

SUBSTITUTE FOR
HOUSE BILL NO. 5956

A bill to amend 1945 PA 231, entitled

"An act to prescribe additional regulations and requirements for pawnbrokers, secondhand dealers and junk dealers; to provide for the taking of fingerprints and the making of reports to enforcement officers; to prescribe penalties for the violation of the provisions of this act; and to declare the effect of this act,"

by amending sections 1 and 6 (MCL 445.471 and 445.476).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. **(1)** This act shall be construed as supplementing the
2 laws of this state and city and village ordinances and charters
3 regulating **OR LICENSING** pawnbrokers, secondhand dealers, and junk
4 dealers.

5 **(2) ~~The term "secondhand" AS USED IN THIS ACT:~~**

6 **(A) "SECONDHAND** dealer" or "junk dealer" ~~as used in this act~~
7 ~~shall mean~~ **MEANS** any person, corporation, or member or members of
8 a co-partnership or firm, whose principal business is that of

1 purchasing, storing, selling, exchanging, and receiving ~~second~~
2 ~~hand~~ **SECONDHAND** personal property of any kind or description. ~~The~~
3 ~~term "pawnbroker" as used in this act shall mean~~ **SECONDHAND DEALER**
4 **OR JUNK DEALER DOES NOT INCLUDE A SCRAP PROCESSOR.**

5 (B) **"PAWNBROKER" MEANS** any person, corporation, or member or
6 members of a co-partnership or firm, who loans money on deposit or
7 pledge of personal property, or other valuable thing, other than
8 securities or printed evidence of indebtedness, or who deals in the
9 purchasing of personal property or other valuable thing on
10 condition of selling the same back again at a stipulated price.

11 (C) **"INTERNET DROP-OFF STORE" MEANS A PERSON, CORPORATION, OR**
12 **FIRM THAT CONTRACTS WITH OTHER PERSONS, CORPORATIONS, OR FIRMS TO**
13 **OFFER ITS PERSONAL PROPERTY OR OTHER VALUABLE THING FOR SALE,**
14 **PURCHASE, CONSIGNMENT, OR TRADE THROUGH MEANS OF AN INTERNET**
15 **WEBSITE AND MEETS THE CONDITIONS DESCRIBED IN SECTION 6(3).**

16 (D) **"LOCAL LAW ENFORCEMENT AGENCY" MEANS THE POLICE AGENCY OF**
17 **THE CITY, VILLAGE, OR TOWNSHIP, OR IF NONE, THE COUNTY SHERIFF OF**
18 **THE COUNTY IN WHICH THE INTERNET DROP-OFF STORE CONDUCTS BUSINESS.**

19 (E) **"SCRAP PROCESSOR" MEANS A PERSON, UTILIZING MACHINERY AND**
20 **EQUIPMENT AND OPERATING FROM A FIXED LOCATION, WHOSE PRINCIPAL**
21 **BUSINESS IS THE PROCESSING AND MANUFACTURING OF IRON, STEEL,**
22 **NONFERROUS METALS, PAPER, PLASTIC, OR GLASS, INTO PREPARED GRADES**
23 **OF PRODUCTS SUITABLE FOR CONSUMPTION BY RECYCLING MILLS AND**
24 **FOUNDRIES.**

25 Sec. 6. (1) ~~Nothing in this act shall be deemed to~~ **THIS ACT**
26 **DOES NOT** apply to any secondhand or junk dealer purchasing scrap
27 iron and metal, except scrapped motor vehicles not purchased from a

1 licensed ~~second hand~~ SECONDHAND or junk dealer.

2 (2) THIS ACT DOES NOT REQUIRE AN INTERNET DROP-OFF STORE
3 COMPLYING WITH SUBSECTION (3), OR A PERSON ENGAGED IN THE SALE,
4 PURCHASE, CONSIGNMENT, OR TRADE OF PERSONAL PROPERTY OR OTHER
5 VALUABLE THING FOR HIMSELF OR HERSELF, TO OBTAIN A LICENSE UNDER
6 THIS ACT OR ANY ORDINANCE BEING SUPPLEMENTED BY THIS ACT.

7 (3) AN INTERNET DROP-OFF STORE IN COMPLIANCE WITH THE
8 FOLLOWING CONDITIONS IS EXEMPT FROM LICENSURE AS A PAWNBROKER,
9 SECONDHAND DEALER, OR JUNK DEALER UNDER THIS ACT:

10 (A) HAS A FIXED PLACE OF BUSINESS WITHIN THIS STATE EXCEPT
11 THAT HE OR SHE EXCLUSIVELY TRANSACTS ALL PURCHASES OR SALES BY
12 MEANS OF THE INTERNET AND THE PURCHASES AND SALES ARE NOT
13 PHYSICALLY TRANSACTED ON THE PREMISES OF THAT FIXED PLACE OF
14 BUSINESS.

15 (B) HAS THE PERSONAL PROPERTY OR OTHER VALUABLE THING
16 AVAILABLE ON A WEBSITE FOR VIEWING BY PHOTOGRAPH, IF AVAILABLE, BY
17 THE GENERAL PUBLIC AT NO CHARGE, WHICH WEBSITE SHALL BE SEARCHABLE
18 BY ZIP CODE OR STATE, OR BOTH. THE WEBSITE VIEWING SHALL INCLUDE,
19 AS APPLICABLE, SERIAL NUMBER, MAKE, MODEL, AND OTHER UNIQUE
20 IDENTIFYING MARKS, NUMBERS, NAMES, OR LETTERS APPEARING ON THE
21 PERSONAL PROPERTY OR OTHER VALUABLE THING.

22 (C) MAINTAINS RECORDS OF THE SALE, PURCHASE, CONSIGNMENT, OR
23 TRADE OF THE PERSONAL PROPERTY OR OTHER VALUABLE THING FOR AT LEAST
24 2 YEARS, WHICH RECORDS SHALL CONTAIN A DESCRIPTION, INCLUDING A
25 PHOTOGRAPH, IF AVAILABLE, AND, IF APPLICABLE, SERIAL NUMBER, MAKE,
26 MODEL, AND OTHER UNIQUE IDENTIFYING MARKS, NUMBERS, NAMES, OR
27 LETTERS APPEARING ON THE PERSONAL PROPERTY OR OTHER VALUABLE THING.

1 (D) PROVIDE THE LOCAL LAW ENFORCEMENT AGENCY WITH ANY NAME
2 UNDER WHICH IT CONDUCTS BUSINESS ON THE WEBSITE, ACCESS TO THE
3 BUSINESS PREMISES AT ANY TIME DURING NORMAL BUSINESS HOURS FOR
4 PURPOSES OF INSPECTION, AND, WITHIN 24 HOURS AFTER ENTERING INTO
5 THE CONTRACT FOR THE SALE, PURCHASE, CONSIGNMENT, OR TRADE OF THE
6 PERSONAL PROPERTY OR OTHER VALUABLE THING, AN ELECTRONIC COPY OF
7 THE SELLER'S OR CONSIGNOR'S NAME, ADDRESS, TELEPHONE NUMBER, DRIVER
8 LICENSE NUMBER AND ISSUING STATE, AND DESCRIPTION OF THE PERSONAL
9 PROPERTY OR OTHER VALUABLE THING AS DESCRIBED IN SUBDIVISION (C).
10 THE PROVISION OF INFORMATION SHALL BE IN A FORMAT ACCEPTABLE TO THE
11 LOCAL LAW ENFORCEMENT AGENCY BUT SHALL AT LEAST BE IN A LEGIBLE
12 FORMAT AND IN THE ENGLISH LANGUAGE.

13 (E) PROVIDE THAT PAYMENT FOR THE PERSONAL PROPERTY OR OTHER
14 VALUABLE THING IS EXECUTED BY MEANS OF CHECK OR OTHER ELECTRONIC
15 PAYMENT SYSTEM, SO LONG AS THE PAYMENT IS NOT MADE IN CASH.

16 (F) IMMEDIATELY REMOVE THE PERSONAL PROPERTY OR OTHER VALUABLE
17 THING FROM THE WEBSITE AND NOTIFY THE LOCAL LAW ENFORCEMENT AGENCY
18 UPON LEARNING IF THE VERIFICATION REVEALS THAT THE PERSONAL
19 PROPERTY OR OTHER VALUABLE THING IS STOLEN.

20 Enacting section 1. This amendatory act does not take effect
21 unless all of the following bills of the 93rd Legislature are
22 enacted into law:

- 23 (a) House Bill No. 5955.
24 (b) House Bill No. 5957.
25 (c) House Bill No. 5958.