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P. Hrngs. \_\_\_\_\_  
Pgs. 3  
Filed: 04-14-20

Sponsored by: City Council

First Reading: \_\_\_\_\_

Second Reading: \_\_\_\_\_

COUNCIL BILL 2020-079

SPECIAL ORDINANCE \_\_\_\_\_

AN ORDINANCE

1 CALLING AN ELECTION on August 4, 2020, in the City of Springfield, Missouri, to submit  
2 to the qualified voters a question as to whether the City shall be  
3 authorized to impose a fee for a Short-Term Loan  
4 Establishment permit in the amount of \$5,000 annually, new or  
5 renewal, or \$2,500 for a permit issued with less than 6 months  
6 remaining in the calendar year.  
7  
8

9 WHEREAS, City Council concludes that the lending and marketing practices of  
10 Short-Term Loan Establishments result in serious financial hardships to some of its citizens,  
11 particularly its elderly and low-income citizens, from which they cannot readily extract  
12 themselves; can perpetuate poverty; and can increase dependency upon public financial  
13 assistance, housing, health care, and social services; and  
14

15 WHEREAS, City Council finds that the short-term loan industry targets low-income  
16 citizens, who are most likely to suffer financial hardship as a result of the lending practices  
17 and small loan products offered by Short-Term Loan Establishments; and  
18

19 WHEREAS, City Council finds that regulation of Short-Term Loan Establishments is  
20 necessary for the promotion and protection of the public health, safety, and welfare of its  
21 citizens, and the public good of maintaining a viable tax base to fund essential services; and  
22

23 WHEREAS, City Council has adopted a regulatory program for Short-Term Loan  
24 Establishments that includes a permit fee requirement; and  
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26 WHEREAS, said permit fee may be imposed only if approved by a majority of the  
27 City's electors.  
28

29 NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF  
30 SPRINGFIELD, MISSOURI, as follows:  
31

32 Section 1 - That AN ELECTION IS HEREBY ORDERED TO BE HELD IN THE City  
33 on August 4, 2020, on the following proposition:  
34



**EXPLANATION TO COUNCIL BILL 2020-079**

FILED: 04-14-20

ORIGINATING DEPARTMENT: Law

PURPOSE: Calling an election on August 4 , 2020, in the City of Springfield, Missouri, to submit to the qualified voters a question as to whether the City shall be authorized to impose a fee for a Short-Term Loan Establishment permit in the amount of \$5,000 annually, new or renewal, or \$2,500 for a permit issued with less than 6 months remaining in the calendar year.

BACKGROUND INFORMATION: The Finance and Administration Committee considered the issue of regulating short-term loan establishments. The Committee heard testimony regarding short-term loan establishments and their impact on low-income citizens and requested that staff draft an ordinance similar to the St. Louis ordinance regulating short-term loan establishments which was then modified pursuant to Committee input. An Ordinance was referred to Council, who considered it as a Committee of the Whole and requested that the City Manager convene a working group that would study short-term lending issues and report back to Council.


The working group provided a report which included recommendations that provisions requiring payoff disclosures to borrowers upon request and establishing a consumer point of contact in the City be added to the Ordinance. The recommended provisions were added to the Ordinance.

The Ordinance establishes regulations for short-term loan establishments including an annual permit, a permit fee, compliance with City Code, and a notice regarding loan information on the establishment's premises. The permit fee will not go into effect unless a ballot measure approving the fee was passed by the public.

This Ordinance calls for an election to determine whether the public approves the permit fee after a public vote. If the ballot measure fails to pass, the permit fee will not be imposed.

Submitted by:

Approved by:

  
Rhonda Lewsader, City Attorney

  
Jason Gage, City Manager