



TO: Elizabeth Pauli, City Manager
FROM: Danielle Larson, Tax & License Manager, Andy Cherullo, Finance Director
COPY: Government Performance & Finance Committee
PRESENTER: Danielle Larson, Tax & License Manager
SUBJECT: Amendments to Title 6, Chapter 6B.160 – Pawnbrokers, Secondhand Dealers and Garage Sales
DATE: February 4, 2025

PRESENTATION TYPE:

Request for Ordinance

SUMMARY:

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 areas that require additional regulation. To keep up with current public safety issues and changes in how business activities are conducted, the license requirements need to be periodically reviewed.

Staff is proposing amendments to Tacoma Municipal Code (TMC) Chapter 6B.160 – Pawnbrokers, Secondhand Dealers and Garage Sales that will 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) update the license fees to amounts that cover the administration and regulation of the licensed activity and 4) clarify language where needed.

BACKGROUND:

A City license requirement for pawnbrokers and secondhand goods dealers was established in 1921. The purpose of the license is to regulate the activity of pawnbroking and buying, selling, and trading-in of secondhand goods in the City. This activity is also regulated by RCW 19.60, which provides certain authorities to local jurisdictions.

The chapter also regulates garage sales by defining when and how many garage sales a resident may conduct in the city.

The chapter was last updated in 2012 when secondhand precious metal dealers were added as a regulated activity and an exemption from the license requirements was added for trade-in of the same type of item.

ISSUE:

A new exemption from the license requirement is proposed for secondhand goods dealers that do not purchase items directly from individuals and instead only obtain their items through donations or purchases from entities such as estate sales, auctions, or other secondhand goods dealers. The items obtained through these types of entities are a low risk of being a stolen item and as such do not need to be reported daily to the Tacoma Police Department (TPD).

A new exemption from the daily reporting requirement for goods valued at less than \$100.

Regulatory license fees are required to be set at an amount that covers the administration and regulation of the licensed activity as opposed to being a revenue generating fee. The new exemption proposed is estimated to decrease the number of secondhand goods dealers by approximately 25% from 80 to 60. Additionally stolen goods being resold has shifted over the years to more of an online presence which requires fewer detective



resources to track down stolen items. Therefore, it is proposed to decrease the license fees for Pawnbroker from \$750 to \$250 and Secondhand Goods Dealer from \$150 to \$100.

ALTERNATIVES:

An alternative to the proposed amendments would be to continue regulating businesses who do not purchase secondhand goods directly from members of the general public or continue requiring all secondhand goods to be reported daily to TPD.

FISCAL IMPACT:

If the proposed amendments are passed annual revenues to the general fund will decrease by approximately \$10,000.

RECOMMENDATION:

Staff is recommending the proposed amendments to Tacoma Municipal Code (TMC) Chapter 6B.160 – Pawnbrokers, Secondhand Dealers and Garage Sales that will 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) update the license fees to amounts that cover the administration and regulation of the licensed activity and 4) clarify language where needed