

NO: R153

COUNCIL DATE: July 24, 2017

---

## REGULAR COUNCIL

TO: **Mayor & Council** DATE: **July 20, 2017**

FROM: **Manager, Public Safety Operations** FILE: **3900-20-13183**

SUBJECT: **Amendments to Surrey Secondhand Dealers and Pawnbrokers By-law, 1997, No. 13183**

---

## RECOMMENDATION

The Bylaw Enforcement & Licensing Services Division recommend that Council:

- Receive this report as information;
- Approve amendments to the Surrey Secondhand Dealers and Pawnbrokers By-law, 1997, No. 13183, as documented in Appendix "I" of this report;
- Approve amendments to Surrey Municipal Ticketing Information and Utilization By-law, 1194, No. 12508", as documented in Appendix "II" of this report; and
- Authorize the City Clerk to bring forward the amending by-laws for the required readings by Council.

## INTENT

The purpose of this report is to gain Council approval for amendments that will strengthen the oversight of Secondhand Dealers and Pawnbrokers business operations' in the City of Surrey.

## BACKGROUND

Secondhand dealers and pawnbrokers ("Dealers"), by the very nature of their business, are susceptible to unintentionally participating in the purchase and sale of stolen property. The City of Surrey's Secondhand Dealers and Pawnbrokers By-law, 1997, No. 13183 (the "By-law") requires these Dealers to submit a "register of goods purchased or pawned" to the RCMP via facsimile transmission on a daily basis.

Faxed reports are received by the Surrey RCMP on a daily basis from nine individual Dealers. These reports arrive in a variety of formats, including handwritten submissions, excel spreadsheets, emails, photos, and/or pdf formats. These formats do not afford the Surrey RCMP the ability to scrutinize the information as it is unsearchable, often poor quality and at times missing pertinent information. Subsequently, significant staff time is spent to manually enter the registry information so it can be analyzed. Once the information has been analyzed, reports are manually created, which can then be utilized in criminal investigations relating to property crimes.

The Bylaw Enforcement & Licensing Services Division, alongside the Surrey RCMP, completed inspections of Dealers' premises in September 2016. These inspections resulted in the identification and subsequent return of over \$20,000 in stolen items to their rightful owners. Following the review of the Dealers' register

of goods, the Surrey RCMP has recommended Criminal Code charges against the sellers who sold and/or pawned the items to the dealers.

## **DISCUSSION**

Most major jurisdictions in Canada utilize a web-based software program (“Program”) for Dealers to submit their daily register of goods. This Program provides real time and historical transaction data as well as tools to produce queries and reports. In addition, the Program can be integrated with other systems such as eBay, Kijiji, Craigslist and the Canadian Police Information Centre (CPIC) database to determine if property has been reported as stolen.

Staff are proposing that all Dealers within the City of Surrey be required to record their registers in a web-based software program. This software will store the information in a database that the Surrey RCMP can access to assist in their property crime investigations and increase the effectiveness of the Surrey RCMP in searching those registers for goods related to property crimes or persons of interest.

The Surrey RCMP will provide the Program and licensing to the Dealers at no charge. In addition, the Surrey RCMP Property Crime Unit will be responsible for maintaining and managing the Program as well as liaising with the Dealers.

The following list highlights some of the key opportunities that the Program will provide:

1. Efficient and effective reviews will be conducted by the Surrey RCMP of all items which have been purchased or pawned. Currently, the by-law requires “Dealers” to send daily reports by facsimile, which can only be searched manually and, are at often times, illegible;
2. The Program will supply the Surrey RCMP with an automated system that performs countless checks of items purchased or pawned each week against information found in police databases, eBay, Kijiji, Craigslist and other electronic mediums, in an effort to determine if they are stolen;
3. The Program will require all Dealers to take photographs of non-descript items such as jewelry, which are not identified by serial numbers. These photographs will be electronically uploaded to a server permitting the Surrey RCMP to cross-reference the photographs with information provided by victims of crime;
4. The Program will expedite inspections conducted by Bylaw Enforcement and the Surrey RCMP through the use of electronic searches as an alternative to the onerous manual searches currently completed; and
5. The Program will support the Surrey RCMP’s ability to monitor criminal activity, possible identification of suspects, and assist Crime Analysts to scrutinize transaction data.

## **Additional Proposed Amendments**

In collaboration with the Legal Services Division and the Surrey RCMP Property Crime Unit, staff drafted and are proposing additional amendments, including but not limited to: holding product for 90 days instead of 30, requiring a receipt for product appearing to be brand new, and clarity around the types of seller identification that is acceptable. The amendments also include requiring the business owner to provide a criminal record check annually at the time of business license renewal. As a result, both Bylaw Enforcement staff and the Surrey RCMP will operate with improved clarity and enforceability.

## **Consultation with Industry**

Consultation with the thirteen currently licensed Secondhand Dealers and Pawnbrokers was initiated on June 20, 2017, via hand-delivered letters outlining the proposed amendments. Business owners were further

instructed to contact staff with feedback. It was determined that two of the thirteen licenses were no longer active and therefore terminated accordingly. In addition, three businesses requested further information, which was subsequently provided by staff. Overall, the feedback from businesses with respect to the proposed amendments has been well received.

## **SUSTAINABILITY CONSIDERATIONS**

Implementing this Program will support the Public Safety theme in the Sustainability Charter 2.0 – Public Safety and Wellness. Moreover, it will assist with the Surrey RCMP's ability to recover items acquired through criminal acts and return them to their rightful owners.

## **CONCLUSION**

Based on the above discussion, the Bylaw Enforcement & Licensing Services Division recommend that Council:

- Approve amendments to the Surrey Secondhand Dealers and Pawnbrokers By-law, 1997, No. 13183, as documented in Appendix "I" of this report;
- Approve amendments to Surrey Municipal Ticketing Information and Utilization By-law, 1194, No. 12508", as documented in Appendix "II" of this report; and
- Authorize the City Clerk to bring forward the amending by-laws for the required readings by Council.

Jas Rehal, CPA, CMA  
Manager, Public Safety Operations

cc: Officer in Charge (OIC) Surrey RCMP

Appendix "I": Proposed Amendments to the City of Surrey Secondhand Dealers and Pawnbrokers By-law, 1997, No. 13183

Appendix "II": Proposed Amendments to the City of Surrey Municipal Ticketing Information and Utilization By-law, 1194, No. 12508

CITY OF SURREY

BYLAW NO. 19335

A bylaw to amend the provisions of "Surrey Secondhand Dealers and Pawnbrokers By-law, 1997, No. 13183" as amended.  
.....

The Council of the City of Surrey, ENACTS AS FOLLOWS:

1. "Surrey Secondhand Dealers and Pawnbrokers By-law, 1997, No. 13183" as amended, is hereby further amended as follows:

a. The Contents Section is amended by deleting headings 3 – 15 under "Part 2, Secondhand Dealers and Pawnbrokers" and replacing them with the following:

- "3-5 Dealer's Registers
- 6-6.1 Maintenance and Report Requirements
- 7-9 Inspection of Goods Information Register
- 10-11 Preservation and Alteration of Dealer's Registers
- 12-14 Daily Reports
- 15 Keeping of Records"

and by deleting heading 29 - 30 under "Part 3, Secondhand Dealers" and replacing it with the following:

"29 Goods Purchased from Secondhand Dealers

**Part 3.1**

**New Goods**

29.1-30 Purchase or Receipt of New Goods"

b. "Section 2, Definitions" is amended as follows:

i. Amend the definition of "Authorized Identification" by replacing the text in items (a) and (d) with:

"(a) valid driver's license integrated with a photograph of the bearer issued by a Canadian province or territory or by any state in the United States of America"

"(d) any other form of identification integrated with a photograph of the bearer issued by the Canadian federal government or by a Canadian province or territory"

ii. Amend the definition of "Goods Information" as follows:

a. by removing the word "and" in item (a)(i), and

b. by removing the semi-colon after the word seller and replacing it with ", and" in item (a)(ii)

c. by inserting a new item (iii) immediately after item (a)(ii) as follows:

"(iii) in the case of goods, articles or things purchased from another secondhand dealer, the name of that secondhand dealer;"

d. replace item (c) as follows:

"(c) a full and complete description of, and any descriptive mark or name, and any engraving on any goods, articles or things purchased or received, including make, model number, serial number, and in the case of jewelry, the gram weight, colour, design and number of stones; and"

e. insert a new item (d) with the following text:

"(d) the date any good, article or thing purchased or received subsequently leaves the place of business."

iii. Insert the following new definition "New Goods" between the definitions of "License Inspector" and "Non-Profit Society":

""New Goods"

includes any goods, articles or things that appear new or are in a box or in packaging original, or appearing to be original, to the item."

iv. Insert the following new definition "Registered Phone Number" between the definitions of "Purchase" and "Secondhand Dealer":

""Registered Phone Number"

means the phone number for a dealer's place of business listed on a license."

- v. Amend the definition of "Seller Information" by replacing the word "identify" with "identity" in item (b)
  
- c. Delete Part 2, Section 6 in its entirety and replace it with the following:

**"Maintenance and Reporting Requirements**

- 6. Subject to Section 6.1, every dealer must:
  - (a) maintain the dealer's registers electronically in form approved by the Chief of Police;
  - (b) record all Goods Information and Seller Information in the dealer's registers electronically;
  - (b.1) after the close of each business day but no later than noon of the following day, transmit to the Chief of Police electronically, to a specified database via the Internet and using a site licence and password provided by the Chief of Police, a report of the Goods Information for each good, article or thing purchased or received during that business day; and
  - (c) before the close of each business day, print out a hard copy of all electronic information recorded during the course of the day, and maintain all such hard copies as a manual version of the dealer's registers.
  
- 6.1 If the dealer is unable, for any reason, to record or transmit information electronically, the dealer must:
  - (a) maintain the dealer's registers in legible handwriting in ink, until recording or transmission electronically is again available so that no omissions or delays or gaps in record keeping or reporting may occur;
  - (b) before 10:30 a.m. of each business day, deliver by hand or courier to the Chief of Police at 14355 - 57 Avenue, Surrey, BC V3X 1A9, a report, signed by the dealer consisting of an exact and legible photocopy of that portion of the Goods Information Register for each good, article or thing purchased or received between 8:00 a.m. of the business day immediately preceding and 8:00 a.m. of the business day the report is due, that has not been electronically recorded or transmitted; and

- (c) when electronic recording and transmission is available, immediately record and transmit to the Chief of Police electronic entries for all transactions as required by Section 6 and not previously electronically recorded or transmitted to the Chief of Police.
- d. Amend the heading above section 7 by deleting the word "a" before the words "Goods Information Register"
- e. Delete sections 12 – 14 in their entirety and insert the following in their place:  
"12-14 Deleted"
- f. Delete the header for section 19 and replace it with the following text:  
**"Name and Identification of Business"**  
and insert a new section 19.1 as follows:  
19.1 Every dealer who offers any goods, articles or things for sale on any website, such as eBay, Craigslist, Kijiji and similar online sites, must:
  - (a) include in every ad or posting the business name of the dealer and the registered phone number for the dealer's place of business; and
  - (b) where the dealer offers goods, articles or things for sale on a website that allows vendors to employ a username and email address rather than a business name, the dealer must notify the License Inspector and the Chief of Police within 24 hours of first use of any username and email address so used by the dealer."
- g. Section 21 is amended as follows:
  - i. by deleting the word "or" in item 21(b)
  - ii. by adding the phrase "; or" at the end of item 21(c)
  - iii. by adding a new item 21(d) and section 21.1 as follows:
    - "(d) any person who appears to be intoxicated by alcohol or drugs.

21.1 A dealer must review for each transaction the authorized identification of the seller, regardless of whether or not the seller is known to the dealer."

- h. In section 22, insert the words "wholly or partially" before the work "removed"
- i. In section 24, delete the words "thirty (30)" and replace them with the words "ninety (90)"
- j. In section 25, delete the words "thirty (30)" and replace them with the words "ninety (90)"
- k. In section 26, replace the words " Notwithstanding the provisions of Section 25, the Chief of Police" with the words " Notwithstanding the provisions of section 25, the Chief of Police or any Officer"
- l. Insert a new item 29(a.1) after item 29(1) as follows:  
  
"(a.1) record in the Seller Information Register the name of the business or individual secondhand dealer from whom the goods, articles or things have been purchased;"
- m. In section 29(c), delete the words "thirty (30)" and replace with the words "ninety (90)"
- n. Insert a new Part 3.1 and section 29.1 as follows:

**"Part 3.1  
New Goods**

**Purchase or Receipt of New Goods**

- 29.1. No dealer shall purchase or receive in the way of business any new goods unless the seller is able to produce a receipt or invoice for the new good."
- o. Delete section 30 in its entirety and replace it with the following:



"30. Where any new goods have been purchased or received by a dealer, the dealer shall:

- (a) record all new goods in the dealer's registers;
- (a.1) record in the Seller Information Register the name of the person, including the name of any business or individual secondhand dealer, from whom the new goods have been purchased or received;
- (b) report the Goods Information for the new goods to the Chief of Police; and
- (c) take and keep the original or a copy of the receipt or invoice provided by the seller and produce the receipt or invoice at all reasonable times during business hours, for the inspection of the Chief of Police or any other Officer at his or her request."

p. Replace the headings for Part 6 as follows:

**"Part 6  
Exemptions**

**Non-Profit Societies"**

q. Capitalize the word "Officer" wherever it occurs throughout the Bylaw.

2. This Bylaw shall be cited for all purposes as "Surrey Secondhand Dealers and Pawnbrokers Bylaw, 1997, No. 13183, Amendment Bylaw, 2017, No. 19335."

PASSED FIRST READING on the    th day of    , 2017.

PASSED SECOND READING on the    th day of    , 2017.

PASSED THIRD READING on the    th day of    , 2017.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk, and sealed with the Corporate Seal on the    th day of    , 2017.

\_\_\_\_\_MAYOR

\_\_\_\_\_CLERK

CITY OF SURREY

BYLAW NO. 19336

A bylaw to amend the provisions of "Surrey Municipal Ticket Information Utilization By-law, 1994, No. 12508", as amended.

.....

The Council of the City of Surrey, ENACTS AS FOLLOWS:

- 1. "Surrey Municipal Ticket Information Utilization By-law, 1994, No. 12508", as amended, is hereby further amended as follows:
  - a) Schedule 17 is deleted in its entirety and replaced with a new Schedule 17 attached hereto and forming part of this Bylaw.
  
- 2. This Bylaw shall be cited for all purposes as "Surrey Municipal Ticket Information Utilization Bylaw, 1994, No. 12508, Amendment Bylaw, 2017, No. 19336."

PASSED FIRST READING on the    th day of    , 2017.

PASSED SECOND READING on the    th day of    , 2017.

PASSED THIRD READING on the    th day of    , 2017.

RECONSIDERED AND FINALLY ADOPTED, signed by the Mayor and Clerk, and sealed with the Corporate Seal on the    th day of    , 2017.

\_\_\_\_\_MAYOR

\_\_\_\_\_CLERK

**SCHEDULE 17 TO BY-LAW NO. 12508**

SURREY SECONDHAND DEALERS AND  
PAWNBROKERS BY-LAW, 1997, NO. 13183

	<u>SECTION</u>	<u>FINE</u>
1. Fail to keep goods register	3	\$1,000.00
2. Fail to keep seller register	4	\$1,000.00
3. Fail to maintain register	6(a)	\$ 500.00
4. Fail to record information	6(b)	\$ 500.00
5. Record information incorrectly	6(b)	\$ 500.00
6. Record serial number incorrectly	6(b)	\$ 500.00
7. Fail to record date goods leave premises	6(b)	\$ 500.00
8. Fail to transmit report	6(b.1)	\$ 500.00
9. Fail to print/maintain copies	6(c)	\$ 500.00
10. Fail to produce register	7	\$1,000.00
11. Erase/alter entry	10(a)	\$ 500.00
12. Permit erasing/alteration of entry	10(b)	\$ 500.00
13. Fail to report amendment of entry	10(c)	\$ 500.00
14. Fail to secure access	10(d)	\$ 500.00
15. Fail to maintain records on premises	10(e)	\$ 500.00
16. Register not in sequence	11	\$ 500.00
17. Fail to keep registers on premises	15(a)	\$ 500.00
18. Fail to keep records for prescribed time	15(b)	\$ 500.00
19. Fail to transfer registers	15(c)	\$ 500.00
20. Operate without license	16	\$ 500.00

21. Incorrect place of business	17	\$ 500.00
22. Fail to include prescribed information in ad	19.1(a)	\$ 500.00
23. Fail to notify of username/email address	19.1(b)	\$ 500.00
24. Purchase/receive after 6:00 pm/before 9:00 am	20	\$ 500.00
25. Purchase/receive – person under 18 years	21(a)	\$ 500.00
26. Purchase/receive – no identification	21(b)	\$ 500.00
27. Purchase/receive from person acting on behalf of person under 18 years	21(c)	\$ 500.00
28. Purchase/receive from person acting on behalf of person without authorized identification	21(c)	\$ 500.00
29. Purchase/receive from person who appears intoxicated	21(d)	\$ 500.00
30. Fail to review authorized identification	21.1	\$ 500.00
31. Receive goods where serial number altered/removed	22	\$1,000.00
32. Receive goods where identifiable marking altered/removed	22	\$1,000.00
33. Refuse inspection of goods	23	\$1,000.00
34. Alter/repair/dispose of goods within 90 clear days	24(a)	\$ 500.00
35. Dispose of goods within 90 clear days	24(b)	\$ 500.00
36. Fail to segregate goods	25(a)	\$ 500.00
37. Prevent inspection for identification	25(b)	\$1,000.00
38. Fail to hold goods when required	26	\$ 500.00
39. Fail to separate secondhand and pawned goods	28	\$ 500.00
40. Fail to record secondhand goods	29(a)	\$ 500.00
41. Fail to record seller of secondhand goods	29(a.1)	\$ 500.00
42. Fail to report secondhand goods	29(b)	\$ 500.00

43. Fail to hold secondhand goods	29(c)	\$ 500.00
44. Receive new goods without receipt	29.1	\$1,000.00
45. Fail to record new goods	30(a)	\$ 500.00
46. Fail to record seller of new goods	30(a.1)	\$ 500.00
47. Fail to report new goods	30(b)	\$ 500.00
48. Fail to produce receipt for new goods	30(c)	\$ 500.00
49. Extend expiration of pawn	33	\$ 500.00
50. Change of name of pawner	33	\$ 500.00
51. Refuse right of entry	34	\$1,000.00