

ORDINANCE 11-03

(Title/payday loan, deferred deposit lending and similar businesses)

AN ORDINANCE AMENDING TITLE 19 (ZONING), SECTION 19.02.020 ENTITLED “DEFINITIONS”; TABLES 6-1 AND 6-2 ENTITLED “TABLE OF LAND USE REGULATIONS” DESIGNATING TITLE LOAN, PAYDAY LOAN, AND DEFERRED DEPOSIT LENDING AND SIMILAR BUSINESSES AS A CONDITIONAL USE IN SPECIFIED ZONING DISTRICTS; ADDING SECTION 19.06.200 AND SUBSECTION 19.14.100(12) REGULATING TITLE LOAN, PAYDAY LOAN, DEFERRED DEPOSIT LENDING AND SIMILAR BUSINESSES; PROVIDING FOR REPEALER; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, upon review of the City’s zoning regulations of title loan, payday loan and deferred deposit lending businesses, the City Council requested the Community & Economic Development staff to research the regulation of such businesses; and

WHEREAS, such research indicates that providing limitations on numbers, spacing and the location of such businesses benefits the general health, safety and welfare of the citizens of Layton City by mitigating the proliferation and attendant detrimental secondary effects of these businesses while still providing sufficient access to their services; and

WHEREAS, by limiting the concentration of such businesses, nearby businesses are not impacted by the negative appearance of some such businesses due to garish colors and excessive use of window signage to draw attention to them; and

WHEREAS, limiting the amount of such businesses will encourage citizens to use more traditional types of banking businesses that offer loans at a lower interest rate and encourage customers to borrow only what they can repay; and

WHEREAS, by limiting the amount of such businesses in Layton City, citizens will be less likely to borrow secondary loans to pay for the primary loan, which perpetuates the problem of a lack of resources available to them; and

WHEREAS, it is Layton City’s desire to regulate title loan, payday loan, deferred deposit and similar businesses by designating zoning districts that will allow these uses as a conditional use; and

WHEREAS, it is Layton City’s intent to reduce the concentration of such businesses within Layton City by establishing a separation requirement; and

WHEREAS, it is Layton City’s intent to control the amount of such businesses by allowing one (1) check cashing and similar business per 10,000 Layton City population, thus balancing access thereto with their proliferation; and

WHEREAS, the Layton City Council has reviewed this ordinance amendment and has reviewed the Planning Commission’s recommendations regarding the regulation of title loan, payday loan, deferred deposit and similar businesses, and after having held a public hearing on this matter, the Council has determined that the proposed amendment is reasonably and rationally based, and in furtherance of protecting the health, safety and welfare of the citizenry.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF LAYTON, UTAH:

SECTION I: Enactment. Title 19, Chapter 19.02, Section 19.02.020 is amended to read as follows:

19.02.020 Definitions

...
(16) “Bank or Financial Institution” means an organization involved in deposit banking, finance, investment, mortgages, trusts, and the like. Typical uses include commercial banks, credit unions, finance companies, and savings institutions (under Utah State Law Title 7-23-103.1 and 7-24-305 exempt businesses).

...
(54) “Deferred deposit lender” means a business that conducts transactions where a person presents to a check casher a check written on that person's account or provides written or electronic authorization to a check casher to effect a debit from that person's account using an electronic payment, and the check casher provides the maker an amount of money that is equal to the face value of the check or the amount of the debit less any fee or interest charged for the transaction, and agrees not to cash the check or process the debit until a specific date.

...
(140) “Payday loan business” means an establishment providing loans to individuals in exchange for personal checks or assignment of wages as collateral.

...
(171) “Similar businesses” means any other business that offers deferred deposit loans, title loans, payday loans.

...
(193) “Title loan business” means an establishment providing short term loans to individuals in exchange for the title of a motor vehicle, mobile home, or motorboat as collateral.

....

SECTION II: Enactment. Title 19, Chapter 19.06, Section 19.06.200 is amended to read as follows:

19.06.200 Criteria and Conditions.

(1) General

(a) Title Loan, Payday Loan, Deferred Deposit Lending and similar businesses shall be located and maintained in accordance with the following standards and conditions:

Title loan, payday loan, deferred deposit lending and similar businesses shall only be allowed as a Conditional Use in areas zoned CP-2 (Planned Community Commercial) or C-H (Planned Highway Commercial).

(b) Title loan, payday loan, deferred deposit lending and similar businesses shall not be located within 1,500 feet of another title loan, payday loan, deferred deposit lending and similar businesses within or outside of Layton City boundaries. The distance shall be measured in a straight line from the main entrance of the establishments.

(c) Title loan, payday loan, deferred deposit lending and similar businesses shall be limited to one title loan, payday loan, deferred deposit lending and similar businesses per 10,000 in Layton City population. The total population figures shall be based on the U.S. Census Bureau’s report for Layton City.

(2) The following shall only apply to title loan, payday loan, deferred deposit lending and similar businesses that had an active business license before February 3, 2011 in Layton City:

(a) Termination of Business License. If any title loan, payday loan, deferred deposit lending or similar businesses fails to renew its Layton City Business License or vacates the premises, then the business and use is deemed terminated. All title loan, payday loan, deferred deposit lending and similar

businesses that do not meet the zoning and separation requirements shall be considered non-conforming and will be subject the provisions of Section 19.15.030 of Layton Municipal Code.

(b) Relocation of Existing Business. Any title loan, payday loan, deferred deposit lending and similar business existing before February 3, 2011, shall be allowed to relocate to a new site that meets the zoning and separation requirements outlined in this ordinance. The non-conforming status of the prior site is deemed to have been terminated.

SECTION III: Enactment. Title 19, Chapter 19.14, Section 19.14.100 is amended to read as follows:

...
 (12) Title loan/payday loan/deferred deposit lending and similar business. Title loan, payday loan, deferred deposit lending and similar businesses shall be located and maintained in accordance with the following standards and conditions:

(a) Title loan, payday loan, deferred deposit lending and similar businesses shall only be allowed as a Conditional Use in areas zoned CP-2 (Planned Community Commercial) or C-H (Planned Highway Commercial).

(b) Title loan, payday loan, deferred deposit lending and similar businesses shall not be located within 1,500 feet of another title loan, payday loan, deferred deposit lending and similar businesses within or outside of Layton City boundaries. The distance shall be measured in a straight line from the main entrance of the establishments.

(c) Title loan, payday loan, deferred deposit lending and similar businesses shall be limited to one title loan, payday loan, deferred deposit lending and similar businesses per 10,000 in Layton City population. The total population figures shall be based on the U.S. Census Bureau’s report for Layton City.

(13) The following shall only apply to title loan, payday loan, deferred deposit lending and similar businesses that had an active business license before February 3, 2011 in Layton City.

(a) Termination of Business License. If any title loan, payday loan, deferred deposit lending or similar businesses fails to renew its Layton City Business License or vacates the premises, then the business and use is deemed terminated. All title loan, payday loan, deferred deposit lending and similar businesses that do not meet the zoning and separation requirements shall be considered non-conforming and will be subject the provisions of Section 19.15.030 of Layton City’s Municipal Code.

(b) Relocation of Existing Business. Any title loan, payday loan, deferred deposit lending and similar business existing before February 3, 2011, shall be allowed to relocate to a new site that meets the zoning and separation requirements outlined in this ordinance. The non-conforming status of the prior site is deemed to have been terminated.

Tables 6-1 and 6-2-Land Use Regulations

P = PERMITTED USE
C = CONDITIONAL USE REQUIRED
-- = USE NOT PERMITTED

Table 6-1

RETAIL OR RELATED USES										
LAND USE DESCRIPTION	A	R-S	R-1-6	R-1-8	R-1-10	R-MH	R-2	RM-1	R-M2	R-H
45.Tavern	--	--	--	--	--	--	--	--	--	--
46. <u>Title Loan, Payday Loan, Deferred Deposit Lending and Similar Businesses</u>	--	--	--	--	--	--	--	--	--	--
46- 47. Variety Store	--	--	--	--	--	--	--	--	--	--

Table 6-2

RETAIL OR RELATED USES										
LAND USE DESCRIPTION	B-RP	P-B	CP-1	CP-2	CP-3	C-H	M-1	M-2	MU	MU-TOD
45. Tavern	--	--	--	--	C	C	--	--	C	C
46. Title Loan, Payday Loan, Deferred Deposit Lending and Similar Businesses	--	--	--	C	--	C	--	--	--	--
46. 47. Variety Store	--	--	P	P	P	P	--	--	P	P

SECTION IV: Repealer. If any provisions of the City’s Code heretofore adopted are inconsistent herewith, they are hereby repealed.

SECTION V: Severability. If any section, subsection, sentence, clause or phrase of this ordinance is declared invalid or unconstitutional by a court of competent jurisdiction, said portion shall be severed and such declaration shall not affect the validity of the remainder of this ordinance.

SECTION VI: Effective Date. This ordinance shall go into effect at the expiration of the 20th day after publication or posting, or the 30th day after final passage as noted below, or whichever of said days is the most remote from the date of passage thereof.

PASSED AND ADOPTED by the City Council of Layton, Utah, this ____ of _____, 2011.

J. STEPHEN CURTIS, Mayor

ATTEST:

THIEDA WELLMAN, City Recorder

APPROVED AS TO FORM:

SUBMITTING DEPARTMENT:

GARY CRANE, City Attorney

WILLIAM T. WRIGHT, CED Director