

ORDINANCE NO. 2019-4

**AN ORDINANCE IMPOSING A PERMANENT 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 the City’s *2017 Comprehensive Plan Update* adopted by the Council on April 27, 2017, which included 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 includes, but is not limited to: (1) 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) coordination of all related advisory plans and planned activities at both the intragovernmental and intergovernmental levels; and (3) suggested regulatory or administrative measures, including, but not limited to, revisions of the Zoning Ordinance of Center Point, Alabama (the “Zoning Ordinance”) or Business License Code of Center Point, Alabama (the “Business License Code”), in support of the foregoing Comprehensive Plan.

“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) Prior to the adoption of a moratorium and while developing the Comprehensive Plan, the City 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 Comprehensive Plan;

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

(f) The concentration, or saturation, of Check Cashing Business, Payday Advance Business, and Title Loan Business was analyzed in developing the Comprehensive Plan to determine changes, if any, to the City's Zoning Ordinance, Business License Code, and other planning and land use tools;

(g) The portion of the Comprehensive Plan analyzing market availability and needs found the following with respect to Check Cashing Business Payday Advance Business and title Loans Business:

The prevalence of payday loan businesses in Center Point along Center Point Parkway currently limits the redevelopment potential of the corridor by stagnating property values. What's more, payday loan businesses prey on low-to-moderate residents and do not circulate their profits in the community.

High concentrations of Check Cashing Business, Payday Advance Business, and Title Loan Business and other alternative financing businesses have historically been directly related to increased crime, lower property values and a reduction in safety throughout U.S. cities. The concentration of these types of establishments within the City of Center Point can have a detrimental impact on the City's future development and could effectively limit the ability of the City to attract diverse types of businesses.

See 2017 Comprehensive Plan Update at Pages 93 and 94.

(h) As part of the Comprehensive Plan it was recommended that the City adopt one or more ordinances to constrain Check Cashing Business, Payday Advance Business, and Title Loan Business through any of the following: (1) a permanent moratorium; (2) limits on density or distance; (3) special zoning; (4) special conditional use permits; or (5) prohibition.

(i) A permanent moratorium on Check Cashing Business, Payday Advance Business, and Title Loan Business is necessary to carry out the Comprehensive Plan to provide for the desired character of specific areas in the City and their suitability for particular uses, and to enhance the value of land usage and encourage the most appropriate use of land throughout the City;

(j) 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 involve deleterious effects;

(k) A permanent moratorium allows the City to protect its communities from blight and further reduce the saturation of Check Cashing Business, Payday Advance Business, and Title Loan Business;

(l) 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;

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

(n) 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;

(o) 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

(p) 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. 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, to impose a permanent moratorium on the issuance of business licenses under the Business License Code for any enterprise whose business activity involves the Check Cashing Business. 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.

Section 4. 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, to impose a permanent moratorium on the issuance of business licenses under the Business License Code for any enterprise whose business activity involves the Payday Advance Business. 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.

Section 5. 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, to impose a permanent moratorium on the issuance of business licenses under the Business License Code for any enterprise whose business activity involves the Title Loan Business. 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.

Section 6. 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 operating under a valid business license issued by City on the date this Ordinance is effective, unless such business ceases operations, requires an amended business license or engages in any other activity that may result in the termination or revocation of any license or permit under applicable law.

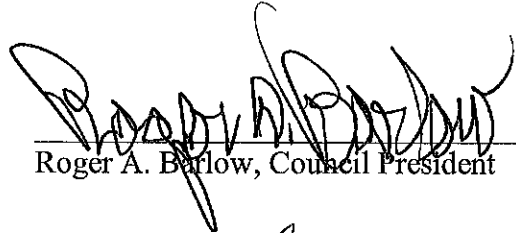
Section 7. City Police Powers. This Ordinance is adopted to carry out the powers and duties of the City under *Code of Alabama 1975*, §11-45-1 *et. seq.* and any other applicable provisions of law to provide for the safety, preserve the health, promote the prosperity, and improve the morals, order, comfort, and convenience of the inhabitants of the City.

Section 8. Repealer. All ordinances or parts of ordinances heretofore adopted by the City Council of the City of Center Point, Alabama, which are inconsistent with the provisions of this ordinance, are hereby expressly repealed.

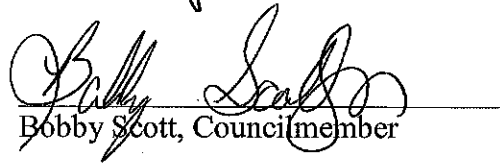
Section 9. Severability. If any portion of this Ordinance is found to be invalid, it is the intention of the Council that the remaining provisions of this Ordinance be severed from the invalid provisions and remain in full force and effect.

Section 10. Effective Date. 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 14th day of February, 2019.




Roger A. Barlow, Council President

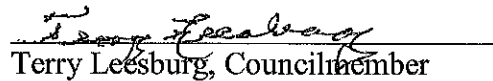


Bobby Scott, Councilmember

Linda Kennemur, Councilmember



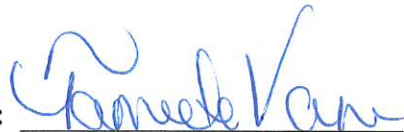
James Howell, Councilmember



Terry Leesburg, Councilmember

APPROVED this 14th day of February, 2019.

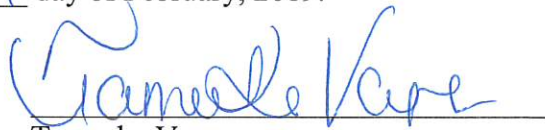

Thomas E. Henderson, Mayor

ATTESTED: 
Tameeka Vann, City Clerk

CERTIFICATION OF CITY CLERK

I, Tameeka Vann, as City Clerk of the City of Center Point, Alabama, hereby certify that the attached copy of Ordinance NO 2019-9 is a true and correct copy of such Ordinance that was duly adopted by the City Council of the City of Center Point on the 14th day of February, 2019, as the same appears in the official records of the City.

Posted at the Center Point City Hall, Center Point Senior Center, and United States Post Office in Center Point, Alabama this the 14th day of February, 2019.


Tameeka Vann
City Clerk of the City of Center Point

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