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**FINAL REPORT**

<b>Planning &amp; Zoning:</b>	5/6/2013	<b>Staff Contact:</b>	Emily Barron, AICP, Planning Director
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<b>Agenda Item:</b>	2013-1912	<b>Phone:</b>	512-990-6300

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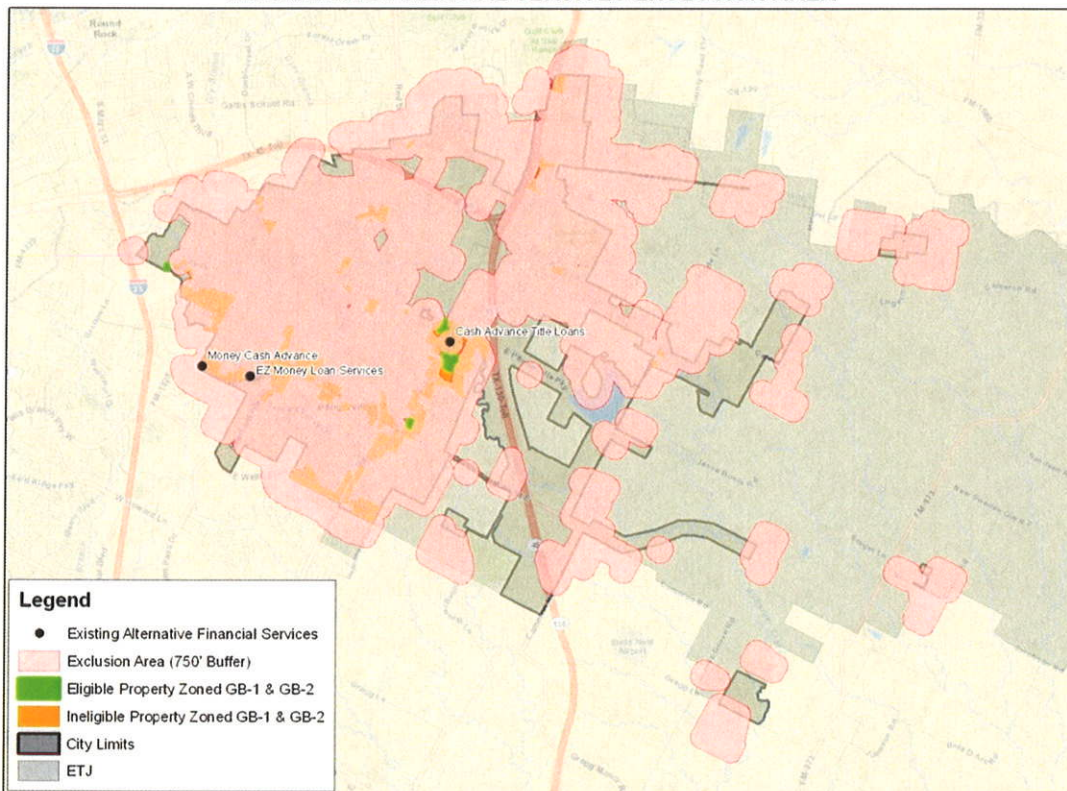
**Subject: Alternative Financial Services and Pawn Shops**

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As requested by City Council, staff is presenting this item for consideration to include Alternative Financial Services as a use within the Unified Development Code (UDC). Alternative Financial Services are commonly known as a check cashing business, payday advance or loan business, money transfer business, precious metal dealer, or car title loan business. Currently within the City of Pflugerville there are three (3) businesses that function as alternative financial services within the city limits. Currently, these uses are included with traditional banking institutions which to date have not been defined within the UDC.

The proposed ordinance permits this use within the General Business 1 (GB1) and General Business 2 (GB2) zoning districts with certain spacing requirements. Similarly bail bonds would be required to meet the same criteria. Based on this criteria, below is a map that outlines the potential locations for these businesses to be currently located:

**ALTERNATIVE FINANCIAL SERVICES EXCLUSION AREA**



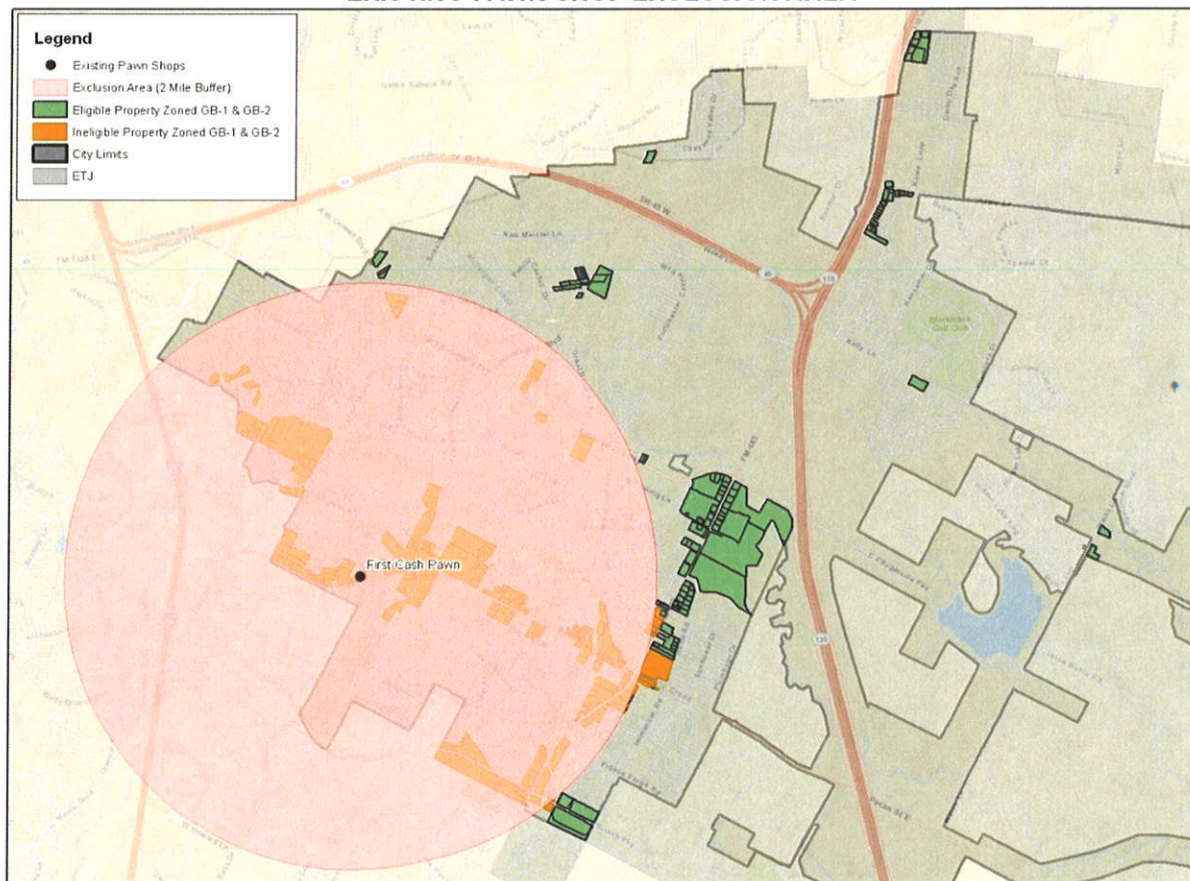
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Existing alternative financial service businesses would be permitted to remain in their current location with a non-conforming use status.

Through this process staff has also incorporated pawn shops as a use within the UDC which was not previously listed. The proposed ordinance does not include a spacing restriction for this use because the spacing of this particular use is already dictated per state law. Currently within the city there is one pawn shop. Based on the provisions of state law, below is a map showing the spacing requirements for pawn shops:

**EXISTING PAWN SHOP EXCLUSION AREA**



The proposed ordinance amendment includes the provisions listed above as well as additions to Subchapter 20 Definitions to include the associated definitions.

**SUBCHAPTER 4. ESTABLISHMENT OF DISTRICTS AND BOUNDARIES.**

**B. OFFICE, RETAIL AND COMMERCIAL ZONING DISTRICTS.**

(2) Permitted Uses. Land and buildings in each of the office, retail and commercial zoning districts may be used for any of the uses allowed per the following table:

<b>Commercial, Retail, and Service Uses</b>	<b>O1</b>	<b>O2</b>	<b>NS</b>	<b>R</b>	<b>GB1</b>	<b>GB2</b>
<b>Alternative Financial Services</b>					#	#
<b>Bail Bond</b>					#	#
Financial Institutions	P	P	P	P	P	P
<b>Pawn Shop</b>					P	P

(3) Conditions. The uses indicated in the above table with “#” in one or more Districts must comply with the conditions as indicated below. The use is permitted in the subject District or Districts provided the use or site complies with the conditions indicated for the use.

**Alternative Financial Services –**

- 1) Alternative financial services are permitted in this district provided every portion of the boundary of the site in which the use is located (subject site) is a minimum of seven hundred fifty (750) feet from the nearest property line of all of the following uses:
  - a. Any other alternative financial service
  - b. Residential use or district
  - c. School, public or private
  - d. Church

For the purposes of this section, the measurement of the 750-foot distance will be made in a straight line, without regard to intervening structures or objects, from the nearest portion of the property line of the subject site to the nearest portion of the property line of an existing alternative financial service, residential use or district, school or church. In addition, the measurement of the 750-foot distance will also include existing alternative financial service, residential use or district, school or church that are located in an adjoining city, township or rural land area and that are within 750-foot distance of the nearest property line of the property sought to be used as an alternative financial service within the city.

**Bail Bond –**

- 1) Bail Bond services are permitted in this district provided every portion of the boundary of the site in which the use is located (subject site) is a minimum of seven hundred fifty (750) feet

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from the nearest property line of all of the following uses, measured in a straight line between the nearest points of one lot to the other lot:

- a. Any other alternative financial service
- b. School, public or private
- c. Residential use or district
- d. Church

For the purposes of this section, the measurement of the 750-foot distance will be made in a straight line, without regard to intervening structures or objects, from the nearest portion of the property line of the subject site to the nearest portion of the property line of an existing alternative financial service, residential use or district, school or church. In addition, the measurement of the 750-foot distance will also include existing alternative financial service, residential use or district, school or church that are located in an adjoining city, township or rural land area and that are within 750-foot distance of the nearest property line of the property sought to be used as an alternative financial service within the city.

**SUBCHAPTER 20. DEFINITIONS.**

(B) Terms not defined herein will be construed in accordance with customary usage. Should any definition established by the ordinance be later found to conflict with the definition of the same term made by applicable Texas law, the Texas statutory definition will supersede the definitions herein.

(C) List of defined terms:

**ALTERNATIVE FINANCIAL SERVICES** – A check cashing business, payday advance or loan business, money transfer business, precious metal dealer, or car title loan business. At no time may an alternative financial service be permitted an accessory use unless specifically provided for within the definition of the specific alternative financial service use.

**CAR TITLE LOAN BUSINESS** – An establishment that makes small, short-term consumer loans that leverage the equity value of a car or other collateral where the title to such vehicle is owned free and clear by the loan applicant any an existing liens on the car or vehicle cancel the application, and where failure to repay the loan or make interest payments to extend the loan allows the lender to take possession of the car of vehicle. This excludes state or federally-chartered banks, savings and loan associations, or credit unions engaged primarily in the business of making longer term loans and which make loans that leverage the total equity value of a car or vehicle as collateral.

**CHECK CASHING BUSINESS** –An establishment that provides to the customer an amount of money that is equal to the fact of the check or the amount specified in the written authorization for an electronic transfer of money, less any fee charged for the transaction, and where there is an agreement not to cash the check or execute an electronic transfer of money for a specified period of time, the business of cashing checks, warrants, drafts, money orders or other commercial paper serving the same purpose for compensation by any person or entity other than a retail seller

engaged primarily in the business of selling consumer goods, including consumables to retail buyers, that cashes checks or money orders or issues money orders or money transfers for a minimum flat fee as a service that is incidental to its main purpose or business. This definition excludes a state or federally-chartered bank, savings and loan associations, credit union, pawnshop, grocery store or gas station.

**MONEY TRANSFER BUSINESS** – An establishment, other than a bank or financial institution that engages in or facilitates the transmission of funds to or from a location outside the United States and its territories for a fee.

**PAYDAY ADVANCE OR LOAN BUSINESS** – An establishment that makes small consumer loans, usually backed by postdated check or authorization to make an electronic debit against an existing financial account, where the check or debit is held for an agreed upon term or until the applicant's next payday, and then cashed unless the customer repays the loan to reclaim such person's check.

**PRECIOUS METAL DEALER** – Any person or entity engaged in purchasing articles made of or containing gold, silver, platinum, or other precious metals or jewels of any description for the purpose of reselling the items in any form.

**BAIL BOND** – A cash deposit, or similar deposit or written undertaking, or a bond or other security, given to guarantee the appearance of a defendant in a criminal case as defined by the State of Texas Occupations Code Chapter 1704, as amended.

**BAIL BOND BUSINESS** – The solicitation, negotiation, or execution of a bail bond by a bail bond surety as defined under the State of Texas Occupations Code Chapter 1704, as amended.

**BAIL BOND SURETY** – A person who a) executes bail bond as a surety of cosurety for another person; or b) for compensation deposits cash to ensure the appearance in court of a person accused of a crime as defined by the State of Texas Occupations Code Chapter 1704, as amended.

**FINANCIAL INSTITUTION** – An establishment for the custody, loan, exchange or issue of money, the extension of credit and/or facilitating the transmission of funds, including automated teller machines such as a bank or credit union. This term does not include alternative financial services such as payday lending or money transfer businesses.

**PAWN BROKER** – A person engaged in the business of (a) lending money on the security of pledged goods; or (b) purchasing goods on condition that the goods may be redeemed or repurchased by the seller for a fixed price within a fixed period as defined by the State of Texas Finance Code Chapter 371, as amended.

**PAWN SHOP** – A location at which or premises in which a pawnbroker regularly conducts business as defined by the State of Texas Finance Code Chapter 371, as amended.