

COUNCIL ACTION FORM

SUBJECT: REPORTING REQUIREMENTS FOR SECONDHAND GOODS DEALERS

BACKGROUND:

At the December 16, 2014 City Council meeting, the City Council received a report outlining the shortcomings of the existing *Municipal Code* requirements for secondhand goods dealers in reporting their transactions.

Currently, the *Municipal Code* requires paper records for transactions conducted by pawnbrokers and itinerant dealers. These reporting requirements are focused on the transactions of particular types of businesses – pawnbrokers and itinerant dealers. **Other businesses buying the same items have no such requirement to report their transactions or hold items prior to disposal.**

City staff has identified an effective electronic reporting system called Leads Online that could be used to replace the existing paper records system. Several local businesses, such as GameStop, Gamers, and EcoATM, already use Leads Online to report their purchases. City staff has purchased a subscription to Leads Online, which has been used to successfully identify items stolen from Ames residents and sold to dealers out of the area. Since purchasing the subscription in January, the Police Department has used information gathered from Leads Online to file charges in two felony cases (one conviction, one pending), an aggravated misdemeanor case, and an ongoing criminal conduct case.

During the discussion of the original staff report, the City Council requested additional information regarding the following issues:

What protections are in place for privacy and for information security in Leads Online?

Leads Online documents indicate that the information collected can only be used by law enforcement officials in their official investigatory duties. According to the law enforcement user agreement, Leads Online secures data “using administrative, technical, and physical safeguards as set forth in applicable law, including the [Gramm-Leach-Bliley Financial Services Modernization Act of 1999].” These safeguards include encrypting transmitted data, providing access to information only to law enforcement agencies or those required by law, and storing data physically only at data centers located in the United States that have undergone auditing or review by the Federal Financial Institutions Examination Council and operate in accordance with the guidelines set forth in the Federal Information Security Management Act of 2002.

Non-law enforcement users of Leads Online's system are not able to see transactions of other users. Law enforcement personnel who use Leads Online are required by Leads Online to conduct an over-the-phone training prior to activating their account.

Is it possible to enter an item's description, but to leave off the seller's name?

According to Leads Online, it is possible to enter the description of an item without including a seller's name. The trade-off with such a practice is that in the event of an investigation, it may be difficult to connect a suspected thief with all the items potentially stolen. Therefore, it is City staff's recommendation that the seller name be a mandatory component of each report. If the City Council is interested in having seller names omitted for certain types of transactions, staff recommends that the buyer be required to separately keep the seller's name for a period of time and report it to the police if an investigation into that item has begun during that time.

Is there value in entering transactions of bullion or coins or should records be limited to "identifiable merchandise?"

City staff has reviewed this question and has struggled to identify a definition of "identifiable merchandise" that does not create an overbroad exemption from entering transactions. The nature of police investigations is that a particular set of coins or bullion (with no serial numbers or special markings) that has been sold to a secondhand dealer can become of interest to investigators when a theft report describing that same set of coins or bullion is received. Limiting "identifiable merchandise" only to items that have a serial number, model number, or maker's mark and excluding items such as coins and bullion would limit the options available to investigate reported thefts of coins and bullion.

City staff recognizes that numismatic coins are in a different category. These coins are typically less valuable, are often sold in large sets, are very onerous to describe individually, and are statistically less prone to theft than other classes of goods. Therefore, City staff is comfortable offering an exemption from reporting for numismatic coins. The City Council must weigh the tradeoff of keeping certain classes of transactions anonymous with the potential to recover those items in a theft investigation.

How long does it take to set up an account and enter transactions?

Leads Online estimates the amount of time required to set up an account at approximately five minutes. The amount of time required to enter information about a transaction is estimated at less than five minutes, and frequent users such as pawn shops are likely able to enter a transaction within two minutes.

ISSUES TO ADDRESS

The City Council must determine 1) whether the reporting requirements should be updated to incorporate electronic recordkeeping, and 2) if so, which transactions should

be reported. A comparison of the reporting requirements in the five large cities in Iowa that require electronic reporting is attached to this report.

City staff proposes requiring reporting for any person engaged in buying (outside of casual sales, such as garage sales) jewelry, precious metals, precious or semiprecious stones, tools, bullion, and electronics. As mentioned in the previous staff report regarding this topic, the City Council could exempt from reporting purchases of individual items less than \$100 in value as long as aggregate sales by one person to a secondhand dealer in one day do not exceed \$200. This exemption would eliminate the reporting requirements for transactions of some broken and scrap jewelry or stones. These values could be increased if the City Council believes that different amounts would make the proposed changes more acceptable to those impacted.

Because improved records and a uniform ten-day holding period would increase the likelihood of promptly recovering stolen property, staff does not believe it is necessary to require secondhand goods dealers to report the details of the individual buying the goods from them.

ALTERNATIVES:

1. Direct staff to prepare an ordinance requiring electronic recordkeeping for dealers of secondhand goods, including all pawnbroker and itinerant dealer transactions, and purchases and sales of jewelry, precious metals, gemstones, and electronics, excluding coins purchased by a professional numismatist.

This option accomplishes two objectives: 1) requires reporting based on the type of item sold rather than where the item is sold, which is the current requirement, and 2) changes the requirements from paper records to electronic reporting. **Under this alternative, the City Council must identify if transactions under certain dollar thresholds should be exempt from reporting.**

2. Direct staff to prepare an ordinance modifying the existing pawnbroker and itinerant dealer reporting requirements to provide electronic reporting.

This option limits reporting requirements to the same businesses that are currently required to report transactions (pawnbrokers and itinerant dealers), but changes the requirements from paper records to electronic reporting.

3. Do not change the reporting requirements for these types of transactions.

MANAGER'S RECOMMENDED ACTION:

City staff recognizes that there is merit in maintaining the privacy of individuals conducting bona fide transactions involving their own personal articles. However, this must be weighed against both the need to thwart criminals in using legitimate

businesses as a means to dispose of stolen goods and the obligation law enforcement has to reunite victims with their stolen property.

City staff believes that similar transactions should be treated similarly; reporting requirements that have merit for pawn shops should also be employed for other businesses engaged in these types of transactions. The electronic reporting method described above has been successful in other communities and minimizes the potential for buyer and seller information to be used outside of law enforcement purposes. The types of transactions and the details that would be reported have been scaled to allow investigations to occur if necessary and to minimize the burden on businesses and their customers.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby directing staff to prepare an ordinance requiring electronic recordkeeping for dealers of secondhand goods, including all pawnbroker and itinerant dealer transactions, and purchases and sales of jewelry, precious metals, gemstones, and electronics, excluding coins purchased by a professional numismatist.

	Bettendorf	Davenport	Des Moines	Dubuque	Sioux City	Ames (Current)	Ames (Proposed)
Items reported:	Tangible personal property previously owned by another person, whether used or not, which property, in its present state, possesses utility for the purpose for which it was originally intended. This definition shall include gold, silver, copper, or platinum articles to include any coins, jewelry, or gems bought for resale, meltdown or scrap.	Tangible personal property previously owned by another person, whether used or not, which property, in its present state, possesses utility for the purpose for which it was originally intended. This definition shall include gold, silver, copper, or platinum articles bought for resale or meltdown, and coins.	Any secondhand goods, antiques, or used articles whatsoever.	Bicycles, Coins, Collectibles, Computers, software, and computer accessories, Construction equipment, Electronic equipment, Firearms, Glassware, Household appliances, Hunting and fishing equipment, Jewelry, Lawn and garden tools, equipment, and furnishings, Motor vehicle parts and equipment, Motor vehicles, Musical instruments, Photographic/video parts and equipment, Precious and semiprecious stones, Precious metals in the form of bullion or ingots, Radio equipment, Rare books, Silver/ silverware, Sporting goods, Stereo equipment, Television equipment, Tools, Untitled motor vehicles, Video game systems, originally manufactured with a serial number, Works of art.	Any used personal property except: a. Property purchased and sold for recycling; b. Licensable motor vehicles; c. Junk as defined in Iowa Code Chapter 306C.	Any transaction of a pawnbroker, which is defined as any person who shall in any manner lend or advance money or other things for profit on the pledge or possession of personal property, or other valuable things, other than securities or written evidences of indebtedness, or who deals in the purchasing of personal property or other valuable things on condition of selling the same back to the seller at a stipulated price.	
Jewelry	✓	✓	✓	✓	✓	Only at pawnshops	✓
Precious Metals	✓	✓		✓	✓	Only at pawnshops	✓
Precious or semiprecious gemstones	✓	✓		✓	✓	Only at pawnshops	✓
Tools	✓	✓	✓	✓	✓	Only at pawnshops	✓
Numismatic Coins	✓	✓		✓	✓	Only at pawnshops	
Bullion	✓	✓	✓	✓	✓	Only at pawnshops	✓
Electronics	✓	✓	✓	✓	✓	Only at pawnshops	✓
Appliances	✓	✓		✓	✓ - but not pawn shop transactions	Only at pawnshops	
Musical Instruments	✓	✓				Only at pawnshops	

Firearms	✓	✓				Only at pawnshops	
Other:		Metal and scrap metal	Antiques		Trade-ins of similar items exempted		
Details Recorded:							
Amount Paid for Article	✓		✓	Must record but may keep separately	✓	✓	
Desc. of Article	✓	✓	✓	✓	✓	✓	✓
Photograph of Article	✓ - <i>excl. coins and currency</i>	✓			Only for pawnshop transactions		
Serial/Model No.	✓	✓	✓	✓			✓
Seller Name	✓	✓	✓	✓	✓	✓	✓
Seller Address	✓	✓	✓	✓	✓	✓	✓
Seller ID Card Image	✓	✓		Not req'd, but means of verifying identification and any ID number must be noted	DL number only for pawnshop transactions		✓
Seller SSN		✓	✓			✓	
Seller Height	on ID card	✓	✓	✓			on ID card
Seller Weight	on ID card	✓	✓	✓			on ID card
Seller Age/DOB	on ID card	✓	✓	✓	✓	✓	on ID card
Seller Gender	on ID card	✓		✓		✓	on ID card
Seller Race			✓	✓			
Seller Other Characteristics	✓	✓		✓			✓
Buyer's Agent Name	✓				Only for pawnshop transactions		
When re-sold:							
Date of Disposition			✓			✓	
Buyer Name			✓		✓	✓	
Buyer Address			✓		✓	✓	
Buyer Amount Paid					✓		
No disposal before	10 days	10 days	7 days	5 day hold for jewelry only	15 days only for pawnshop transactions	10 days only for pawnshops	10 days

REGULAR MEETING OF THE AMES CITY COUNCIL

AMES, IOWA

DECEMBER 16, 2014

SECONDHAND-GOODS DEALERS: Police Chief Cychosz reported that the Ordinance in question was adopted by the City in 1992. A change since that time has been an increase in the number of organized burglary rings. The burglary rings look for outlets that will buy the stolen goods, which puts pressure on the local pawnbrokers and other secondhand-goods dealers.

Management Analyst Brian Phillips advised that the *Ames Municipal Code* currently requires pawnbrokers and itinerant dealers to keep physical record books of their transactions. According to Mr. Phillips, although the vast majority of transactions conducted by these dealers are bona fide, shortcomings in the current record-keeping system create opportunities for stolen goods to unknowingly be bought and sold. The challenges were described by Mr. Phillips: (1) cumbersome conversion process from paper records to electronic spreadsheets of transactions, (2) level of detail in the records varies from dealer to dealer; and (3) using paper records makes it very difficult to recover stolen items once they have left the City.

Mr. Phillips shared that electronic recordkeeping is required in Bettendorf, Davenport, Des Moines, Dubuque, Sioux City, and other jurisdictions outside Iowa. The use of that type of system is advantageous to secondhand dealers in that it is relatively efficient to use and helps deter thieves from selling them stolen goods.

The Council was informed by Commander Geoff Huff that local businesses: Express Pawn, EZ Pawn, EcoATM, Best Buy, Gamerz, and GameStop use a service called *Leads Online* to record transactions of used goods. EcoATM, Radio Shack, Sam's Club, and Walmart use similar methods to electronically record seller details for their purchases of used electronics. Those internet-based services record photos of the item sold and the seller's ID card, details about the transaction and the seller, and any other pertinent information. If the Police receives a theft report for an item matching that description, the item can be looked up in the database and located.

According to Mr. Phillips, the *Municipal Code* does not require stores other than pawnbrokers and itinerant dealers to keep records of transactions, even though other businesses purchase items of value, such as used electronics or precious metals—items that are frequently subject to theft. In addition to pawnbrokers, approximately ten other Ames businesses purchase video games and video game systems, electronics, jewelry, precious metals, coins, and gemstones. These establishments are under no City requirements to hold items or to track them; meaning they can be immediately resold, transferred, or in the case of precious metals, melted, making recovery difficult or impossible if those goods have been stolen.

Commander Huff noted that theft records from 2012, 2013, and 2014 (projected) show that Ames averages approximately \$150,000 in stolen goods reported each year. That figure does not count unreported thefts, thefts of motor vehicles, or theft reports taken by ISU Police.

Electronics comprise 39% of total stolen goods by value; while jewelry and precious metals represent 21%. At least 75% of the value of stolen items is comprised of goods that could be resold through a legitimate pawn, jewelry, electronics, or coin business for cash or other goods. According to Commander Huff, more sophisticated criminals are likely to take goods out of the area before attempting to exchange them for cash. Changes to record-keeping processes in Ames cannot be guaranteed to thwart such crimes. It was noted that the Police Department has had some success in recovering stolen items using *Leads Online* on a trial basis.

It was reported by Mr. Phillips that City staff had consulted with precious metal dealers in Ames who buy jewelry from customers about the concept of using a reporting system. Most reported that those type of transactions are infrequent and for small dollar amounts with low-value broken jewelry being the most common type of jewelry bought from customers.

The proposed changes were explained by Mr. Phillips.

Gary Youngberg, owner of Ames Silversmithing, 220 Main Street, stated his opinion that including jewelry stores in the Ordinance as it is currently written is detrimental. He explained that the amount of resources needed to implement the proposed Ordinance would be onerous to most jewelry businesses. Mr. Youngberg also said he feels strongly that certain transactions with his clients should be able to be kept private. He said he believes that the initial intent of the Ordinance is good, but that it has not been reviewed extensively enough, especially as it relates to jewelry. Council Member Goodman noted that what would be important would be what the item was; it doesn't really matter who the person was unless the item had been stolen, in which case, the name would need to be identified.

John Firmature, Express Pawn, stated that stolen goods accounted for approximately \$4,000 in merchandise that had been stolen. The majority of that was electronics; jewelry accounted for a very small percentage of the \$4,000. Mr. Firmature acknowledged the good working relationship his company has with the Ames Police Department. He stated that his company had purchased its own software to record transactions of used goods.

Mr. Youngberg noted that "being identifiable" was key. Some of the items would just have a very general description.

Moved by Gartin, seconded by Betcher, to direct staff to prepare an ordinance modifying the existing pawnbroker and itinerant dealer reporting requirements to provide electronic reporting.

Mayor Campbell clarified that that option would accomplish two objectives: (1) limit the reporting requirements solely to the same businesses that are currently required to report transactions (pawnbrokers and itinerant dealers) and (2) add the requirement for electronic reporting.

Motion withdrawn.

Moved by Goodman, seconded by Betcher, to request staff to answer the question on the stated client privacy concerns.

Vote on Motion: 5-1. Voting aye: Betcher, Corrieri, Gartin, Goodman, Orazem. Voting nay: Nelson. Motion declared carried.

Moved by Orazem, seconded by Goodman, to request staff to modify the regulation to take into account whether or not the item is identifiable.

Vote on Motion: 6-0. Motion declared carried unanimously.

Commander Huff recommended that it might be better to be precise as to the type of transaction.

Council Member Gartin said he also had a problem with placing a ten-day waiting period on jewelry stores for selling gold. Council Member Goodman disagreed, stating that the pawnbrokers already have and meet that requirement, and he does not feel it is fair to exempt jewelry stores from the requirement. Mr. Youngberg noted one difference in that pawnbrokers buy jewelry to resell it. His business buys jewelry to sell it to a refinery.

COUNCIL ACTION FORM

SUBJECT: REPORTING REQUIREMENTS FOR PAWNBROKERS AND OTHER DEALERS OF SECONDHAND GOODS

BACKGROUND:

The Ames *Municipal Code* currently requires pawnbrokers and itinerant dealers to keep physical record books of their transactions. Pawnbrokers’ record books are subject to inspection by the Police in criminal investigations. Itinerant dealers are required to provide their record books to the Police for photocopying prior to their leaving the City.

These processes are intended to identify and recover stolen items. **Although the vast majority of transactions conducted by these dealers are bona fide, shortcomings in the current record-keeping system create opportunities for stolen goods to unknowingly be bought and sold.**

Challenges:

According to the *Municipal Code*, pawnbrokers must keep paper records of the past ten years of transactions. In practice, pawnbrokers have also routinely provided the City with electronic spreadsheets of transactions. These are uploaded into the Police Department’s records management system. **However, the conversion process is cumbersome and the details of each transaction vary widely.**

Pawn shop transactions involve a variety of items, including tools, jewelry, precious metals, stones, bicycles, firearms, coins, and sports equipment. **If a resident reports the theft of an item that might be sold to a pawnbroker, the Police must physically visit the premises of each pawnbroker in the City to inspect their record books for that item. The level of detail in the records varies from dealer to dealer, which makes positive identification of goods more challenging.**

Ames currently has three licensed pawnbrokers. Each is owned by an out of state firm, and is part of a larger network of similar stores. This presents challenges in that goods can travel into or out of the area as they are transferred from store to store. If an item stolen in Ames is sold at a pawn shop and is not recovered within a few days, it may be transferred to a shop in another community. **Using paper records, it is very difficult to recover stolen items once they have left the City.**

The *Municipal Code* does not require stores other than pawnbrokers and itinerant dealers to keep records of transactions, even though other businesses purchase items of value such as used electronics or precious metals—items that are frequently subject to theft.

In addition to pawnbrokers, approximately ten other Ames businesses purchase video games and video game systems, electronics, jewelry, precious metals, coins, and gemstones. These establishments are under no City requirements to hold items or to track them, meaning they can be immediately resold, transferred, or in the case of precious metals, melted, making recovery difficult or impossible if those goods have been stolen.

According to theft records from 2012, 2013, and 2014 (projected), Ames averages approximately \$150,000 in stolen goods reported each year. These figures do not count unreported thefts, thefts of motor vehicles, or theft reports taken by ISU Police. Electronics comprise 39% of total stolen goods by value; while jewelry and precious metals represent 21%. **At least 75% of the value of stolen items is comprised of goods that could be resold through a legitimate pawn, jewelry, electronics, or coin business for cash or other goods.**

Electronic Records for Better Theft Investigation:

Locally, Express Pawn, EZ Pawn, EcoATM, Best Buy, Gamerz, and GameStop use a service called *Leads Online* to record transactions of used goods. Eco ATM, Radio Shack, Sam's Club, and Walmart use similar methods to electronically record seller details for their purchases of used electronics. These internet-based services record photos of the item sold and the seller's ID card, details about the transaction and the seller, and any other pertinent information. If the Police receive a theft report for an item matching that description, the item can be looked up in the database and located. **Leads Online is free for merchants, but has a cost to the City of approximately \$3,500 per year.** Once entered, information in the database is only available for law enforcement purposes. It allows for a faster and larger search to take place than visiting each store to view paper records, making it more likely that stolen property can be recovered.

This type of electronic recordkeeping is required in Bettendorf, Davenport, Des Moines, Dubuque, Sioux City, and other jurisdictions outside Iowa. Those cities' ordinances define "secondhand goods" as items such as jewelry, tools, and electronics, and require participation in an electronic reporting system. The use of this type of system is advantageous to secondhand dealers in that it is relatively efficient to use and helps deter thieves from selling them stolen goods. Using a sophisticated online tool to track items and deter sales of stolen items may help reduce the liability of unsuspecting buyers, since stolen items discovered by the Police in a shop will be seized from the shop without compensation. Such a system could also replace the use of paper record books for pawnbrokers and itinerant merchants.

It is important to note that more sophisticated criminals are likely to take goods out of the area before attempting to exchange them for cash. Changes to record-keeping processes in Ames cannot be guaranteed to thwart such crimes. However, the Police Department has had some success in recovering stolen items using Leads Online on a trial basis.

Feedback From Those Impacted

City staff consulted with the jewelers in Ames who buy precious metals and gems from customers about the concept of using a reporting system. Most reported that these transactions are infrequent and for small dollar amounts, with low-value broken jewelry being the most common type of jewelry bought from customers. **The City Council should understand that two of the four jewelers contacted indicated that requiring reporting and a holding period would not be challenging. However, two jewelers expressed significant concern about reporting and holding requirements, and whether these constituted an intrusion into what is otherwise a private transaction. Concerns were also raised about the additional administrative burden of reporting each purchase of secondhand jewelry.**

A local coin dealer also indicated that it would be very difficult to report the details of each coin transaction, particularly since it is common to purchase an entire lot of coins with identical markings and no distinguishing features that can be tracked.

Because stolen precious metals and gemstones could be sold without going through a pawnbroker or itinerant dealer, City staff is recommending that reporting requirements be extended to secondhand dealers who purchase these items. Since most electronics buyers in Ames already use electronic reporting, this discussion provides an opportunity to codify that reporting in a manner consistent with other secondhand goods dealers.

Due to a lack of unique identifying characteristics, purchases and sales of coins by a professional numismatist would also be exempted. For this reason, professional numismatist purchases and sales are exempted from the Des Moines ordinance regarding secondhand goods.

With this background, the following changes are proposed to the City’s existing reporting requirements:

CURRENT REQUIREMENTS	PROPOSED REQUIREMENTS
<p>Pawnbrokers:</p> <ul style="list-style-type: none"> • Paper logbook kept for 10 years • 10 day holding period before disposing of purchases • Seller and buyer details recorded <p>Itinerant Dealers:</p> <ul style="list-style-type: none"> • Paper logbook, kept for ten years, and provided to the Police prior to leaving Ames • 10 day holding period before disposing of purchases 	<p>Pawnbrokers:</p> <ul style="list-style-type: none"> • Electronic reporting to online service • 10 day holding period before disposing of purchases • Seller and buyer details recorded <p>Itinerant Dealers:</p> <ul style="list-style-type: none"> • Electronic reporting to online service • 10 day holding period before disposing of purchases

CURRENT REQUIREMENTS	PROPOSED REQUIREMENTS
<ul style="list-style-type: none"> • Seller and buyer details recorded <p>Secondhand Dealers (buyers/sellers of electronics, precious metals and stones):</p> <ul style="list-style-type: none"> • No requirements 	<ul style="list-style-type: none"> • Seller and buyer details recorded <p>Secondhand Dealers (buyers/sellers of electronics, precious metals and stones):</p> <ul style="list-style-type: none"> • Electronic reporting to online service of purchases of items \$100* or more in value, or aggregate purchases from the same person in the same day totaling \$200* or more • No reporting requirements for transactions involving coins bought and sold by professional numismatists • 10 day holding period before disposing of purchases

ALTERNATIVES:

1. Direct staff to prepare an ordinance requiring electronic recordkeeping for dealers of secondhand goods, including all pawnbroker and itinerant dealer transactions, and purchases and sales of jewelry, precious metals, gemstones, and electronics, excluding coins purchased by a professional numismatist.

The option accomplishes two objectives: 1) expands the list of businesses that are required to report transactions to all secondhand goods dealers, including jewelers and excluding coin shops, and 2) adds the requirement for electronic reporting.

2. Direct staff to prepare an ordinance modifying the existing pawnbroker and itinerant dealer reporting requirements to provide electronic reporting.

This option accomplishes two objectives: 1) limits the reporting requirements solely to the same businesses that are currently required to report transactions (pawnbrokers and itinerant dealers), and 2) adds the requirement for electronic reporting.

3. Do change the reporting requirements for these types of transactions.

MANAGER’S RECOMMENDED ACTION:

At a minimum, it is staff's belief that the reporting requirements in the Municipal Code for pawnbrokers and itinerant dealers should be updated to mandate electronic recordkeeping.

In an effort to respond to the concerns about the additional burden expressed by some secondhand dealers who would be added to this reporting requirement, the City Council

could focus efforts on items of greater value. For example, exempting the reporting of individual items less than \$100 in value, as long as aggregate sales by one person to a secondhand goods dealer in one day do not total \$200 or more, could be offered in the Code modification. (These value totals could be increased if the City Council believes that different amounts would make the proposed changes more acceptable to those impacted).

The existing reporting requirements for pawnbrokers and itinerant dealers require antiquated reporting methods. Improving the reporting method will help improve investigations and reduce the burden on the dealers. In addition, there are other merchants in Ames that also deal in the types of goods that might be stolen and then sold to a pawnbroker or itinerant dealer, but are not subject to the same reporting requirements.

Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, thereby directing staff to prepare an ordinance requiring electronic recordkeeping for dealers of secondhand goods, including all pawnbroker and itinerant dealer transactions, and purchases and sales of jewelry, precious metals, gemstones, and electronics, excluding coins purchased by a professional numismatist.