

Legislative Analysis



PAWNBROKER AMENDMENTS

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House Bill 6029 as enrolled

Public Act 585 of 2004

Sponsor: Rep. William J. O'Neil

House Committee: Commerce

Senate Committee: Commerce and Labor

Complete to 1-7-05

A SUMMARY OF HOUSE BILL 6029 AS ENROLLED

The bill would amend Public Act 273 of 1917, which regulates pawnbrokers, to allow a pawnbroker to agree in writing to allow a person who has pawned unencumbered personal property ("the pawner") to maintain possession and use of the property during the time of the pawn or pledge transaction. The agreement could require the pawner to pay a usage fee of \$1 per month or fraction of a month. The usage fee would not be considered interest.

The pawnbroker could take possession of the pledged or pawned property under Section 9609 of the Uniform Commercial Code (which allows secured parties to take possession of property after a default).

The bill would also prohibit a pawnbroker from accepting by way of pledge, pawn, purchase, or exchange any article or thing that customarily bears a manufacturer's serial number or other identifying insignia unless the number or insignia was plainly visible on the article or thing.

Finally, the bill specifies that licensure under the Precious Metal and Gem Dealer Act and/or Public Act 350 of 1917 (which governs secondhand dealers and junk dealers) would not exempt a person from obtaining a pawnbroker's license under Public Act 273 of 1917.

MCL 446.209 and 211

FISCAL IMPACT:

There is no fiscal impact on either the state or on local units of government.

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