

Act No. 585
Public Acts of 2004
Approved by the Governor
December 30, 2004
Filed with the Secretary of State
January 4, 2005
EFFECTIVE DATE: January 4, 2005

**STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 2004**

Introduced by Reps. O'Neil and Hune

ENROLLED HOUSE BILL No. 6029

AN ACT 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:

Sec. 1. (1) A person, corporation, or firm shall not conduct business as a pawnbroker in any of the governmental units of this state without having first obtained from the chief executive officer of that governmental unit a license under this act that authorizes that person, corporation, or firm to conduct that business.

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

- (a) The precious metal and gem dealer act, 1981 PA 95, MCL 445.481 to 445.492.
- (b) 1917 PA 350, MCL 445.401 to 445.408.

Sec. 9. (1) A licensed pawnbroker may charge upon any loan a rate of interest not to exceed 3% per month and is not required to accept any interest less than 50 cents on a single loan. A pawnbroker may also charge \$1.00 per month or fraction of a month for the storage of unencumbered personal property under any single pledge or pawn.

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

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

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

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

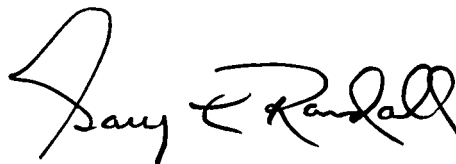
Sec. 11. (1) If at any time before the sale of the item pledged or pawned the borrower pays or tenders to the pawnbroker the debt and interest and charges on the item, that payment or tender reinvests the pawner with the title and right of possession to the property pledged.

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

Sec. 13. (1) A pawnbroker shall not deface, scratch, obliterate, melt, separate, or break into parts any article or thing received by him or her in pawn, or otherwise or in any manner do, cause, or suffer to be done by others, anything that destroys or tends to destroy the identity of the article or thing, or tends to render the identification of the thing or article more difficult.

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor