



SENATE BILL No. 449

April 19, 1995, Introduced by Senator YOUNG and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to amend the title and sections 1, 2, 3, 5, 8, 9, 10, 11, 13, and 19 of Act No. 273 of the Public Acts of 1917, entitled

"An act to regulate and license pawnbrokers in cities and incorporated villages of this state, having a population of more than 3,000,"

being sections 446.201, 446.202, 446.203, 446.205, 446.208, 446.209, 446.210, 446.211, 446.213, and 446.219 of the Michigan Compiled Laws; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 1, 2, 3, 5, 8, 9, 10, 11,
2 13, and 19 of Act No. 273 of the Public Acts of 1917, being sec-
3 tions 446.201, 446.202, 446.203, 446.205, 446.208, 446.209,
4 446.210, 446.211, 446.213, and 446.219 of the Michigan Compiled
5 Laws, are amended to read as follows:

1 TITLE

2 An act to regulate and license pawnbrokers in cities,
3 TOWNSHIPS, and incorporated villages of this state; ~~, having a~~
4 ~~population of more than 3,000~~ AND TO PRESCRIBE CERTAIN POWERS
5 AND DUTIES TO CERTAIN LOCAL GOVERNMENTAL AGENCIES AND CERTAIN
6 STATE AGENCIES.

7 Sec. 1. ~~No~~ A person, corporation, or firm shall
8 ~~hereafter~~ NOT carry on the business of pawnbroker in any of the
9 cities, TOWNSHIPS, or incorporated villages of this state
10 ~~, having a population of more than 3,000,~~ without having first
11 obtained, ~~from the mayor of the city or president of the~~
12 ~~village~~ FOR THE LOCATION where the business is to be carried on,
13 a license subject to the provisions of this act, authorizing
14 ~~such~~ THE person, corporation, or firm to carry on ~~such~~ THE
15 business OF PAWNBROKER.

16 Sec. 2. The ~~mayor of any such~~ CHIEF EXECUTIVE OFFICER OF
17 A city, TOWNSHIP, or ~~president of such~~ village may ~~from time~~
18 ~~to time~~ grant ~~under his hand, and the official seal of his~~
19 ~~office,~~ to any suitable person, corporation, or firm, a license
20 authorizing ~~such~~ THE person, corporation, or firm to carry on
21 the business of a pawnbroker subject to ~~the provisions of~~ this
22 act. ~~Said~~ A PAWNBROKER'S license shall designate the particu-
23 lar place in ~~said~~ THE city, TOWNSHIP, or incorporated village
24 where ~~such person, corporation or firm shall carry~~ THE PAWNBRO-
25 KER CARRIES on ~~said~~ THE business, and ~~no person, corporation~~
26 ~~or firm receiving said license~~ THE LICENSED PAWNBROKER shall NOT
27 carry on ~~said~~ THE business in any other place than the ~~one~~

1 PLACE designated in ~~said~~ THE license. ~~Said~~ A license ~~shall~~
 2 ~~be~~ IS for ~~the period~~ A DURATION of ~~1 year~~ NOT LESS THAN 3
 3 AND NOT MORE THAN 5 YEARS from date of issuance, unless sooner
 4 revoked for cause, and ~~shall~~ IS not ~~be~~ transferable. ~~Before~~
 5 ~~any such license shall be issued the person applying therefor~~ AN
 6 APPLICANT shall pay to the treasurer of the city, TOWNSHIP, or
 7 incorporated village an annual license fee of ~~250 dollars,~~ NOT
 8 LESS THAN \$50.00 AND NOT MORE THAN \$1,000.00 PER YEAR and shall
 9 give a bond to the ~~said~~ city, TOWNSHIP, or incorporated village
 10 in its corporate name, in the penal sum of ~~3,000 dollars~~
 11 \$3,000.00, with at least 2 sureties, to be approved by the city,
 12 TOWNSHIP, or village council conditioned for the faithful per-
 13 formance of the duties and obligations pertaining to the ~~said~~
 14 PAWNBROKER'S business and for the payment of all costs and dam-
 15 ages incurred by any violation of this act. ~~Provided, that it~~
 16 ~~shall be within the power of the common council of any city or~~
 17 ~~village to fix the amount to be paid as such annual license fee~~
 18 ~~at any amount not less than 50 dollars, nor more than 500~~
 19 ~~dollars.~~

20 Sec. 3. ~~Any~~ AS USED IN THIS ACT, "PAWNBROKER" MEANS A
 21 person, corporation, or member ~~,~~ or members of a copartnership
 22 or firm, ~~who~~ THAT loans money on deposit, PURCHASE, EXCHANGE,
 23 or pledge of personal property ~~,~~ or other valuable thing, other
 24 than securities or printed evidence of indebtedness, or ~~who~~
 25 THAT deals in the purchasing of personal property or other valu-
 26 able thing on condition of selling the same back again at a
 27 stipulated price. ~~, is hereby defined to be a pawnbroker.~~

1 Sec. 5. (1) ~~Every such~~ A pawnbroker shall keep a book ~~to~~
2 ~~be inspected by the chief of police or chief police officer of~~
3 ~~the city or village~~ in which ~~shall be~~ IS written in English,
4 at the time ~~he shall receive~~ THE PAWNBROKER RECEIVES any arti-
5 cle of personal property ~~,~~ or other valuable thing by way of
6 pledge, ~~or~~ pawn, PURCHASE, OR EXCHANGE, a description of ~~such~~
7 THE article, A SEQUENTIAL TRANSACTION NUMBER, ~~the~~ ANY amount of
8 money loaned thereon, ~~the rate of interest to be paid on such~~
9 ~~loan,~~ the name, residence, ~~and~~ general description, AND DRIVER
10 LICENSE NUMBER, SOCIAL SECURITY NUMBER, OFFICIAL STATE PERSONAL
11 IDENTIFICATION CARD NUMBER, OR GOVERNMENT IDENTIFICATION NUMBER
12 of the person from whom THE ARTICLE WAS RECEIVED, and the day and
13 hour when ~~such property~~ THE ARTICLE was received. ~~,~~ ~~and such~~
14 THE book, and the place where ~~such~~ THE business is carried on,
15 and all articles of property ~~therein, shall be~~ IN THAT PLACE OF
16 BUSINESS ARE subject to examination at any time by the ~~mayor,~~
17 ~~president,~~ city attorney, ~~or other police officer of such city~~
18 ~~or village~~ TOWNSHIP ATTORNEY, LOCAL POLICE AGENCY, or by the
19 COUNTY prosecuting attorney ~~or the sheriff or other police~~
20 ~~officer~~ of the county in which ~~said~~ THE city, ~~or~~ village, OR
21 TOWNSHIP is situated AND THE DEPARTMENT OF STATE POLICE.

22 (2) UPON THE RECEIPT OF ANY ARTICLE OF PERSONAL PROPERTY OR
23 OTHER VALUABLE THING BY WAY OF PLEDGE, PURCHASE, EXCHANGE, OR
24 PAWN, THE PAWNBROKER SHALL MAKE A PERMANENT RECORD OF THE TRANS-
25 ACTION ON A FORM PROVIDED BY THE DEPARTMENT OF STATE POLICE OR ON
26 A FORM PROVIDED BY THE PAWNBROKER THAT SUBSTANTIALLY COMPLIES
27 WITH THE FORM PROVIDED BY THE STATE POLICE. EACH RECORD OF

1 TRANSACTION SHALL BE COMPLETED IN TRIPLICATE BY THE PAWNBROKER,
2 LEGIBLY IN INK IN THE ENGLISH LANGUAGE, AND SHALL CONTAIN ALL
3 APPLICABLE INFORMATION REQUIRED TO COMPLETE THE RECORD OF TRANS-
4 ACTION FORM UNDER SUBSECTION (4).

5 (3) THE PAWNBROKER SHALL RETAIN 1 COPY OF THE RECORD OF
6 TRANSACTION AND, WITHIN 48 HOURS AFTER THE PROPERTY IS RECEIVED,
7 SHALL SEND 1 COPY OF THE RECORD OF TRANSACTION TO THE LOCAL
8 POLICE AGENCY AND 1 COPY TO THE DEPARTMENT OF STATE POLICE.

9 (4) THE RECORD OF TRANSACTION FORM SHALL BE 3 INCHES BY 5
10 INCHES IN SIZE AND SHALL BE AS FOLLOWS:

RECORD OF TRANSACTION
FRONT

1	ARTICLE	SERIAL NO.		
2				
3	MODEL NO. OR CASE NO.	LENS NO. OR MOVE. NO.		
4				
5	TRADE NAME	COLOR	SIZE	NO. JEWELS
6				
7	MATERIAL	STONE SET DESIGN		
8				
9	DESCRIPTION	NO.	KIND OF STONE	SIZE
10				
11				
12	INSCRIPTION OR INITIALS			
13				
14	PURCHASE PRICE AMT. LOANED			
15				
16	DEALER			
17				
18	CITY	DATE	TICKET NO.	
19				
20	LADY'S <input type="checkbox"/>	GENT'S <input type="checkbox"/>	WRIST <input type="checkbox"/>	POCKET <input type="checkbox"/>
21			LAPEL <input type="checkbox"/>	
22				

BACK

23	OPERATOR'S LICENSE # OR OTHER I. D. #			
24				
25	CUSTOMER'S NAME (PRINT)			
26				
27	STREET NO. OR RFD			
28				
29	CITY AND STATE			
30				
31	EMPLOYED BY:	ROLLED PRINT OF RIGHT THUMB (IF IMPOSSIBLE THEN SOME OTHER FINGERPRINT. DESIGNATE WHICH.)		
32	AGE HEIGHT			
33	WEIGHT RACE W <input type="checkbox"/> B <input type="checkbox"/> O <input type="checkbox"/>			
34	TIME RECEIVED: AM PM			
35	MAIL REPORTS WITHIN 48 HOURS TO:			
36	(1) MICHIGAN STATE POLICE,			
37	RECORDS SECTION, 7150 HARRIS			
38	DR., LANSING, MI 48913.			
39	(2) LOCAL OFFICERS			
40	SIGNATURE OF PERSON TAKING PRINT		<input type="checkbox"/> MALE	<input type="checkbox"/> FEMALE
41				
42				
43				
44				
45				
46				
47				

1 Sec. 8. A pawnbroker, at the time of ~~such loan~~ RECEIVING
2 AN ARTICLE BY PAWN, PURCHASE, EXCHANGE, OR PLEDGE, shall deliver
3 to the person PURCHASING, EXCHANGING, pawning, or pledging ~~any~~
4 ~~goods,~~ THE article ~~or thing,~~ a memorandum ~~or note signed by~~
5 ~~him, containing the substance of the entry required to be made by~~
6 ~~him in his book by section 6. No charge shall be made or~~
7 ~~received by any pawnbroker for any such entry, memorandum or~~
8 ~~note.~~ TO BE USED BY THE PERSON OR THE PERSON'S AGENT TO REDEEM
9 THE ARTICLE. The memorandum ~~or note shall be consecutively num-~~
10 ~~bered and upon its back shall be~~ CONTAIN THE FOLLOWING WORDS,
11 printed in English: ~~in type as large as that in which the public~~
12 ~~acts of this state are printed, the following words:~~ "If inter-
13 est or charges in excess of ~~3%~~ 1-1/2% per month, plus storage
14 charges ~~hereinafter~~ AS provided BY LAW, are asked or received,
15 this loan is void and of no effect; and the borrower cannot be
16 made to pay back the money loaned, ~~or~~ any interest, or any
17 charges or any part thereof, and the pawnbroker loses all right
18 to the possession of the goods, article or thing pawned, and
19 shall surrender the ~~same~~ ARTICLE to the borrower or pawner upon
20 due demand ~~therefor~~ FOR THE ARTICLE." THE MEMORANDUM SHALL CON-
21 TAIN THE SAME TRANSACTION NUMBER RECORDED IN THE PAWNBROKER'S
22 BOOK WHEN THE ARTICLE WAS PAWNED OR PLEDGED.

23 Sec. 9. A licensed pawnbroker may charge upon any loan a
24 rate of interest not to exceed ~~3%~~ 1-1/2% per month, except that
25 ~~he~~ THE PAWNBROKER is not required to accept any interest less
26 than 50 cents on a single loan. A pawnbroker may also charge 50
27 cents per month or fraction ~~thereof~~ OF A MONTH for the storage

1 of property, except jewelry, after 30 days but for not more than
2 4 months, under any single pledge or pawn. ~~No~~ A pawnbroker or
3 agent, or employee ~~thereof~~ OF A PAWNBROKER OR AGENT, shall NOT
4 make a loan upon any deposit, pawn, or pledge at a rate of inter-
5 est and charge or receive ~~therefor~~ ANY INTEREST OR CHARGE in
6 excess of the amounts provided for in this act. Interest on any
7 loan shall not be payable in advance ~~—~~ and shall be computed on
8 unpaid monthly balances only, but without compounding. A pawn-
9 broker ~~is~~ SHALL not ~~entitled to any~~ CHARGE AN examination fee
10 or ~~to~~ make any charge in excess of the amounts provided for in
11 this act.

12 Sec. 10. (1) ~~No pawnbroker shall sell any pawn or pledge~~
13 ~~until the same shall have remained 6 months in his possession,~~
14 ~~and all such sales shall be at public auction to the highest~~
15 ~~bidder, and not otherwise. Such sale shall be held under the~~
16 ~~direction and control of the pawnbroker and in his regularly~~
17 ~~established place of business. Notice of such sale shall be pub-~~
18 ~~lished for at least 6 days previous thereto in 1 of the daily~~
19 ~~newspapers to be designated by the mayor or president, published~~
20 ~~in English, in the city or village where the business is carried~~
21 ~~on: Provided, That if there be no daily newspaper in such city~~
22 ~~or village, said notice shall be published at least 2 successive~~
23 ~~weeks, in a weekly newspaper, to be designated by the mayor or~~
24 ~~president, published in English, in such city or village. Such~~
25 ~~notice shall specify the time and place at which such sale is to~~
26 ~~take place and by whom it is to be conducted, and shall contain~~
27 ~~the same description of the articles or goods to be sold as was~~

~~1 given in the memorandum or note delivered to the pawner under
2 section 8 of this act, and shall give the number of such memoran-
3 dum or note. An affidavit of the printer of such paper or of his
4 foreman, or his principal clerk, annexed to a printed copy of
5 such notice taken from the paper in which it was published and
6 specifying the times when and papers in which it was published,
7 shall be filed after the last day of such publication and before
8 the day fixed for such sale with the county clerk of the county
9 in which such sale is held. Such affidavit shall be kept in the
10 office of the said county clerk as a public document, and open to
11 the inspection of any person. A fee of 50 cents shall be paid by
12 the party filing such affidavit to the county clerk for the
13 filing of the same.~~ A PAWNBROKER SHALL NOT SELL ANY PAWNED OR
14 PLEDGED ARTICLE UNTIL THE ARTICLE HAS REMAINED AT LEAST 6 MONTHS
15 IN THE PAWNBROKER'S POSSESSION IN A PLACE IN THE SAME BUILDING IN
16 WHICH THE ARTICLE WAS RECEIVED BY PAWN OR PLEDGE AND WHICH BUILD-
17 ING IS EASILY ACCESSIBLE TO INSPECTION BY THE PERSONS AND AGEN-
18 CIES PRESCRIBED IN SECTION 5(1).

19 (2) THE PAWNBROKER, WITHIN 24 HOURS AFTER RECEIVING AN ARTI-
20 CLE, SHALL ATTACH TO THE ARTICLE A TAG CONTAINING THE TRANSACTION
21 NUMBER ASSIGNED TO THAT PLEDGE OR PAWN.

22 (3) IN THE CASE OF A LOAN OF \$20.00 OR MORE, A PAWNBROKER
23 SHALL SEND WRITTEN NOTICE BY FIRST-CLASS MAIL TO THE PERSON WHO
24 PAWNED THE ARTICLE INFORMING THAT PERSON THAT THE PAWNBROKER MAY
25 SELL THE ARTICLE PAWNED IF THE AMOUNT LOANED BY THE PAWNBROKER IS
26 NOT REPAYED ALONG WITH ANY CHARGES OR INTEREST AS PROVIDED BY

1 LAW. NOTICE UNDER THIS SUBSECTION SHALL BE SENT NOT LATER THAN 2
2 WEEKS BEFORE THE DATE OF EXPIRATION OF THE LOAN.

3 (4) NOTICE OF THE SALE OF ANY ARTICLE BY THE PAWNBROKER
4 SHALL BE PUBLISHED IN A DAILY NEWSPAPER CIRCULATED WITHIN THE
5 CITY, TOWNSHIP, OR INCORPORATED VILLAGE IN WHICH THE PAWNBROKER
6 IS DOING BUSINESS. THE NOTICE PUBLISHED UNDER THIS SUBSECTION
7 SHALL OCCUR NOT LATER THAN 2 WEEKS BEFORE THE DATE OF THE PRO-
8 POSED SALE.

9 Sec. 11. (1) The borrower, at any time prior to the ~~sale~~
10 EXPIRATION OF THE TERM OF THE LOAN, may pay or tender to the
11 pawnbroker the ~~debt and interest and charges thereon, together~~
12 ~~with the cost of advertising the sale, if the sale has been~~
13 ~~advertised~~ PRINCIPAL, INTEREST, AND STORAGE CHARGES OWED ON A
14 PAWNED OR PLEDGED ARTICLE. The TIMELY payment or tender shall
15 reinvest the pawner with the title and right of possession to the
16 property PAWNED OR pledged.

17 (2) AFTER THE SALE OF AN ARTICLE, THE PAWNBROKER SHALL SEND
18 BY FIRST-CLASS MAIL A CHECK FOR THE MONEY OBTAINED THROUGH THE
19 SALE OF THE ARTICLE IN EXCESS OF THE PRINCIPAL, INTEREST, AND
20 STORAGE CHARGES OWED ON THE PAWNED ARTICLE.

21 Sec. 13. (1) ~~No~~ A pawnbroker, DURING THE TERM OF A LOAN
22 MADE ON A PAWNED OR PLEDGED ARTICLE, shall NOT INTENTIONALLY
23 deface, scratch, obliterate, melt, separate, or break into parts
24 any ~~particle or thing~~ ARTICLE received by ~~him~~ THE PAWNBROKER
25 in pawn or otherwise, or in any manner do, cause, or ~~suffer~~
26 ALLOW to be done by others, anything which ~~shall destroy or~~
27 ~~tend~~ DESTROYS OR TENDS to destroy the identity of ~~such~~ THE

1 article or render the identification ~~thereof~~ OF THE ARTICLE
2 more difficult.

3 (2) A PAWNBROKER SHALL NOT ACCEPT BY WAY OF PLEDGE, PAWN,
4 PURCHASE, OR EXCHANGE ANY ARTICLE THAT CUSTOMARILY BEARS A
5 MANUFACTURER'S SERIAL NUMBER OR OTHER IDENTIFYING INSIGNIA UNLESS
6 THE NUMBER OR INSIGNIA IS PLAINLY VISIBLE ON THE ITEM.

7 Sec. 19. Upon ~~any such~~ conviction PURSUANT TO SECTION 18
8 of any person doing business as a pawnbroker under ~~the provi-~~
9 ~~sions of~~ this act, or ~~on~~ conviction of any clerk, agent, ser-
10 vant, or ~~employee~~ EMPLOYEE of any such person, the license of
11 ~~such person shall forthwith~~ THE PAWNBROKER MAY be revoked ~~by~~
12 ~~the mayor of the city or president of the village,~~ and ~~no part~~
13 ~~of~~ the PAWNBROKER'S license fee ~~of such party~~ shall NOT be
14 returned to ~~him, and no further~~ THE PAWNBROKER. A license as a
15 pawnbroker shall NOT be granted to ~~such person~~ THE PAWNBROKER
16 for the period of 1 year ~~from~~ AFTER the date of ~~such~~ THE
17 revocation.

18 Section 2. Sections 6, 12, and 17 of Act No. 273 of the
19 Public Acts of 1917, being sections 446.206, 446.212, and 446.217
20 of the Michigan Compiled Laws, are repealed.