

ORDINANCE NO. 2012-03

AN ORDINANCE TO DEVELOP A COMPREHENSIVE PLAN FOR THE CITY AND MORATORIUM ON THE ISSUANCE OF BUSINESS LICENSES FOR CHECK CASHING BUSINESS, PAYDAY ADVANCE BUSINESS, AND TITLE LOAN BUSINESS

BE IT ORDAINED by the City Council (the "Council") of the CITY OF CENTER POINT, ALABAMA (the "City"), as follows:

Section 1. **Definitions.** The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein or otherwise, be given the following respective meanings and interpretations:

**"Chartered Institution"** means any state or federally chartered bank, savings association, credit union or any retail seller engaged in the selling of consumer goods, such as consumables to retail buyers, that cashes checks or issues money orders for a minimum flat fee as a service to its customers that is incidental to its main purpose or business.

**"Check Cashing Business"** means any business, excluding a Chartered Institution, that engages in whole or in part in the business of cashing checks, warrants, drafts, money orders, or other commercial papers serving the same purpose for compensation or a portion of the value of the above referenced financial instrument.

**"Comprehensive Plan"** means comprehensive studies of the present and future development of the land economics and land policies of the City, with due regard to neighboring regions and the state as a whole. The Comprehensive Plan may include, but is not limited to: (1) preparation, as a guide for long-range development, of advisory general physical plans with respect to the pattern and intensity of land use and the provision of public facilities, including transportation facilities, together with long-range fiscal plans for such development; (2) advisory coordination of all related advisory plans and planned activities at both the intragovernmental and intergovernmental levels; and (3) preparation of suggested regulatory or administrative measures, including, but not limited to, revisions of the City's Zoning Ordinances or Business License Code, in support of the foregoing Comprehensive Plan for submission to the Council for review, adoption, rejection, or implementation in whole or part, as the Council may determine.

**"Payday Advance Business"** means a business, excluding a Chartered Institution, that engages in whole or in part in making consumer loans which may be backed by a postdated check or authorization to make an electronic debit against an existing financial account with loan payment typically due when the borrower's next paycheck is issued to reclaim the post dated check or cancel the electronic debit.

**"Title Loan Business"** means a business, excluding a Chartered Institution, that engages in whole or in part in making consumer loans using the equity value of a car or other vehicle as collateral when the title to such vehicle is owned by the borrower.

Section 2. **Findings.** That the Council, has found and ascertained and does hereby declare as follows:

(a) It is the responsibility of the Council to set policies and enact regulations which improve the quality of life for everyone who lives, works or does business in the City and to attract new residents and new and diverse businesses and industry to become a part of the City;

(b) The Council intends to facilitate growth and diversification of the City's economic

platform through business recruitment, retention and expansion;

(c) The City has experienced a proliferation and significant concentration of Check Cashing Business, Payday Advance Business, and Title Loan Business;

(d) The concentration of Check Cashing Business, Payday Advance Business, and Title Loan Business within the City is detrimental to the City's development and effectively limits the ability of the City to attract diverse types of business which would be consistent with the City's land use plan and proposed Comprehensive Plan;

(e) It is in the best interest of the City's overall economic development to provide for orderly growth and balance the development of Check Cashing Business, Payday Advance Business, and Title Loan Business in order to have a diverse and stable economy;

(f) It is in the best interest of the City that the issue of concentration or saturation of Check Cashing Business, Payday Advance Business, and Title Loan Business be analyzed as part of a Comprehensive Plan to determine changes, if any, to the City's Zoning Ordinances, Business License Code, and other planning and land use tools;

(g) A moratorium on Check Cashing Business, Payday Advance Business, and Title Loan Business is necessary to allow time to complete the Comprehensive Plan to allow for reasonable consideration of, among other things, the desired character of specific areas in the City and their suitability for particular uses, to enhance the value of land usage and encourage the most appropriate use of land throughout the City;

(h) It is in the public interest to appropriately plan the locations of Check Cashing Business, Payday Advance Business, and Title Loan Business to guide the City's development and make a determination of how to minimize blight and deterioration in the City as a result of certain types of businesses that have some deleterious effects;

(i) A moratorium will allow the City to protect its communities from blight while preserving the status quo, thereby allowing the City the opportunity to consider all options under the Comprehensive Plan to determine the appropriate means to reduce any further saturation of Check Cashing Business, Payday Advance Business, and Title Loan Business and to enact changes, if any, to the City's Zoning Ordinances, Business License Code, and other planning and land use tools;

(j) Check Cashing Business, Payday Advance Business, and Title Loan Business require additional law enforcement resources from the City to protect consumers and additional locations may have a detrimental impact on the budget of the City and the safety of inhabitants of the City;

(k) Check Cashing Business, Payday Advance Business, and Title Loan Business may be detrimental to the elderly and economically disadvantaged who use those services to overcome immediate needs for funds through a cycle of borrowing that may be harmful;

(l) Check Cashing Business, Payday Advance Business, and Title Loan Business often get paid before basic living expenses such as rent, utilities, and child support payments and Check Cashing Business, Payday Advance Business, and Title Loan Business can hold the borrowers hostage and in effect maintain a super priority lien on their assets;

(m) Title Loan Business may trap borrower's in a cycle of debt while placing one of the borrower's most valuable assets, their automobile, that may be essential to their livelihood or job at risk of seizure; and

(n) A traditional bank account is the first step toward giving low-income people access to mainstream tools for wealth creation and the unchecked proliferation of Check Cashing Business, Payday Advance Business, and Title Loan Business in the City leads to the displacement of traditional banking institutions and credit unions, making access to traditional banking services even more difficult in lower income neighborhoods. Without appropriate planning the reduction or displacement of needed financial services may accelerate with the loss of other commercial benefits, tax revenues and employment opportunities in the City.

**Section 3. Development of Comprehensive Plan.** The Council hereby authorizes the Mayor to obtain proposals from professional planning organizations or companies to prepare a Comprehensive Plan to guide the City in structuring its land use, zoning, and business license policies to foster continuing development and redevelopment activities and a long range plan for the City's economic development and security and the health, welfare and safety of the City's inhabitants.

**Section 4. Moratorium on Check Cashing Business.** The Council has determined that it is necessary and desirable, and in the best interest of the City and the health, safety and welfare of its inhabitants, that it declare a moratorium on the issuance of business licenses under the Business License Code of the City of Center Point, Alabama adopted by Ordinance No. 2007-14, as amended, for any enterprise whose primary business activity is the Check Cashing Business until completion of the Comprehensive Plan. During the period of the moratorium, applications, other than for renewal licenses for the aforementioned businesses, shall not be accepted by the City and no new or original licenses for such businesses shall be issued. Additionally, no Check Cashing Business shall be allowed to transfer its license to another location or similar business during the period of the moratorium.

**Section 5. Moratorium on Payday Advance Business.** The Council has determined that it is necessary and desirable, and in the best interest of the City and the health, safety and welfare of its inhabitants, that it declare a moratorium on the issuance of business licenses under the Business License Code of the City of Center Point, Alabama adopted by Ordinance No. 2007-14, as amended, for any enterprise whose primary business activity is the Payday Advance Business until completion of the Comprehensive Plan. During the period of the moratorium, applications, other than for renewal licenses for the aforementioned businesses, shall not be accepted by the City and no new or original licenses for such businesses shall be issued. Additionally, no Payday Advance Business shall be allowed to transfer its license to another location or similar business during the period of the moratorium.

**Section 6. Moratorium on Title Loan Business.** The Council has determined that it is necessary and desirable, and in the best interest of the City and the health, safety and welfare of its inhabitants, that it declare a moratorium on the issuance of business licenses under the Business License Code of the City of Center Point, Alabama adopted by Ordinance No. 2007-14, as amended, for any enterprise whose primary business activity is the Title Loan Business until completion of the Comprehensive Plan. During the period of the moratorium, applications, other than for renewal licenses for the aforementioned businesses, shall not be accepted by the City and no new or original licenses for such businesses shall be issued. Additionally, no Title Loan Business shall be allowed to transfer its license to another location or similar business during the period of the moratorium.

**Section 7. Existing Businesses Exempt.** This Ordinance is not intended to impact and shall not apply to any Check Cashing Business, Payday Advance Business, or Title Loan Business currently operating under a valid business license issued by City unless such business ceases operations,

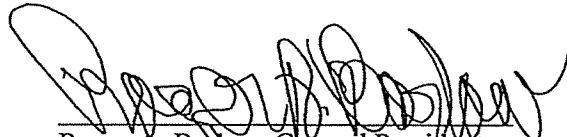
changes locations, requires a renewed or amended business license or engages in any other activity that may result in the termination or revocation of any license or permit required by applicable law.


Section 8. **City Police Powers.** This Ordinance is adopted to carry out the powers and duties of the City under *Alabama Code §11-45-1 et. seq.* and any other applicable provisions of law to provide for the safety, preserve the health, promote the prosperity, and improve the morals, order, comfort, and convenience of the inhabitants of the City.


Section 9. **Severability.** If any portion of this Ordinance is found to be invalid, it is the intention of the Council that the remaining provisions of this Ordinance be severed from the invalid provisions and remain in full force and effect.

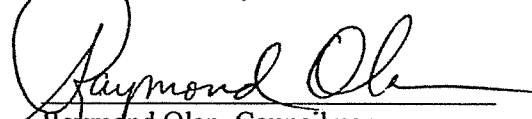
Section 10. **Effective Immediately.** This Ordinance shall become effective immediately upon its adoption and approval by the Mayor and Council of the City and posting as required by Alabama law.

**ADOPTED** this 8<sup>th</sup> day of March, 2012.

  
Roger A. Bartow, Council President


  
Danny King, Councilman

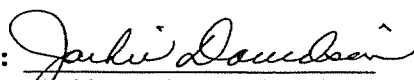
  
Linda Kennemur, Councilwoman

  
Raymond Olan, Councilman

  
Terry Leesburg, Councilman

**APPROVED** this 8<sup>th</sup> day of March, 2012.

  
Thomas E. Henderson, Mayor

**ATTESTED:**   
Jackie Davidson, City Clerk