

# HOUSE BILL No. 4823

May 24, 2005, Introduced by Reps. Brown and Hune and referred to the Committee on Banking and Financial Services.

A bill to amend 1917 PA 273, entitled

"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,"

by amending sections 8 and 9 (MCL 446.208 and 446.209), section 8 as amended by 2002 PA 469 and section 9 as amended by 2004 PA 585.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 8. (1) A pawnbroker, at the time of a loan, shall deliver  
2 to the person pawning or pledging any article ~~—a—~~ **AN ENTRY,**  
3 memorandum, or note signed by him or her, containing the substance  
4 of the entry required to be made ~~—by him or her—~~ in his or her  
5 ~~book—~~ **RECORDS OR DATABASE** by section 6. ~~—A~~

6           (2) **THE PAWNBROKER SHALL NOT IMPOSE OR RECEIVE A** charge ~~—shall~~  
7 ~~not be made or received by the pawnbroker—~~ for the entry,  
8 memorandum, or note.

1           (3) The **ENTRY**, memorandum, or note shall be consecutively  
2 numbered, and upon its back shall be printed in English in 12-point  
3 type the following: "If interest or charges in excess of 3% per  
4 month, ~~plus~~ **NOT INCLUDING** storage **AND USAGE** charges provided in  
5 this document, are asked or received, this loan is void and of no  
6 effect; and the borrower cannot be made to pay back the money  
7 loaned, any interest on the loan, or any charges or any part of the  
8 charges, and the pawnbroker loses all right to the possession of  
9 the goods, article, or thing pawned, and shall surrender the item  
10 to the borrower or pawner upon due demand for the item."

11           Sec. 9. (1) A licensed pawnbroker may charge upon any loan a  
12 rate of interest not to exceed 3% per month and is not required to  
13 accept any interest less than 50 cents on a single loan.

14           (2) A pawnbroker may also charge **BOTH OF THE FOLLOWING:**

15           (A) **A STORAGE FEE OF** \$1.00 per month or fraction of a month  
16 for the storage of unencumbered personal property under any single  
17 pledge or pawn.

18           (B) ~~(2) A pawnbroker may charge~~ **A USAGE FEE OF** \$1.00 per  
19 month or fraction of a month ~~for a usage fee~~ for unencumbered  
20 personal property pawned or pledged and used by the pawner, during  
21 the term of the pawn or pledge.

22           (3) A usage fee **AND A STORAGE FEE** charged under ~~this~~  
23 subsection ~~is~~ (2) **ARE** not considered interest.

24           (4) ~~(3)~~ A pawnbroker or the pawnbroker's agent or employee  
25 shall not charge or receive interest on the loan in excess of the  
26 amounts provided for in this act. ~~(4)~~ Interest on any loan is not  
27 payable in advance and shall be computed on unpaid monthly balances

1 without compounding.

2 (5) A pawnbroker is not entitled to any examination fee and  
3 shall not make any charge in excess of the amounts provided for in  
4 this act.