

**BOROUGH OF DUNELLEN**  
**ORDINANCE # 2024- 12**

The following ordinance was Introduced for first reading on April 15, 2024. A second reading, public hearing and adoption is being held at 7:00 p.m. in the Dunellen Borough Municipal Building, 355 North Avenue, Dunellen, New Jersey, on May 6, 2024, and copies of this Ordinance have been posted on the public bulletin board prior to the date for second reading and final passage and copies of this Ordinance have been available at the Office of the Borough Clerk for any interested members of the public.

**AN ORDINANCE TO AMEND SEVERAL SECTIONS OF CHAPTER 227  
SECONDHAND GOODS AND PRECIOUS METALS**

**WHEREAS**, the Borough Council of the Borough of Dunellen, County of Middlesex, State of New Jersey, has determined that it is appropriate to amend Chapter 227 (Secondhand Goods and Precious Metals) of the Borough Code

**NOW, THEREFORE, BE IT ORDAINED**, by the Borough Council of the Borough of Dunellen, County of Middlesex, State of New Jersey, that Chapter 227, Secondhand Goods and Precious Metals, shall be amended as follows:

**Section 1**

**§ 227-2 Definitions.**

As used in this chapter, the following terms shall have the meanings indicated:

**MUNICIPAL CLERK**

The statutory officer whose duties are defined in N.J.S.A. 40A:9-133 and shall refer to the duly appointed Clerk of the Borough of Dunellen, or Deputy Clerk.

**§ 227-3 License requirement for dealers.**

No person, partnership, limited liability company, corporation, or other entity shall engage in the business of buying, selling, or pawning of precious metals or other secondhand goods, as defined above, within the jurisdiction of the municipality, without having first obtained a license therefore from the Municipal Clerk, which license shall bear a number issued by the Municipal Clerk. The application for a license to the Municipal Clerk shall set forth the name, date of birth, and address of the dealer, whether or not he or she is a citizen of the United States, and whether or not he or she has ever been convicted of any crime(s) or disorderly persons offense(s), and the date(s) thereof. Advertising in any print or electronic media or by sign that any of those articles

or secondhand goods referred to in § **227-2** above are being bought in any location within the municipality shall constitute engaging in business as a dealer of secondhand goods for purposes of this chapter. No person, partnership, limited liability company, corporation or other entity shall place or cause to be placed any advertisement for purchase of such articles or goods without stating in the advertising the license number issued to a person or entity by the municipality. In any print advertisement, the license number shall appear in type no smaller than eight point in the lower-right-hand corner of the advertisement. In any advertisement in electronic media, the license number shall be visually or audibly stated. Failure to state or indicate the license number shall be a violation of this chapter and shall be subject to the penalties established in § **227-8**.

**§ 227-4 Application process for dealers; approval or denial.**

- D. Grounds for recommending denial of license may include reliable information indicating that the applicant has in the past engaged in fraudulent or deceptive business practices in a business identical to or similar to a dealer in secondhand goods. A license may be denied if the investigation reveals a conviction of the applicant or any of its principal officers or employees of any crime(s), disorderly persons offense(s) in which deceit or misrepresentation is an element; or any conviction of any crime(s), disorderly persons offense involving theft or the receiving of stolen goods, regardless of whether the applicant was a principal, accessory before the fact, after the fact, or a co-conspirator; or any prior municipal ordinance violation(s) by the applicant or any of its principal officers or employees in this or any other jurisdiction. A license may be denied if the applicant fails to demonstrate an ability to satisfactorily comply with the electronic reporting requirements specified in § **227-5**, the retention and inspection requirements of § **227-6**, or any other portion of this chapter. Upon receipt of the recommendation of the Chief of Police, the Municipal Clerk shall issue or deny the license accordingly, contingent upon the receipt of a bond for \$10,000.00 as required by § **227-11** of this chapter.

**§ 227-5 Identification of seller; recordkeeping requirements for dealers.**

For every reportable transaction between a dealer and the public, the dealer shall be required to do as follows:

- D. If directed by the Chief of Police, the information outlined in Subsection **C** above shall additionally be electronically documented through the use of an electronic database system authorized and approved by the Chief of Police. Licensing will be conditional upon compliance with the reporting requirements of this chapter. These records shall be subject to the inspection of any authorized police officer or any sworn law enforcement officer acting in the performance of their duty as set forth in Subsection **F** below. Through the use of applicably required computer equipment, and using the

electronic format approved by the Chief of Police, every dealer shall enter all reportable transactions into the electronic database by the end of the close of business on the same date as the purchase or receipt of property for pawn or consignment. The information entered must contain all pertinent information outlined in Subsection C above.

**§ 227-7 Fees; period of license validity.**

A nonrefundable fee for initial application and license for a pawnbroker or a dealer in precious metals or other secondhand goods, as covered under this chapter, is \$300. The annual renewal fee for a license is \$300. These fees are separate from and in addition to any fees the dealer must pay in relation to the mandatory electronic database system designated by the Chief of Police, as provided by § 227-5D of this chapter. Payments are to be made in the manner directed by the Municipal Clerk. A license is valid for a one-year period from the date of its issuance. In the event that the pawnbroker or dealer in precious metals or other secondhand goods fails to file a renewal application and pay the renewal fee by January 31 of each year, said license shall automatically be revoked effective February 1<sup>st</sup>.

**§ 227-8 Violations and penalties.**

Violation of any provision of this chapter by any dealer shall, upon conviction thereof, be punished by a fine not in excess of the limitations of N.J.S.A. 40:49-5 (fine not to exceed \$2,000.00) or by a term of imprisonment or a period of community service not exceeding 90 days in addition to a suspension or revocation of operating license as provided in § 227-6E and § 227-6F above. Each and every violation shall be considered a separate violation. Each violation shall result in an additional suspension period. Any person who is found guilty of violating the provisions of this chapter within one year of the date of a previous violation and who was fined for the previous violation may be sentenced by the court to an additional fine as a repeat offender and, in addition, may be subject to revocation proceedings as provided in § 227-6E and § 227-6F above. The additional fine imposed as a repeat offender shall not be less than the minimum or exceed the maximum fine provided herein, and same shall be calculated separately from the fine imposed for the violation of this chapter.

**§ 227-11 Bond.**

Each dealer covered under this chapter shall deliver a bond to the Municipal Clerk executed by the applicant as principal and executed by a surety company authorized to do business under the laws of the State of New Jersey as surety. The bond shall be subject to review and approval by the Municipal Attorney, as defined in N.J.S.A. 40A:9-139, and shall be in the penal sum of \$10,000, conditioned for the due and proper observance of and compliance with the provisions and requirements of all ordinances of the municipality in force or which may be adopted respecting the conduct of this business and conditioned also that the bond shall be and remain for

the benefit of any person or persons who shall have received judgment against the dealer licensed under this chapter, which damage shall be established by a judgment of a court of proper jurisdiction. Said bond shall contain the following language: "The obligation of this bond shall, in addition to the [party municipality], be and remain for the benefit of any person who shall obtain a judgment against obligor as a result of damage sustained in operation pursuant to any license granted under this chapter." Said bond shall be kept for a minimum of one year from the date of issuance of license and must be renewed annually along with the license.

**Section 2.** If any section or provision of the Ordinance shall be determined to be invalid in any Court of competent jurisdiction, the same shall not affect the other sections or provisions of this ordinance, except so far as the section or provision so declared invalid shall be inseparable from the remainder of any portion thereof.

**Section 3.** All Ordinances, or parts of Ordinances, which are inconsistent herewith are hereby repealed to the extent of any inconsistency.

**Section 4.** This Ordinance shall take effect immediately after final passage in the manner provided by law.

Approved May 6, 2024