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May 21, 2010

Ronald D. Leonhardt  
City Clerk  
City Hall, 205

Re: Moratorium on the issuance of Licenses  
for Precious Metal and Gem Dealer Licenses

Dear Mr. Leonhardt:

You have asked us for an opinion on the ability of the Common Council to create a task force to study any problems associated with "cash for gold" operations and to impose a moratorium on the issuance of the precious metal and gem dealer license under the provisions of Section 92-10 of the Milwaukee Code of Ordinances during that study. The authority to so regulate the second hand transactions in jewelry is granted by Wis. Stat. Sec. 134.71.

Wis. Stat. § 134.71 (7) provides as follows:

(7) LICENSE ISSUANCE. (a) The governing body of the county or municipality shall grant the license if all of the following apply:

1. The applicant, including an individual, a partner, a member of a limited liability company or an officer, director or agent of any corporate applicant, has not been convicted within the preceding 10 years of a felony or within the preceding 10 years of a misdemeanor, statutory violation punishable by forfeiture or county or municipal ordinance violation in which the circumstances of the felony, misdemeanor or other offense substantially relate to the circumstances of being a pawnbroker, secondhand jewelry dealer, secondhand article dealer or secondhand article dealer mall or flea market owner.

2. With respect to an applicant for a pawnbroker's license, applicant provides to the governing body a bond of \$500, with not less than 2 sureties, for the observation of all municipal ordinances relating to pawnbrokers.

(b) No license issued under this subsection may be transferred.

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- (c) 1. Each license for a pawnbroker, secondhand article or secondhand jewelry dealer is valid from January 1 until the following December 31.
2. Each license for a secondhand article dealer mall or flea market is valid for 2 years, from May 1 of an odd-numbered year until April 30 of the next odd-numbered year.

Because the license "shall be granted" upon the applicant meeting the foregoing criteria we do not believe there is the authority to create a moratorium on the granting of such a license.

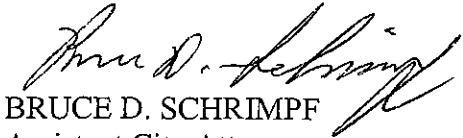
However, we believe that establishing a task force to study any problems associated with the operation of such stores is well within the authority of the Common Council to legislate for the health, safety and welfare of the citizens.

We will be happy to assist the Council in any way it deems appropriate in such a task force.

Very truly yours,



GRANTE LANGLEY  
City Attorney



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