costs associated with the administration and enforcement of the regulations.

The primary recommendations include:

- Exempt secondhand goods dealers that do not purchase good directly from the general public from the license requirements
- Exempt businesses from reporting items valued at less than \$100
- Reduce the license fees from \$750 to \$250 for pawnbrokers and from \$150 to \$100 for secondhand goods dealers

### **COMMUNITY ENGAGEMENT/ CUSTOMER RESEARCH:**

The proposed amendments were shared with all licensed pawnbrokers and secondhand dealers in Tacoma on January 24, 2025, asking for comments and input. One response was received from a secondhand dealer who was in favor of the new exemption.

### **2025 STRATEGIC PRIORITIES:**

#### **Equity and Accessibility: *(Mandatory)***

Review of the Tax & License code on regular intervals allows staff to use equity and bias training to review the code through an equity lens. While many sections pertain to requirements on businesses and administrative functions, reviewing these through an equity lens allows for removal or changes to code language that could impact the City's equity and anti-racist efforts.



**Economy/Workforce:** *Equity Index Score:* Moderate Opportunity  
Increase positive public perception related to the Tacoma economy.

**Livability:** *Equity Index Score:* Moderate Opportunity  
Increase positive public perception of safety and overall quality of life.

**Explain how your legislation will affect the selected indicator(s).**

Adjusting license regulations to keep up with current public safety issues and changes to how business activities are conducted contributes to the public health, safety, and general welfare of citizens.

**ALTERNATIVES:**

Alternative(s)	Positive Impact(s)	Negative Impact(s)
1. To not create a new exemption from the daily reporting requirement for items valued at less than \$100.  2. To not create a new exemption for secondhand dealers that do not purchase items directly from the general public.	The City would have access to all potentially stolen items that are purchased or pledged to pawnbrokers or secondhand dealers no matter the dollar value or where the item originated from.	Would not provide administrative relief to certain businesses from daily reporting requirements or relief from license requirements for businesses who do not purchase directly from the general public.

**EVALUATION AND FOLLOW UP:**

Every two years, staff will review the license requirements and fees and as appropriate recommend changes to the City Council.

**STAFF/SPONSOR RECOMMENDATION:**

Staff recommends City Council pass the ordinance amending Tacoma Municipal Code Chapter 6B.160 Pawnbrokers, Secondhand Dealers and Garage Sales with an effective date of May 1, 2025 to 1) add a new exemption from the license requirements for secondhand goods dealers that do not purchase goods directly from members of the general public, 2) add a new exemption to relieve businesses from the daily reporting requirement for items valued at less than \$100, 3) decrease the license fees to amounts that cover the administration and regulation of the licensed activity and 4) clarify language where needed.

**FISCAL IMPACT:**

The legislation will decrease the general fund by an estimated \$10,000.

Fund Number & Name	COST OBJECT (CC/WBS/ORDER)	Cost Element	Total Amount
1. 0010 – General Fund	106500	4321000	(\$10,000)
<b>TOTAL</b>			

**What Funding is being used to support the expense?**



City of Tacoma

## City Council Action Memorandum

**Are the expenditures and revenues planned and budgeted in this biennium's current budget?**

**NO, PLEASE EXPLAIN BELOW**

Yes

**Are there financial costs or other impacts of not implementing the legislation?**

No

**Will the legislation have an ongoing/recurring fiscal impact?**

YES

**Will the legislation change the City's FTE/personnel counts?**

No