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House Bill 5955 (Substitute S-1 as reported)
House Bill 5956 (Substitute S-2 as reported)
House Bill 5957 (Substitute S-2 as reported)
House Bill 5958 (Substitute S-1 as reported)
Sponsor: Representative Dave Hildenbrand (H.B. 5955)
Representative Ed Clemente (H.B. 5956)
Representative David Palsrok (H.B. 5957)
Representative Michael Nofs (H.B. 5958)

House Committee: Energy and Technology
Senate Committee: Commerce and Labor

CONTENT

The bills would amend various statutes to exempt from their licensure or registration requirements an "internet drop-off store" complying with the bills, or a person engaged in the sale, purchase, consignment, or trade of personal property or other valuable thing for himself or herself. The bills are tie-barred.

Each bill would define "internet drop-off store" as a person, corporation, or firm that contracts with other people, corporations, or firms to offer its personal property or other valuable thing for sale, purchase, consignment, or trade through means of an internet website and meets the conditions described in the bill.

House Bill 5955 (S-1) would amend Public Act 273 of 1917, which regulates pawnbrokers, and House Bill 5956 (S-2) would amend Public Act 231 of 1945, which prescribes additional regulations and requirements for pawnbrokers, second hand dealers, and junk dealers. House Bill 5957 (S-2) would amend Public Act 350 of 1917, which regulates and provides for the licensure of second hand dealers and junk dealers. House Bill 5958 (S-1) would amend the Precious Metal and Gem Dealer Act.

Under the bills, an internet drop-off store that was in compliance with the following conditions would be exempt from licensure as a pawnbroker, second hand dealer, or junk dealer, and from registration as a precious metal and gem dealer:

- Had a fixed place of business within Michigan except that the store exclusively transacted all purchases or sales by means of the internet and the purchases and sales were not physically transacted on the premises of that fixed place of business.
- Had the personal property or other valuable thing available on a website for viewing by photograph, if available, by the general public at no charge.
- Maintained records of the sale, purchase, consignment, or trade of the personal property or other valuable thing for at least two years.
- Provided the local law enforcement agency with any name under which it conducted business on the website and access to the business premises at any time during normal business hours for purposes of inspection.

- Provided that payment for the personal property or other valuable thing was executed by means of check or other electronic payment system, as long as the payment was not made in cash.
- Immediately removed the personal property or other valuable thing from the website if the local police agency determined that it was stolen.

The website would have to be searchable by zip code or state, or both. The website viewing would have to include, as applicable, serial number, make, model, and other unique identifying marks, numbers, names, or letters appearing on the personal property or other valuable thing.

The internet drop-off store's records would have to contain a description, including a photograph, if available and, if applicable, a serial number, make, model, and other unique identifying marks, numbers, names, or letters appearing on the personal property or other valuable thing.

No payment could be provided to the seller until the item was sold.

Within 24 hours after a request from a local police agency, the internet drop-off store would have to provide an electronic copy of the seller's or consignor's name, address, telephone number, and driver license number and issuing state, the buyer's name and address, if applicable, as well as a description of the personal property or other valuable thing. The provision of information to a local law enforcement agency would have to be in a format acceptable to the agency, but would have to be at least in a legible format and in English.

House Bill 5956 (S-2) also specifies that "secondhand dealer" or "junk dealer" would not include a scrap processor or automotive recycler.

MCL 446.201 & 446.203 (H.B. 5955)
445.471 & 445.476 (H.B. 5956)
445.401 & 445.403 (H.B. 5957)
445.482 & 445.483 (H.B. 5958)

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bills would have little, if any, impact on local fee revenue. It is unknown if any of the affected businesses currently pay any fees under the statutes amended by the bills, or if the statutes would at some point be applied to the affected businesses. Any current or future revenue from the fees is likely to be a negligible portion of any local unit's fee revenue.

This estimate is preliminary and will be revised as new information becomes available.

Date Completed: 6-21-06

Fiscal Analyst: David Zin

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.