

HOUSE BILL No. 5920

September 19, 2012, Introduced by Rep. Lipton and referred to the Committee on Regulatory Reform.

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, 3, and 18 (MCL 446.201, 446.203, and 446.218), sections 1 and 3 as amended by 2006 PA 292.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) A person ~~, corporation, or firm~~ shall not ~~conduct~~
2 ~~business as a pawnbroker~~ **DO ANY OF THE FOLLOWING** in any of the
3 governmental units of this state without ~~having first obtained~~
4 **OBTAINING** from the chief executive officer of that governmental
5 unit a license under this act: ~~that authorizes that person,~~
6 ~~corporation, or firm to conduct that business. This subsection~~

7 **(A) CONDUCT BUSINESS AS A PAWNBROKER.**

8 **(B) INCLUDE THE WORD "PAWN" OR "PAWNBROKER" IN THE NAME OF THE**
9 **BUSINESS.**

1 (C) ADVERTISE OR OTHERWISE REPRESENT THAT THE PERSON IS A
2 PAWNBROKER.

3 (2) SUBSECTION (1) does not require an internet drop-off store
4 ~~complying~~ **THAT COMPLIES** with subsection ~~(3)~~ **(4)**, or a person
5 engaged in the sale, purchase, consignment, or trade of personal
6 property or other valuable thing for himself or herself, to obtain
7 a license under this act.

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

10 (3) ~~(a) The~~ **REGISTRATION UNDER THE** precious metal and gem
11 dealer act, 1981 PA 95, MCL 445.481 to 445.492, **DOES NOT EXEMPT A**
12 **PERSON FROM OBTAINING A LICENSE UNDER THIS ACT.**

13 ~~—— (b)~~ **LICENSURE UNDER** 1917 PA 350, MCL 445.401 to 445.408, **DOES**
14 **NOT EXEMPT A PERSON FROM OBTAINING A LICENSE UNDER THIS ACT.**

15 (4) ~~(3)~~ An internet drop-off store ~~in compliance~~ **THAT COMPLIES**
16 with the following conditions is exempt from licensure as a
17 pawnbroker under this act:

18 (a) Has a fixed place of business within this state except
19 that he or she exclusively transacts all purchases or sales by
20 means of the internet and the purchases and sales are not
21 physically transacted on the premises of that fixed place of
22 business.

23 (b) Has the personal property or other valuable thing
24 available on a website, for viewing by photograph, if available, by
25 the general public at no charge, ~~which website shall be~~ **AND THAT IS**
26 searchable by zip code or state, or both. The website viewing shall
27 include, as applicable, serial number, make, model, and other

1 unique identifying marks, numbers, names, or letters appearing on
2 the personal property or other valuable thing.

3 (c) Maintains records of the sale, purchase, consignment, or
4 trade of the personal property or other valuable thing for at least
5 2 years. ~~which~~ **THE** records shall contain a description, including
6 a photograph, if available, and, if applicable, serial number,
7 make, model, and other unique identifying marks, numbers, names, or
8 letters appearing on the personal property or other valuable thing.

9 (d) Provide the local police agency with any name under which
10 it conducts business on the website and access to the business
11 premises at any time during normal business hours for purposes of
12 inspection.

13 (e) Within 24 hours after a request from a local police
14 agency, provide an electronic copy of the seller's or consignor's
15 name, address, telephone number, driver license number and issuing
16 state, the buyer's name and address, if applicable, and a
17 description of the personal property or other valuable thing as
18 described in subdivision (c). ~~The provision of~~ **STORE SHALL PROVIDE**
19 **THE** information ~~shall be~~ in a format acceptable to the local police
20 agency but shall at least be in a legible format and in the English
21 language.

22 (f) Provide that payment for the personal property or other
23 valuable thing is executed by means of check or other electronic
24 payment system ~~, so long as the payment is not made~~ **AND NOT** in
25 cash. ~~No~~ **THE STORE SHALL NOT PROVIDE** payment ~~shall be provided to~~
26 the seller until the item is sold.

27 (g) Immediately remove the personal property or other valuable

1 thing from the website if the local police agency determines that
2 the personal property or other valuable thing is stolen.

3 Sec. 3. As used in this act:

4 (a) "Chief executive officer" means any of the following:

5 (i) For a city, the mayor.

6 (ii) For a village, the village president.

7 (iii) For a township or charter township, the township
8 supervisor.

9 (iv) For a county, the county executive or, if there is no
10 county executive, the person designated by a resolution of the
11 county board of commissioners.

12 (b) "Governmental unit" means a city, township, charter
13 township, county, or incorporated village.

14 (c) "Internet drop-off store" means a person ~~, corporation, or~~
15 ~~firm that~~ contracts with other persons ~~, corporations, or firms to~~
16 offer its personal property or other valuable thing for sale,
17 purchase, consignment, or trade through means of an internet
18 website and meets the conditions described in section ~~1(3)-1(4)~~.

19 (d) "Local police agency" means the police agency of the city,
20 village, or township, or if none, the county sheriff of the county
21 in which ~~the~~ **AN** internet drop-off store conducts business.

22 (e) "Pawnbroker" means a person ~~, corporation, or member, or~~
23 ~~members of a copartnership or firm, who loans~~ **THAT DOES ANY OF THE**
24 **FOLLOWING:**

25 (i) **LOANS** money on deposit, or pledge of personal property, or
26 other valuable thing, other than securities or printed evidence of
27 indebtedness. ~~, or who deals~~

1 (ii) **DEALS** in the purchasing of personal property or other
2 valuable thing on condition of selling the same back again at a
3 stipulated price.

4 (F) **"PERSON" MEANS AN INDIVIDUAL, A GENERAL PARTNER, OR A**
5 **CORPORATION, LIMITED LIABILITY COMPANY, PARTNERSHIP, OR OTHER LEGAL**
6 **ENTITY.**

7 Sec. 18. ~~Any person who shall violate~~ **A PERSON THAT VIOLATES**
8 any of the provisions of this act, ~~whether as owner, or as a clerk,~~
9 agent, servant, or ~~employee~~ **EMPLOYEE OF A PERSON, shall be IS** guilty
10 of a misdemeanor ~~and upon conviction thereof in any court of~~
11 ~~competent jurisdiction be fined not less than 25 dollars nor more~~
12 ~~than 100 dollars, or~~ **PUNISHABLE** by imprisonment in the county jail
13 ~~FOR not less~~ **FEWER** than 10 days ~~nor~~ **OR** more than 3 months, **90 DAYS**
14 **OR A FINE OF NOT LESS THAN \$25.00 OR MORE THAN \$100.00, or by both.**
15 ~~such fine and imprisonment in the discretion of the court. HOWEVER,~~
16 **IF THE VIOLATION IS A SECOND OR SUBSEQUENT VIOLATION OF SECTION**
17 **1(1), THE PERSON IS GUILTY OF A MISDEMEANOR PUNISHABLE BY**
18 **IMPRISONMENT FOR NOT FEWER THAN 10 DAYS OR MORE THAN 90 DAYS OR A**
19 **FINE OF NOT LESS THAN \$1,000.00 OR MORE THAN \$2,500.00, OR BOTH.**

20 Enacting section 1. This amendatory act does not take effect
21 unless all of the following bills of the 96th Legislature are
22 enacted into law:

23 (a) Senate Bill No. ____ or House Bill No. 5919(request no.
24 02060'11).

25 (b) Senate Bill No. ____ or House Bill No. 5918(request no.
26 02061'11).