

Legislative Analysis



PAWNBROKER FEES: CLARIFY

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House Bill 4823 (Substitute H-1)

Sponsor: Rep. Rich Brown

Committee: Banking and Financial Services

Complete to 6-6-05

A SUMMARY OF HOUSE BILL 4823 AS REPORTED FROM COMMITTEE ON 6-1-05

The bill would amend Public Act 273 of 1917, which regulates pawnbrokers, to specify that a pawnbroker can charge a person who has pawned unencumbered personal property either of the following: a monthly storage fee or a monthly usage fee. The usage and storage fees would not be considered interest.

The bill also contains updated language regarding recordkeeping by pawnbrokers.

[Public Act 585 of 2004— House Bill 6029 — amended Public Act 273 of 1917 to allow a person who pawned and pledged unencumbered personal property to maintain possession of the property and continue to use it, with the pawnbroker allowed to charge a usage fee of \$1 per month. This usage fee was a new fee created by Public Act 585. The storage fee already existed in law. Both are in addition to the three percent per month interest that can be charged on a loan.]

MCL 446.208 and 446.209

FISCAL IMPACT:

The bill would not appear to have any fiscal impact on state or local government.

Legislative Analyst: E. Best
Fiscal Analyst: Richard Child

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