

Act No. 469
Public Acts of 2002
Approved by the Governor
June 21, 2002
Filed with the Secretary of State
June 21, 2002
EFFECTIVE DATE: June 21, 2002

**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002**

Introduced by Senator Schuette

ENROLLED SENATE BILL No. 116

AN ACT 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:

TITLE

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.

Sec. 1. A person, corporation, or firm shall not carry on the business of pawnbroker in any of the governmental units of this state without having first obtained from the chief executive officer of the governmental unit where the business is to be carried on, a license subject to the provisions of this act, authorizing that person, corporation, or firm to carry on that business. A person, corporation, or firm carrying on the business of pawnbroker that was not required to obtain a license before the effective date of the amendatory act that added this sentence shall obtain a license within 180 days after that effective date.

Sec. 2. (1) The chief executive officer of the governmental unit may grant under his or her hand, and the official seal of his or her office, to any suitable person, corporation, or firm a license authorizing that person, corporation, or firm to conduct the business of a pawnbroker subject to the provisions of this act.

(2) The license shall designate the particular place in the governmental unit where that person, corporation, or firm shall conduct the business. A person, corporation, or firm receiving a license shall not conduct the business in any other place than the place designated in the license.

(3) The term of license is 1 year from date of issuance, unless revoked for cause, and is not transferable.

(4) Before issuance of the license, the applicant shall pay to the treasurer of the governmental unit an annual license fee in the amount determined under subsection (5) and give a bond to the governmental unit in its corporate name, in the penal sum of \$3,000.00, with at least 2 sureties, conditioned for the faithful performance of the duties and obligations pertaining to the conduct of the business and for the payment of all costs and damages incurred by any violation of this act. The governmental unit shall approve the bond.

(5) The governmental unit may fix the amount to be paid as the annual license fee at any amount not less than \$50.00 or more than \$500.00.

(6) Notwithstanding any other provision of this section, the authority of a governmental unit to issue a license under this act is limited as follows:

(a) A county may not issue a license for a location within a city or village with a population greater than 3,000.

(b) A county may not issue a license for a location within a city or village with a population of 3,000 or less or within a township or charter township if that city, village, township, or charter township has established the license fee pursuant to subsection (5).

(c) A township or charter township may 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 has established a fee under subsection (5).

Sec. 3. As used in this act:

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

(i) For a city, the mayor.

(ii) For a village, the village president.

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

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

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

(c) "Pawnbroker" means a person, corporation, or member, or members of a copartnership or firm, who loans money on deposit, or pledge of personal property, or other valuable thing, other than securities or printed evidence of indebtedness, or who deals in the purchasing of personal property or other valuable thing on condition of selling the same back again at a stipulated price.

Sec. 5. (1) A pawnbroker shall keep a record in English, at the time the pawnbroker receives any article of personal property or other valuable thing by way of pawn, that includes a description of the article, a sequential transaction number, any amount of money loaned on the article, the name, residence, general description, and driver license number, official state personal identification card number, or government identification number of the person from whom the article was received, and the day and hour when the article was received. The record, the place where the business is carried on, and all articles of property in that place of business are subject to examination at any time by the attorney of the governmental unit, local police agency, the county prosecuting attorney of the county in which the governmental unit is situated, or the department of state police.

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

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

(4) The record of transaction form shall be 8-1/2 inches by 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 []	Gent's []	Wrist []	Pocket []	Lapel []

BACK

Operator's License # or Other I.D. #

Customer's Name (PRINT)

Street No. or RFD

City and State

Employed By:

Age Height

Weight Race W ☐ B ☐ O ☐

Time Received: AM PM

Mail reports within 48 hours to local officers

Signature of person taking print

Rolled print of right thumb
(If impossible then some other fingerprint.
Designate which.)

☐ Male

☐ Female

Sec. 6. A pawnbroker shall make daily, except Sunday, a sworn statement of his or her transactions, describing the articles received, and setting forth the name, residence, and description of the person from whom the articles were received, to the chief of police or chief law enforcement officer of the governmental unit.

Sec. 8. A pawnbroker, at the time of a loan, shall deliver to the person pawning or pledging any article a memorandum or note signed by him or her, containing the substance of the entry required to be made by him or her in his or her book by section 6. A charge shall not be made or received by the pawnbroker for the entry, memorandum, or note. The memorandum or note shall be consecutively numbered and upon its back shall be printed in English in 12-point type the following: "If interest or charges in excess of 3% per month, plus storage charges provided in this document, are asked or received, this loan is void and of no effect; and the borrower cannot be made to pay back the money loaned, any interest on the loan, or any charges or any part of the charges, and the pawnbroker loses all right to the possession of the goods, article, or thing pawned, and shall surrender the item to the borrower or pawner upon due demand for the item."

Sec. 19. Upon a conviction of any person conducting business as a pawnbroker under this act, or on conviction of any clerk, agent, servant, or employee of the person, the chief executive officer of the governmental unit shall revoke the license of the person and no part of the license fee shall be returned to him or her. The governmental unit shall not issue a license as a pawnbroker to that person for the period of 1 year from the date of the revocation.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Dany E. Randall

Clerk of the House of Representatives.

Approved

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Governor.