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FOR INFORMATION CALL

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Ald. Terry L. Witkowski
(414) 731-0472

Committee to Consider Proposed Four-Month Moratorium on Precious Metal and Gem Dealer Licenses

Legislation also Proposes City Departments Look into Better Regulation of "Cash-for-Gold" Businesses

The high price of gold and a subsequent proliferation of "cash-for-gold" stores in Milwaukee has prompted Common Council legislation that would prohibit any new city precious metal and gem dealer licenses from being issued for 120 days until city departments can make recommendations on how to regulate businesses that resell used silver, gold and jewelry.

The proposed amended legislation (**see attached**), authored by Alderman Terry L. Witkowski and co-sponsored by colleagues Alderman Joe Dudzik, Alderman Jim Bohl and Alderman Nik Kovac, will be taken up by the Licenses Committee when it meets at 8:00 a.m. tomorrow (Wednesday, June 2, 2010) in room 301-B at City Hall, 200 E. Wells St.

Alderman Witkowski said it's clear that some cash-for-gold stores in Milwaukee have had problems keeping stolen items from being resold on their shelves, and that's only helped fuel thefts and home burglaries in the city and region.

In fact, the growing problem surfaced late in 2009, when Milwaukee police seized approximately 1,200 pieces of jewelry that four south side stores bought without following proper procedures. Police confiscated the jewelry, valued at over \$75,000, and several pieces were linked to burglaries and thefts in the Milwaukee area. MPD issued 85 citations totaling more than \$41,000 to the four stores. All four stores surrendered their precious metals and gem dealer licenses in January.

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Moratorium Proposed/ADD ONE

“I strongly believe that the proliferation of these cash-for-gold businesses is a serious threat to the health, safety, and welfare of our residents and neighborhoods,” Alderman Witkowski said.

The alderman said “cash-for-gold,” title loan, payday loan stores, and other similar operations “aren’t going away” and the city needs to find ways of better regulating them. He noted that some neighborhoods are threatened by a combination of some of these types of businesses that seem to be concentrated in a specific area or along certain streets.

The ordinance refers directly to that potential latter “concentration” threat, stating: “A concentration of business operations such as ‘cash for gold’ operations, tattoo parlors, pawnshops, payday and title loan outlets, taverns and liquor retailers may be perceived by many city residents as having a deleterious affect on the surrounding neighborhood.”

Currently, amended file #100121 calls for representatives from the Milwaukee Police Department, the Department of City Development and the Department of Neighborhood Services to join forces to review and make recommendations for possible changes to the city’s existing licensing and zoning policies for precious metal and gem dealers.

If approved by the Licenses Committee, the proposed ordinance would then go to the full Common Council. If approved by the Council, the measure would then go to the mayor for his signature.