

Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 116 (as reported without amendment)

Sponsor: Senator Bill Schuette

Committee: Economic Development, International Trade and Regulatory Affairs

CONTENT

The bill would amend Public Act 273 of 1917, which requires the licensure of pawnbrokers in cities and incorporated villages with a population over 3,000, to provide for regulation and licensure by townships, charter townships, counties, cities, and villages; limit the ability of counties and townships to issue licenses for locations within cities and villages; and require unlicensed businesses to obtain a license.

Currently, a person, corporation, or firm may not be a pawnbroker in a city or incorporated village having a population over 3,000 without having obtained a license from the mayor of the city or the president of the village. The bill would apply to a "governmental unit" and refer to the "chief executive officer" of the governmental unit. ("Governmental unit" would mean a city, township, charter township, county, or incorporated village. "Chief executive officer" would mean the mayor of a city; the village president; the township supervisor; or the county executive or, if there were no county executive, the person designated by a resolution of the county board of commissioners.)

A county could not issue a license for a location within a city or village with a population greater than 3,000, or within a city or village with a population of 3,000 or less or a township or charter township, if the city, village, or township had established a license fee pursuant to the Act. A township or charter township could not issue a license for a location within a village with a population over 3,000 or a village with a population of 3,000 or less that had established a license fee pursuant to the Act.

A person, corporation, or firm in the pawnbroker business who was not required to be licensed before the bill's effective date would have to obtain a license within 180 days after that date.

Under the Act, before a license is issued, an applicant must pay an annual license fee of \$250 and give a \$3,000 bond. The Act also permits a city or village council to fix the annual license fee at any amount that is at least \$50 but not more than \$500. The bill would delete reference to the \$250 license fee. A governmental unit still could set the license fee at an amount that was at least \$50 but not more than \$500. In addition, the bill would require a governmental unit to approve the bond.

MCL 446.201 et al.

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State government and a negligible impact on local government units.

Date Completed: 3-21-01

Fiscal Analyst: D. Zin