

ORDINANCE NO. 8073

AN ORDINANCE LICENSING AND REGULATING
LENDERS OF PAYDAY LOANS

WHEREAS, the City of Granite city has determined that the health, safety and welfare of its citizens will be served by the licensing and regulating of Lenders of Payday Loans within the corporate limits of the said City; and

WHEREAS, the City has undertaken to provide a safe, clean, and aesthetically pleasing environment by and through the inherent power vesting in the City to do so.

NOW, THEREFORE BE IT ORDERED by the City Council of the City of Granite City as follows:

Section 1: License-Required. No person, firm, association, partnership or corporation shall conduct or operate the business fo payday loan lending without having first obtained a license therefore as is provided in this chapter, or in violation of any of the provisions contained in this chapter.

Section 2: Definitions
Definition- Payday Lender and Licensee. Any person or entity, including any affiliate or subsidiary of lender or licensee, that offers or makes a payday loan, buys a whole or partial interest in a payday loan, arranges a payday loan for a third party, or acts as an agent for a third party in making a payday loan, regardless of whether approval, acceptance, or ratification by third party is necessary to create a legal obligation for a third party, and includes any other person or entity if the Building and Zoning Board determines that the person or entity is engaged in a transaction that is in substance a disguised payday loan or a subterfuge for the purpose of avoiding this Act.

Definition- Payday Loan or Loan. A loan with a finance charge exceeding an annual percentage rate of %36 and with a term that does not exceed 120 days, including any transaction conducted via any medium whatsoever, including but not limited to, paper, facsimile, Internet, or telephone, in which:

- (1) A lender accepts one or more checks dated on the date written and agrees to hold them for a period of days before deposit or presentment, or accepts one or more checks dated subsequent to the date written and agrees to hold them for deposit; or
- (2) A lender accepts on or more authorizations to debit a consumer's bank account; or

(3) A lender accepts an interest in a consumer's wages, including, but not limited to, wage assignment.

Section 3: State Licensing Required- Compliance with State Law. That any person, firm association, corporation or partnership applying for and/or receiving or holding a business license in the City of Granite City to operate a payday loan facility as defined in Section 2 herein must also hold a license to operate from the State of Illinois (whenever such license is required pursuant to the Payday Loan Reform Act, 815 ILCS 122/1-1, et seq., or pursuant to any other licensing provision of the State of Illinois) and must show that such State license is current and active. In addition, any person, firm, association, corporation or partnership operating as a payday lender must at all times be in full compliance with all State laws, rules and/or regulations pertaining to the operation of a payday loan facility. Failure to achieve and maintain full compliance with all laws, rules and regulations shall be deemed a violation of this ordinance.

Section 4: License- Application- Investigation. Applications for payday loan lenders shall be made to the city clerk and shall state thereon the name of the applicant, the place of business, and the number of employees intended to be engaged. The application shall also state the Illinois State license number and shall be accompanied by good and sufficient proof of compliance with all Illinois State licensing laws pertaining to payday loan lenders.

Section 5: Prohibited Activities. No person, firm, association, partnership or corporation licensed to conduct a payday loan lending business shall accept items in pawn or for bailment in exchange for cash or other evidence of cash, nor shall a payday loan lending business as defined herein accept evidence of title or ownership in real property in exchange for cash or evidence of cash.

Section 6: Licenses Limited. At the time of passage of this Ordinance there exist in the City of Granite City four (4) loan establishments with effective business licenses. These establishments will thenceforth be considered to be licensed under this section and ordinance, and any application for renewal of license shall be made under this section and ordinance. The City of Granite City, as a Home Rule Unit, hereby finds and declares that the currently licensed number of payday loan lenders is an excessive number of payday loan lenders for the community and further finds and declares that at no time shall the number of payday loan lenders for the community exceed two, after the existing payday loan establishments in Granite City decline in number to two, and that no license shall issue unless renewed by the current holder of a license (after compliance with this ordinance) or by new applicant (after compliance with this ordinance) where current license holder relinquishes the license in writing, presented to the city clerk, or fails to renew said license in a timely manner.

Section 7: Violation and Penalty. Any person, firm association, partnership or corporation violating any provision of this ordinance shall be fined not less than Fifty Dollars (\$50.00) nor more than Seven-hundred and Fifty Dollars (\$750.00) for each offense.

Section 8: This Ordinance shall be in full force and effect from after its passage and publication as required by law.

PASSED by the City Council of the City of Granite City, Illinois, this 15th day of

July, 2008.

APPROVED by the Mayor of the City of Granite City, Illinois, this 16th day of

July, 2008.

Ed Hagman
MAYOR

ATTEST:

Judy Whitaker
CITY CLERK, Judy Whitaker