

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 6029

A bill to amend 1917 PA 273, entitled

"An act to regulate and license pawnbrokers in certain governmental units of this state; and to prescribe certain powers and duties of certain local governmental units and state agencies,"

by amending sections 1, 9, 11, and 13 (MCL 446.201, 446.209, 446.211, and 446.213), section 1 as amended by 2002 PA 469 and sections 9 and 11 as amended by 1998 PA 233.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) A person, corporation, or firm shall not ~~carry~~
2 ~~on the~~ **conduct** business ~~of~~ **as a** pawnbroker in any of the
3 governmental units of this state without having first obtained
4 from the chief executive officer of ~~the~~ **that** governmental unit
5 ~~where the business is to be carried on,~~ a license ~~subject to~~
6 ~~the provisions of~~ **under** this act ~~, authorizing~~ **that authorizes**
7 that person, corporation, or firm to ~~carry on~~ **conduct** that
8 business. ~~A person, corporation, or firm carrying on the~~

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1 ~~business of pawnbroker that was not required to obtain a license~~
2 ~~before the effective date of the amendatory act that added this~~
3 ~~sentence shall obtain a license within 180 days after that~~
4 ~~effective date.~~

5 (2) Licensure under either or both of the following acts
6 does not exempt a person from obtaining a license under this
7 act:

8 (a) The precious metal and gem dealer act, 1981 PA 95, MCL
9 445.481 to 445.492.

10 (b) 1917 PA 350, MCL 445.401 to 445.408.

11 Sec. 9. (1) A licensed pawnbroker may charge upon any loan
12 a rate of interest not to exceed 3% per month and is not required
13 to accept any interest less than 50 cents on a single loan.

14 ~~(2)~~ A pawnbroker may also charge \$1.00 per month or fraction of
15 a month for the storage of <<unencumbered personal>> property under any
16 single pledge or pawn.

17 (2) A pawnbroker may charge \$1.00 per month or fraction of a
18 month for a usage fee for <<unencumbered personal>> property pawned or
19 pledged and used by the pawner during the term of the pawn or pledge. A usage fee
20 charged under this subsection is not considered interest.

21 (3) A pawnbroker or the pawnbroker's agent or employee shall
22 not charge or receive interest on the loan in excess of the
23 amounts provided for in this act.

24 (4) Interest on any loan is not payable in advance and shall
25 be computed on unpaid monthly balances without compounding.

26 (5) A pawnbroker is not entitled to any examination fee and
27 shall not make any charge in excess of the amounts provided for

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1 in this act.

2 Sec. 11. (1) If at any time before the sale of the item
3 pledged or pawned the borrower pays or tenders to the pawnbroker
4 the debt and interest and charges on the item, that payment or
5 tender reinvests the pawner with the title and right of
6 possession to the property pledged.

7 (2) A pawnbroker may agree in writing, after pledged or
8 pawned <<unencumbered personal>> property has been deposited with the
9 pawnbroker, to allow
10 the pawner to maintain possession and use of the pledged or
11 pawned <<unencumbered personal>> property during the term of the pawn or
12 pledge
13 transaction. The agreement may also include the payment of a
14 usage fee under section 9. A pawnbroker may take possession of
15 the pledged or pawned property pursuant to section 9609 of the
16 uniform commercial code, 1962 PA 174, MCL 440.9609.

17 Sec. 13. (1) ~~No~~ A pawnbroker shall not deface, scratch,
18 obliterate, melt, separate, or break into parts any ~~particle~~
19 **article** or thing received by him or her in pawn, or otherwise ~~—~~
20 or in any manner do, cause, or suffer to be done by others,
21 anything ~~which shall destroy~~ **that destroys** or ~~tend~~ **tends** to
22 destroy the identity of ~~such~~ **the article or thing, or tends to**
23 render the identification ~~thereof~~ **of the thing or article** more
24 difficult.

25 (2) A pawnbroker shall not accept by way of pledge, pawn,
26 purchase, or exchange any article or thing that customarily bears
27 a manufacturer's serial number or other identifying insignia
unless the number or insignia is plainly visible on the article
or thing.