



Administrative Services Department
Finance Division
69-825 Highway 111
Rancho Mirage CA 92270

Phone (760) 770-3207

Fax (760) 324-0528

CONSIGNMENT STORE PERMIT PROCEDURES

A. Applicability

All persons seeking to engage in consignment transactions on or after July 20, 2003, the effective date of R.M.M.C. Chapter 5.26, shall be required to obtain a consignment store permit (R.M.M.C. § 5.26.030(A)).

All persons already legally engaged in consignment transactions before July 20, 2003, the effective date of R.M.M.C. Chapter 5.26, shall be required to obtain a consignment store permit prior to any subsequent renewal of their business license. (R.M.M.C. § 5.26.025(A)).

Consignment store permits shall also be renewed annually by the filing of a supplemental application setting forth all information provided in R.M.M.C. Chapter 5.26 (R.M.M.C. § 5.26.030(B)).

No business license shall be issued to any person to operate a consignment store unless such person has first obtained a validly issued consignment store permit (R.M.M.C. § 5.26.050).

B. Application

Application for a consignment store permit shall be made by the applicant upon a form prepared by the City and shall be submitted to the City Manager or his or her designee (R.M.M.C. § 5.26.040(A)).

C. Permit Information

The applicant shall submit the following information and documents with all consignment store permit applications (R.M.M.C. § 5.26.040(B)):

- 1) Applicant's name

- 2) Applicant's home address and telephone and fax number(s)
- 3) Business name
- 4) Business address and telephone and fax number(s)
- 5) Applicant's date of birth
- 6) Applicant's social security and/or federal tax identification number
- 7) Applicant's other business names (if applicable)
- 8) Applicant's other business addresses (if applicable)
- 9) Applicant's on-site manager's name

D. Additional Permit Information

The applicant shall submit the following additional information and documents with all consignment store permit applications:

- 1) Applicant's Recent Photograph
- 2) On-Site Manager's Recent Photograph
- 3) Applicant's Drivers License
- 4) On-Site Manager's Drivers License
- 5) Applicant's Fingerprint (live scan)
- 6) On-Site Manager's Fingerprint (live scan)
- 7) Deposit (see below)
- 8) Evidence of State License or Permit (see below)
- 9) Security (see below)

E. Processing the Application

The City Manager, or his or her designee, shall make a determination on the application within sixty (60) days from the receipt of a complete application. (R.M.M.C. § 5.26.060). As part of the background review process, the City Manager, or his or her designee, shall contact the Riverside County Sheriff's Department and the California State Board of Equalization to confirm whether any complaints and/or investigations have been made against the applicant or applicant's business in the past five (5) years (R.M.M.C. § 5.26.040(D)).

F. Posting the Consignment Store Permit

Upon issuance of a consignment store permit, the applicant/permittee shall post the permit in a conspicuous location within the business (R.M.M.C. § 5.26.080).

G. Deposit for Administrative Processing and Background Investigation

The applicant must deposit \$250.00 with the City at the time of filing a consignment store permit application (R.M.M.C. § 5.26.040(C)). The deposit pays for the administrative costs associated with the City's review of the application and for background investigation costs. If additional funds are necessary to cover costs, the applicant must pay such additional costs to the City before further processing of the application may proceed. Any unused portion of the deposit will be refunded to the applicant.

H. State License

If required by the Sheriff's office to obtain a state license, the applicant must submit to the City a copy of their valid unexpired State of California secondhand dealer license as prima facie evidence that such person is allowed to conduct consignment business activity (R.M.M.C. § 5.26.085)

I. Security

Before a permit is issued or renewed, the applicant shall be required to furnish in favor of the City of Rancho Mirage one of the following types of security, subject to the approval of the City Manager or his or her designee as to the form (R.M.M.C § 5.26.075):

- An irrevocable bond from a reputable corporate bonding company authorized to do business in the State of California by the Department of Insurance that is acceptable to the City Manager or his or her designee; or
- An irrevocable letter of credit from a banking institution that is acceptable to the City Manager or his or her designee.

To ensure the protection of the public from fraud, theft, and other unlawful conduct, the amount of the security shall be 100% of the value of the consignment inventory of the subject business. Additionally, to ensure that proceeds will be available from any security interest to be used to compensate the City for costs, reasonable expenses and fees, including attorneys' fees, incurred by the City in successfully enforcing the obligation secured, an additional 20% shall be added to the value of the consignment inventory of the subject business.

The proceeds from any security interest provided pursuant to R.M.M.C. § 5.26.075 may be used to compensate the City for costs, reasonable expenses and fees, including attorneys' fees, incurred by the City in successfully enforcing the obligation secured.

Any security interest required by R.M.M.C. § 5.26.075 shall provide that upon the failure to comply with any of the conditions or provisions set forth in this Chapter 5.26, the permittee or his or her sureties/guarantors shall pay any fine which may be imposed upon said permittee for such violation and that said permittee or his or her sureties/guarantors shall pay to any person aggrieved by any act of said permittee, in violation of Chapter 5.26, any amount which a court of competent jurisdiction may determine that such person is entitled to because of said violation.

J. Insurance

The consignee (applicant/permittee) shall maintain adequate insurance coverage protecting any consigned items from loss, theft or property damage (R.M.M.C. § 5.26.075(F)).

K. Relocation of Business

Upon the relocation of a consignment store business to another business location within the City, the permittee shall submit an amended consignment store permit application and furnish the requisite security interest prior to operating the business at the new location (R.M.M.C. § 5.26.150).

L. Denial of Application

An application for a consignment store permit shall be denied upon a showing of any of the following (R.M.M.C. § 5.26.065):

- (1) The location of the business does not comply with all applicable zoning laws or the provisions of Chapter 5.26;
- (2) The applicant or the prospective on-site manager, if other than the applicant, is not eighteen (18) years of age or older;
- (3) The application contains false information;
- (4) The applicant has been convicted in the State of California or any other state of unlawful conduct involving fraud, theft or perjury;
- (5) The applicant has committed any act which would be grounds for revocation or suspension of a permit under this Chapter;
- (6) The applicant is denied a license for any grounds described in Business and Professions Code Section 21641 and such violation(s) demonstrate(s) a pattern of conduct; or,
- (7) The applicant does not provide all of the information required by the application.

M. Appeals

An applicant may appeal the denial, suspension or revocation of an application for any permit, or any decision of the City Manager, described in Chapter 5.26, by filing an appeal to the City Council in conformance with the provisions contained in R.M.M.C. § 5.26.155.

CITY OF RANCHO MIRAGE



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**CONSIGNMENT STORE PERMIT APPLICATION
(R.M.M.C. § 5.26)**

(THIS SECTION IS FOR THE USE OF THE CITY OF RANCHO MIRAGE ONLY)

PERMIT N^o: _____

DEPOSIT¹: \$250.00

DATE SUBMITTED: _____

RECEIPT N^o: _____

SUBMITTED TO: _____

CHECK N^o: _____

APPLICANT'S RECENT PHOTOGRAPH SUBMITTED

YES NO

ON-SITE MANAGERS RECENT PHOTOGRAPH SUBMITTED
(IF DIFFERENT FROM APPLICANT)

YES NO

APPLICANT'S DRIVERS LICENSE VERIFIED

YES NO

ON-SITE MANAGERS DRIVERS LICENSE VERIFIED
(IF DIFFERENT FROM APPLICANT)

YES NO

APPLICANT'S FINGERPRINT LIVE SCAN SUBMITTED²

YES NO

ON-SITE MANAGERS FINGERPRINT LIVE SCAN SUBMITTED
(IF DIFFERENT FROM APPLICANT)

YES NO

APPLICANT BACKGROUND REVIEW BY STAFF COMPLETED

YES NO

SECURITY SUBMITTED BY APPLICANT

YES NO

STATE LICENSE SUBMITTED BY APPLICANT

YES NO

APPROVED

DENIED

CITY MANAGER

DATE

Section A: Applicant Information

APPLICANT³: _____

PHONE NO: () _____

FAX NO: () _____

APPLICANT'S HOME ADDRESS^{4 5}: _____
Street City State Zip

APPLICANT'S DATE OF BIRTH⁶: _____

APPLICANTS SOCIAL SECURITY AND/OR FEDERAL TAX IDENTIFICATION NO: _____

BUSINESS NAME: _____

BUSINESS ADDRESS:

Street

City

State

Zip

OFFSITE STORAGE LOCATION (IF ANY): _____

Street

City

State

Zip

OTHER BUSINESS NAME(S)^{7 8}: _____

OTHER BUSINESS ADDRESS(ES): _____

Street

City

State

Zip

ON-SITE MANAGERS NAME: _____
(IF DIFFERENT FROM APPLICANT)

SECTION B: SUBMITTAL REQUIREMENTS

A complete application shall include, but not be limited to, the following:

- 1) Application.
- 2) Deposit for Administrative Processing and Background Investigation Costs.
- 3) Applicant's Recent Photograph.
- 4) On-Site Managers Recent Photograph.
- 5) Applicant's Drivers License.
- 6) On-Site Manager's Drivers License.
- 7) Applicant's Fingerprint (live scan).
- 8) On-Site Manager's Fingerprint (live scan).
- 9) Security.
- 10) State Secondhand Dealer License.

SECTION C: SIGNATURE

**** IMPORTANT ****

Any False or Misleading Information Shall Be Grounds for Denial

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF CALIFORNIA THAT THE INFORMATION PROVIDED IN THIS APPLICATION BY THE UNDERSIGNED IS TRUE AND CORRECT.

EXECUTED ON THIS _____ DAY OF _____, 200__ , AT RANCHO MIRAGE, CALIFORNIA.

APPLICANT SIGNATURE

Any determination or action taken by the City Manager regarding the subject application may be appealed pursuant to Rancho Mirage Municipal Code Chapter 5.26.155, upon payment of an appeal filing fee.

¹ \$250.00 DEPOSIT PAYS FOR THE ADMINISTRATIVE COSTS ASSOCIATED WITH THE CITY'S REVIEW OF THE APPLICATION AND FOR BACKGROUND INVESTIGATION COSTS. IF ADDITIONAL FUNDS ARE NECESSARY TO COVER COSTS, THE APPLICANT SHALL PAY SUCH ADDITIONAL COSTS TO THE CITY BEFORE FURTHER PROCESSING OF THE APPLICATION MAY PROCEED. ANY UNUSED PORTION OF THE DEPOSIT SHALL BE REFUNDED TO THE APPLICANT.

² FINGERPRINTS MUST BE TAKEN BY A LAW ENFORCEMENT AGENCY WITHIN THE PREVIOUS SIXTY (60) DAYS OF THE DATE OF THE APPLICATION.

³ IF AN INDIVIDUAL, PROVIDE LEGAL NAME, PRIOR LEGAL NAMES OR ALIASES. IF A CORPORATION, PARTNERSHIP, LLC OR JOINT VENTURE, PROVIDE ITS LEGAL NAME AND FICTITIOUS BUSINESS NAMES FOR THE PAST FIVE (5) YEARS, WITH THE NAMES AND TITLES OF CURRENT OFFICERS, PARTNERS AND MAJORITY INVESTORS, MEMBERS SHAREHOLDERS AND STOCKHOLDERS HOLDING GREATER THAN 5-PERCENT INTEREST. IF A CORPORATION, LLC OR PARTNERSHIP, PROVIDE THE DATE AND STATE OF INCORPORATION OR FORMATION. (ATTACH ADDITIONAL SHEETS AS NECESSARY.)

⁴ IF A CORPORATION, PARTNERSHIP, LLC OR JOINT VENTURE, PROVIDE ADDRESSES OF CURRENT OFFICERS, PARTNERS AND MAJORITY INVESTORS, MEMBERS SHAREHOLDERS AND STOCKHOLDERS HOLDING GREATER THAN 5-PERCENT INTEREST. (ATTACH ADDITIONAL SHEETS AS NECESSARY.)

⁵ PREVIOUS RESIDENTIAL ADDRESSES OF THE APPLICANT FOR EACH OF THE FIVE (5) YEARS PRIOR TO THE DATE OF THE APPLICATION AND THE DATE OF RESIDENCY OF EACH SUCH ADDRESS. (ATTACH ADDITIONAL SHEETS AS NECESSARY.)

⁶ IF A CORPORATION, PARTNERSHIP, LLC OR JOINT VENTURE, PROVIDE DATES OF BIRTH OF CURRENT OFFICERS, PARTNERS AND MAJORITY INVESTORS, MEMBERS SHAREHOLDERS AND STOCKHOLDERS HOLDING GREATER THAN 5-PERCENT INTEREST. (ATTACH ADDITIONAL SHEETS AS NECESSARY.)

⁷ PROVIDE THE NAMES AND ADDRESSES OF ALL PREVIOUS BUSINESSES OWNED OR OPERATED IN THE PREVIOUS FIVE (5) YEARS BEFORE THE DATE OF THIS APPLICATION. (ATTACH ADDITIONAL SHEETS AS NECESSARY.)

⁸ PROVIDE THE STATE AND COUNTY IN WHICH CERTIFICATES OF DOING BUSINESS AND CERTIFICATES OF FICTITIOUS NAME BUSINESS DOCUMENTS ARE RECORDED. (ATTACH ADDITIONAL SHEETS AS NECESSARY.)

Additional Permit Information

1.) IF A CORPORATION, PARTNERSHIP, LLC OR JOINT VENTURE, PROVIDE ITS LEGAL NAME AND FICTITIOUS BUSINESS NAMES FOR THE PAST FIVE (5) YEARS, WITH THE NAMES AND TITLES OF CURRENT OFFICERS, PARTNERS AND MAJORITY INVESTORS, MEMBERS SHAREHOLDERS AND STOCKHOLDERS HOLDING GREATER THAN 5-PERCENT INTEREST. IF A CORPORATION, LLC OR PARTNERSHIP, PROVIDE THE DATE AND STATE OF INCORPORATION OR FORMATION. (ATTACH ADDITIONAL SHEETS AS NECESSARY.)

2.) IF A CORPORATION, PARTNERSHIP, LLC OR JOINT VENTURE, PROVIDE ADDRESSES OF CURRENT OFFICERS, PARTNERS AND MAJORITY INVESTORS, MEMBERS SHAREHOLDERS AND STOCKHOLDERS HOLDING GREATER THAN 5-PERCENT INTEREST. (ATTACH ADDITIONAL SHEETS AS NECESSARY.)

3.) PREVIOUS RESIDENTIAL ADDRESSES OF THE APPLICANT FOR EACH OF THE FIVE (5) YEARS PRIOR TO THE DATE OF THE APPLICATION AND THE DATE OF RESIDENCY OF EACH SUCH ADDRESS. (ATTACH ADDITIONAL SHEETS AS NECESSARY.)

4.) IF A CORPORATION, PARTNERSHIP, LLC OR JOINT VENTURE, PROVIDE DATES OF BIRTH OF CURRENT OFFICERS, PARTNERS AND MAJORITY INVESTORS, MEMBERS SHAREHOLDERS AND STOCKHOLDERS HOLDING GREATER THAN 5-PERCENT INTEREST.

5.) PROVIDE THE NAMES AND ADDRESSES OF ALL PREVIOUS BUSINESSES OWNED OR OPERATED IN THE PREVIOUS FIVE (5) YEARS BEFORE THE DATE OF THIS APPLICATION.

6.) PROVIDE THE STATE AND COUNTY IN WHICH CERTIFICATES OF DOING BUSINESS AND CERTIFICATES OF FICTITIOUS NAME BUSINESS DOCUMENTS ARE RECORDED.

**CITY OF RANCHO MIRAGE
CONSIGNMENT STORE BOND**

KNOW ALL MEN BY THESE PRESENTS:

That we, _____ as "Principal," and _____ a surety company authorized to do business in the State of California as "Surety," are firmly bound unto THE CITY OF RANCHO MIRAGE as Obligee, in the penal sum of:

_____ (\$_____) for the payment of which, well and truly to be made, we hereby jointly and severally bind ourselves our heirs, executors, administrators, successors and assigns, firmly by these presents.

WHEREAS, the Principal has applied to the City of Rancho Mirage for a permit to engage in the business of consignment and is required by Section 5.26.075 of the City of Rancho Mirage Municipal Code to furnish a surety bond for the benefit of the consignor of the consigned property.

WHEREAS, this bond is issued for the purpose of satisfying said requirement.

WHEREAS, the minimum face amount of the bond includes, but is not limited to, the estimated cost of recovery which may be incurred by the City of Rancho Mirage in enforcing the obligation secured herein.

WHEREAS, any consignor, including his or her heirs, successors in interest, executors, transferees, assigns, agents or any other individuals or entities related thereto, aggrieved or damaged by any act of a consignee in violation of, or contrary to the provision of Chapter 5.26 et. seq. of the City of Rancho Mirage Municipal Code, shall have the right to maintain a direct action against the Surety under this bond for the consignor's loss, accrued interest, court or arbitration costs and attorneys' fees.

NOW THEREFORE, if Principal shall do all of the following, then the obligations of the Principal and Surety pursuant to this bond shall be void, otherwise they shall remain in full force and effect:

A) Not engage in any conduct which causes consigned property not to be available for redemption by consignor when the consignor has complied with all of the conditions precedent to redemption under the terms of the consignment contract between the Principal and consignor or which conduct causes the nonpayment of monies owed by the Principal to consignor upon the sale of a consigned item; or

B) Not violate any of the conditions or provisions set forth in Chapter 5.26 et. seq. of the Rancho Mirage Municipal Code; or

C) Compensate the City of Rancho Mirage for any costs and reasonable expenses and fees including attorneys' fees incurred by the City in successfully enforcing the obligations of the Principal as secured herein as required in Section 5.26.075(C) of the Rancho Mirage Municipal Code; or

D) Upon the failure to comply with any of the conditions or provisions set forth in Chapter 5.26, et. seq., of the Rancho Mirage Municipal Code, pay any fine which may be imposed upon the Principal for such violation and further pay any person aggrieved by any act of the Principal in violation of Rancho Mirage Municipal Code Chapter 5.26, et. seq. any amount which a court of competent jurisdiction may determine that such person is entitled to because of said violation (RMMC § 5.26.075(D)).

The aggregate liability of the Surety to any and all persons, regardless of the number of claims made against this bond or the number of years this bond remains in force, shall in no event exceed the amount set forth above.

The bond shall be effective beginning 12:01 a.m. on _____ and shall expire in one (1) year unless extend by continuation certificate.

Executed this _____ day of _____, 20____.

Principal

Principal

Surety Company

BY: _____
Attorney-in-Fact

**CITY OF RANCHO MIRAGE
CONSIGNMENT STORE
IRREVOCABLE STANDBY LETTER OF CREDIT**

BANK:	Irrevocable Standby Letter of Credit No. _____
BENEFICIARY: City of Rancho Mirage 69-825 Highway 111 Rancho Mirage, California 92270 Attn: Scott Morgan	APPLICANT:

Currency	U.S.
Amount/Credit	
Available by	Upon Request of Beneficiary
Final Expiry Date	_____ or any extended date as herein set forth at the close of business of this office.

LADIES/GENTLEMEN:

We hereby issue our Irrevocable Standby Letter of Credit (“Letter of Credit”) in the favor of the City of Rancho Mirage (“Beneficiary”). This Letter of Credit is available by sight payment with us only against presentation to this office at the above address with the following documentation:

1. Your sight draft drawn on us in the form as provided in Exhibit A (Form of Draft) attached hereto and incorporated herein by this reference.
2. A dated statement signed by an authorized representative of Beneficiary in the form as provided in Exhibit B (Draw Certificate) attached hereto and incorporated herein by this reference.
3. An attested to copy of Ordinance No. 837.
4. The original Letter of Credit or an executed copy of the Letter of Credit marked as original.

We understand that Applicant has applied to the City of Rancho Mirage for a permit to engage in the business of consignment and is required by Section 5.26.075 of the City of Rancho Mirage Municipal Code to furnish a Letter of Credit as security for the consigned property.

We understand that this Letter of Credit is issued for the purpose of satisfying said requirement.

We understand and agree that pursuant to Section 5.26.075(B) of the Rancho Mirage Municipal Code the minimum face amount of this Letter of Credit includes, but is not limited to, the estimated cost of recovery which may be incurred by Beneficiary in enforcing the obligation secured herein.

We understand and agree that pursuant to Section 5.26.075(C) of the Rancho Mirage Municipal Code, we shall compensate Beneficiary for any costs and reasonable expenses and fees including attorneys' fees incurred by Beneficiary in successfully enforcing the obligations of Applicant as secured herein.

We understand and agree that pursuant to Section 5.26.075(D) of the Rancho Mirage Municipal Code, should Applicant fail to comply with the provisions set forth in Chapter 5.26, et. seq. of the Rancho Mirage Municipal Code, we shall pay any fine which may be imposed upon Applicant for such violation and further pay any person aggrieved by any act of Applicant, in violation of Rancho Mirage Municipal Code Chapter 5.26, et. seq., any amount which a court of competent jurisdiction may determine that such person is entitled to because of said violation.

We understand and agree that pursuant to Section 5.26.075(E) of the Rancho Mirage Municipal Code, any consignor, including his or her heirs, successors in interest, executors, transferees, assigns, agents or any other individuals or entities related thereto, aggrieved or damaged by any act of Applicant in violation of, or contrary to the provision of Chapter 5.26 et. seq. of the City of Rancho Mirage Municipal Code, shall have the right to maintain a direct action against us under this Letter of Credit for the consignor's loss, accrued interest, court or arbitration costs and attorneys' fees,

Our aggregate liability to any and all persons, regardless of the number of claims made against this Letter of Credit or the number of years this Letter of Credit remains in force, shall in no event exceed the amount or time frame set forth herein.

This Letter of Credit shall finally expire on _____, which date is one (1) year from the issuance of the Consignment Store Permit.

The date this Letter of Credit expires, in accordance with the above provision, is the "Final Expiry Date." Upon the occurrence of the Final Expiry Date, this Letter of Credit shall fully and finally expire and no presentations made under this Letter of Credit after such date will be honored.

This Letter of Credit sets forth in full the terms of our undertaking and such terms shall not be modified, amended or amplified by any document, instrument or agreement referred to in this Letter of Credit.

Any banking charges under this Letter of Credit shall not be the responsibility of the Beneficiary and the Applicant shall have an unqualified obligation to reimburse us for any payments made under this Letter of Credit.

We hereby agree that drafts drawn by Beneficiary under and in compliance with the terms of this Letter of Credit, regardless of any and all disputes between Beneficiary and Applicant, will be duly honored upon presentation and delivery to _____ at the address above. Documents are to be sent in one lot by courier service, overnight mail or hand delivery.

Except to the extent otherwise expressly provided herein, this Letter of Credit is subject to the "Uniform Customs and Practice for Documentary Credits (1993 Revision)", International Chamber of Commerce Publication No. 500.

_____, Bank

Authorized Signature

Date: _____

Exhibit A

FORM OF DRAFT

To: _____, Bank

Pay on _____, 20____, to the undersigned _____ U.S. dollars (\$_____) in immediately available funds by cashiers check or wire transfer to such payee at the following address:

City of Rancho Mirage
69-825 Highway 111
Rancho Mirage, California 92270

This draft is drawn under _____ Bank, Irrevocable Standby Letter of Credit No. _____, dated _____, 20____.

City of Rancho Mirage, Beneficiary

By: _____

Name: _____

Title: _____

Exhibit B

DRAW CERTIFICATE

The undersigned being a duly authorized representative of the City of Rancho Mirage hereby represents and warrants to _____ (the "Bank") that (i) _____ ("Applicant ") has defaulted on its obligations pursuant to Section 5.26, et. seq. of the Rancho Mirage Municipal Code (Ordinance No. 837); (ii) that the amount of this drawing, to wit the sum of \$_____, is now due and owing to Beneficiary; (iii) that the amount of this drawing is less than or equal to the stated amount of the Credit; and (iv) the amount of this drawing remains unpaid to Beneficiary from Applicant."

IN WITNESS WHEREOF, the undersigned has executed and delivered this Draw Certificate to _____, Bank this ____ day of _____, 20__.

City of Rancho Mirage, Beneficiary

By: _____

Name: _____

Title: _____