

To: **Mayor and City Council**
Through: **Ryan Schroeder, City Manager**
From: **Brian Sturgeon, Chief of Police**
Date: **March 9, 2020**

1st Reading – Ordinance Amendment Relating to Pawn Brokers

BACKGROUND INFORMATION:

City ordinance 111.07(A)(2) relates to the required use of Automated Pawn System (APS) to report transactions pawn brokers and precious metal dealers complete. This database is used by law enforcement to query stolen items in an attempt to locate the items, hold individuals accountable and return property back to their rightful owner.

Minneapolis Police Department developed and implemented a reporting system numerous years ago that was adopted by most cities in Minnesota and eastern Wisconsin including West St. Paul. Our current ordinance specifically states that pawn brokers and precious metal dealers must use this specific system to report all transactions.

Minneapolis has since sold this system to a private company called Business Watch International who renamed it to BWI Rapid. There have been many changes to the processes and subscribership. The system is currently used by only a handful of cities in Minnesota.

The most popular system being utilized in the Twin Cities is one called LeadsOnline. This system is a nationwide reporting system that is much more user friendly and overall is a better tool for the Police Department than the former system. A majority of our stolen property that goes through a pawn dealer occurs in St. Paul and St. Paul utilizes LeadsOnline.

Pawn America and West St. Paul Gold and Silver Exchange has been uploading all transactions into LeadsOnline since January 1, 2020, and has ceased entering items into the BWI Rapid system due to problems with subscribership and our desire to move away from BWI Rapid.

Both systems require a subscription agreement from the Police Department but are free to businesses. The current fee for LeadsOnline is \$2,400 per year, but those cost are recovered by pawn and sale transaction fees that Pawn America and West St. Paul Gold and Silver Exchange are required to submit to the city. For instance, in January of 2020 those fees were just over \$2,100.00.

We currently have a subscription with LeadsOnline and is a budgeted membership line item so there are no cost implications with the requested change in our ordinance.

The change in the ordinance we are requesting would make the required use of a reporting system more generic in terms of a specific system. The ordinance would require the use of a reporting system that is approved by the Police Department and does not specify a specific system.

Technology is changing constantly. With these changes, we are requesting less specific requirements regarding reporting systems in this ordinance.

FISCAL IMPACT:

		Amount
Fund:		None
Department:		
Account:		

STAFF RECOMMENDATION:

Review the recommended changes to the ordinance and provide feedback. If the 1st reading is passed as written or with changes, the 2nd reading with the required public hearing will be at the next Council meeting.