

# SENATE BILL No. 1400

September 28, 2000, Introduced by Senators SHUGARS, SCHUETTE, HAMMERSTROM, SIKKEMA and GOUGEON and referred to the Committee on Economic Development, International Trade and Regulatory Affairs.

A bill to amend 1917 PA 273, entitled

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

by amending the title and sections 1, 2, 3, 5, 6, 8, and 19

(MCL 446.201, 446.202, 446.203, 446.205, 446.206, 446.208, and 446.219), section 5 as amended by 1998 PA 233.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

### TITLE

2

An act to regulate and license pawnbrokers in cities, TOWN-

3

SHIPS, CHARTER TOWNSHIPS, COUNTIES, and incorporated villages of

4

this state; ~~—, having a population of more than 3,000—~~ AND TO

5

PRESCRIBE CERTAIN POWERS AND DUTIES OF CERTAIN LOCAL GOVERNMENTAL

6

UNITS AND 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

1 ~~cities or incorporated villages~~ GOVERNMENTAL UNITS of this  
 2 state ~~, having a population of more than 3,000,~~ without having  
 3 first obtained from the ~~mayor of the city or president of the~~  
 4 ~~village~~ CHIEF EXECUTIVE OFFICER OF THE GOVERNMENTAL UNIT where  
 5 the business is to be carried on, a license subject to the provi-  
 6 sions of this act, authorizing ~~such~~ THAT person, corporation,  
 7 or firm to carry on ~~such~~ THAT business.

8       Sec. 2. (1) The ~~mayor of any such city or president of~~  
 9 ~~such village~~ CHIEF EXECUTIVE OFFICER OF THE GOVERNMENTAL UNIT  
 10 may ~~from time to time~~ grant under his OR HER hand, and the  
 11 official seal of his OR HER office, to any suitable person,  
 12 corporation, or firm ~~,~~ a license authorizing ~~such~~ THAT  
 13 person, corporation, or firm to ~~carry on~~ CONDUCT the business  
 14 of a pawnbroker subject to the provisions of this act. ~~Said~~

15       (2) THE license shall designate the particular place in  
 16 ~~said city or incorporated village~~ THE GOVERNMENTAL UNIT where  
 17 ~~such~~ THAT person, corporation, or firm shall ~~carry on said~~  
 18 CONDUCT THE business. ~~, and no~~ A person, corporation, or firm  
 19 receiving ~~said~~ A license shall ~~carry on said~~ NOT CONDUCT THE  
 20 business in any other place than the ~~one~~ PLACE designated in  
 21 ~~said~~ THE license. ~~Said~~

22       (3) THE TERM OF license ~~shall be for the period of~~ IS 1  
 23 year from date of issuance, unless ~~sooner~~ revoked for cause,  
 24 and ~~shall~~ IS not ~~be~~ transferable.

25       (4) Before ~~any such~~ ISSUANCE OF THE license, ~~shall be~~  
 26 ~~issued the person applying therefor~~ THE APPLICANT shall pay to  
 27 the treasurer of the ~~city or incorporated village~~ GOVERNMENTAL

1 UNIT an annual license fee ~~of 250 dollars,~~ IN THE AMOUNT  
 2 DETERMINED UNDER SUBSECTION (5) and ~~shall~~ give a bond to the  
 3 ~~said city or incorporated village~~ GOVERNMENTAL UNIT in its cor-  
 4 porate name, in the penal sum of ~~3,000 dollars~~ \$3,000.00, with  
 5 at least 2 sureties, ~~to be approved by the city or village~~  
 6 ~~council~~ conditioned for the faithful performance of the duties  
 7 and obligations pertaining to the ~~said~~ CONDUCT OF THE business  
 8 and for the payment of all costs and damages incurred by any vio-  
 9 lation of this act. ~~:- Provided, That it shall be within the~~  
 10 ~~power of the common council of any city or village to~~ THE GOV-  
 11 ERNMENTAL UNIT SHALL APPROVE THE BOND.

12 (5) THE GOVERNMENTAL UNIT MAY fix the amount to be paid as  
 13 ~~such~~ THE annual license fee at any amount not less than ~~50~~  
 14 ~~dollars, nor~~ \$50.00 OR more than ~~500 dollars~~ \$500.00.

15 Sec. 3. ~~Any~~ AS USED IN THIS ACT:

16 (A) "GOVERNMENTAL UNIT" MEANS A CITY, TOWNSHIP, CHARTER  
 17 TOWNSHIP, COUNTY, OR INCORPORATED VILLAGE.

18 (B) "PAWNBROKER" MEANS A person, corporation, or member, or  
 19 members of a copartnership or firm, who loans money on deposit,  
 20 or pledge of personal property, or other valuable thing, other  
 21 than securities or printed evidence of indebtedness, or who deals  
 22 in the purchasing of personal property or other valuable thing on  
 23 condition of selling the same back again at a stipulated price.  
 24 ~~, is hereby defined to be a pawnbroker.~~

25 Sec. 5. (1) A pawnbroker shall keep a record ~~in which is~~  
 26 ~~written~~ in English, at the time the pawnbroker receives any  
 27 article of personal property or other valuable thing by way of

1 pawn, THAT INCLUDES a description of the article, a sequential  
2 transaction number, any amount of money loaned ~~thereon~~ ON THE  
3 ARTICLE, the name, residence, general description, and driver  
4 license number, official state personal identification card  
5 number, or government identification number of the person from  
6 whom the article was received, and the day and hour when the  
7 article was received. The record, the place where the business  
8 is carried on, and all articles of property in that place of  
9 business are subject to examination at any time by the ~~city~~  
10 attorney OF THE GOVERNMENTAL UNIT, local police agency, the  
11 county prosecuting attorney of the county in which the ~~city or~~  
12 ~~village~~ GOVERNMENTAL UNIT is situated, or the department of  
13 state police.

14       (2) Upon the receipt of any article of personal property or  
15 other valuable thing by way of pawn, the pawnbroker shall make a  
16 permanent record of the transaction on a form provided by the  
17 pawnbroker that substantially complies with the form described in  
18 subsection (4). Each record of transaction shall be completed in  
19 duplicate by the pawnbroker, legibly in the English language, and  
20 shall contain all applicable information required to complete the  
21 record of transaction form under subsection (4). This subsection  
22 does not prohibit the use and transmission of the information  
23 required in the record of the transaction by means of computer or  
24 other electronic media as permitted by the local police agency  
25 within the applicable ~~local~~ GOVERNMENTAL unit. ~~of government.~~

1       (3) The pawnbroker shall retain a record of each transaction  
2 and, within 48 hours after the property is received, shall send 1  
3 copy of the record of transaction to the local police agency.

4       (4) The record of transaction form shall be 8-1/2 inches by  
5 11 inches in size and shall be as follows:

**RECORD OF TRANSACTION  
FRONT**

Article	Serial No.		
Model No. or Case No.	Lens No. or Move. No.		
Trade Name	Color	Size	No. Jewels
Material	Stone Set Design		
Description	No.	Kind of Stone	Size
Inscription or Initials			
Purchase Price   Amt. Loaned			
Dealer			
City	Date	Ticket No.	
Lady's <input type="checkbox"/>	Gent's <input type="checkbox"/>	Wrist <input type="checkbox"/>	Pocket <input type="checkbox"/> Lapel <input type="checkbox"/>

**BACK**

Operator's License # or Other I.D. #	
Customer's Name (PRINT)	
Street No. or RFD	
City and State	
Employed By:	Rolled print of right thumb (If impossible then some other fingerprint. Designate which.)
Age      Height	
Weight   Race      W <input type="checkbox"/> B <input type="checkbox"/> O <input type="checkbox"/>	
Time Received:      AM      PM	
Mail reports within 48 hours to local officers	
Signature of person taking print	<input type="checkbox"/> Male <input type="checkbox"/> Female

Sec. 6. ~~Every such~~ A pawnbroker shall make daily, except Sunday, a sworn statement of his OR HER transactions, describing the ~~goods or pledge~~ ARTICLES received, and setting forth the

1 name, residence, and description of the person from whom the  
 2 ~~goods or pledge~~ ARTICLES were received, to the chief of police  
 3 or chief ~~police~~ LAW ENFORCEMENT officer of ~~such city or~~  
 4 ~~village~~ THE GOVERNMENTAL UNIT.

5       Sec. 8. A pawnbroker, at the time of ~~such~~ A loan, shall  
 6 deliver to the person pawning or pledging any ~~goods,~~ article  
 7 ~~or thing,~~ a memorandum or note signed by him OR HER, containing  
 8 the substance of the entry required to be made by him OR HER in  
 9 his OR HER book by section 6. ~~No~~ A charge shall NOT be made or  
 10 received by ~~any~~ THE pawnbroker for ~~any such~~ THE entry,  
 11 memorandum, or note. The memorandum or note shall be consecu-  
 12 tively numbered and upon its back shall be printed in English in  
 13 12-POINT type ~~as large as that in which the public acts of this~~  
 14 ~~state are printed,~~ the following: ~~words:~~ "If interest or  
 15 charges in excess of 3% per month, plus storage charges  
 16 ~~hereinafter~~ provided IN THIS DOCUMENT, are asked or received,  
 17 this loan is void and of no effect; and the borrower cannot be  
 18 made to pay back the money loaned, ~~or~~ any interest ON THE LOAN,  
 19 or any charges or any part ~~thereof~~ OF THE CHARGES, and the  
 20 pawnbroker loses all right to the possession of the goods,  
 21 article, or thing pawned, and shall surrender the ~~same~~ ITEM to  
 22 the borrower or pawner upon due demand ~~therefor~~ FOR THE  
 23 ITEM.".

24       Sec. 19. Upon ~~any such~~ A conviction of any person ~~doing~~  
 25 CONDUCTING business as a pawnbroker under ~~the provisions of~~  
 26 this act, or on conviction of any clerk, agent, servant, or  
 27 ~~employee~~ EMPLOYEE of ~~any such~~ THE person, the ~~license of such~~

1 ~~person shall forthwith be revoked by the mayor of the city or~~  
2 ~~president of the village,~~ CHIEF EXECUTIVE OFFICER OF THE GOVERN-  
3 MENTAL UNIT SHALL REVOKE THE LICENSE OF THE PERSON and no part of  
4 the license fee ~~of such party~~ shall be returned to him OR HER.  
5 ~~, and no further~~ THE GOVERNMENTAL UNIT SHALL NOT ISSUE A  
6 license as a pawnbroker ~~shall be granted~~ to ~~such~~ THAT person  
7 for the period of 1 year from the date of ~~such~~ THE revocation.