

Act No. 293
Public Acts of 2006
Approved by the Governor
July 18, 2006
Filed with the Secretary of State
July 20, 2006
EFFECTIVE DATE: July 20, 2006

**STATE OF MICHIGAN
93RD LEGISLATURE
REGULAR SESSION OF 2006**

Introduced by Reps. Clemente, Hildenbrand, Palsrok and Nofs

ENROLLED HOUSE BILL No. 5956

AN ACT 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:

Sec. 1. (1) This act shall be construed as supplementing the laws of this state and city and village ordinances and charters regulating or licensing pawnbrokers, secondhand dealers, and junk dealers.

(2) As used in this act:

(a) "Secondhand dealer" or "junk dealer" means any person, corporation, or member or members of a co-partnership or firm, whose principal business is that of purchasing, storing, selling, exchanging, and receiving secondhand personal property of any kind or description. Secondhand dealer or junk dealer does not include a scrap processor or an automotive recycler.

(b) "Pawnbroker" means any person, corporation, or member or members of a co-partnership 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.

(c) "Internet drop-off store" means a person, corporation, or firm that contracts with other persons, corporations, or firms to offer its personal property or other valuable thing for sale, purchase, consignment, or trade through means of an internet website and meets the conditions described in section 6(3).

(d) "Local law enforcement agency" means the police agency of the city, village, or township, or if none, the county sheriff of the county in which the internet drop-off store conducts business.

(e) "Scrap processor" means a person, utilizing machinery and equipment and operating from a fixed location, whose principal business is the processing and manufacturing of iron, steel, nonferrous metals, paper, plastic, or glass, into prepared grades of products suitable for consumption by recycling mills and foundries.

(f) "Automotive recycler" means a person who engages in business primarily for the purpose of selling retail salvage vehicle parts and secondarily for the purpose of selling retail salvage motor vehicles or manufacturing or selling a product of gradable scrap metal or a person employed as a salvage vehicle agent as that term is defined in section 56c of the Michigan vehicle code, 1949 PA 300, MCL 257.56c.

Sec. 6. (1) This act does not apply to any secondhand or junk dealer purchasing scrap iron and metal.

(2) This act does not require an internet drop-off store complying with subsection (3), or a person engaged in the sale, purchase, consignment, or trade of personal property or other valuable thing for himself or herself, to obtain a license under this act or any ordinance being supplemented by this act.

(3) An internet drop-off store in compliance with the following conditions is exempt from licensure as a pawnbroker, secondhand dealer, or junk dealer under this act:

(a) Has a fixed place of business within this state except that he or she exclusively transacts all purchases or sales by means of the internet and the purchases and sales are not physically transacted on the premises of that fixed place of business.

(b) Has the personal property or other valuable thing available on a website for viewing by photograph, if available, by the general public at no charge, which website shall be searchable by zip code or state, or both. The website viewing shall include, as applicable, serial number, make, model, and other unique identifying marks, numbers, names, or letters appearing on the personal property or other valuable thing.

(c) Maintains records of the sale, purchase, consignment, or trade of the personal property or other valuable thing for at least 2 years, which records shall contain a description, including a photograph, if available, and, if applicable, serial number, make, model, and other unique identifying marks, numbers, names, or letters appearing on the personal property or other valuable thing.

(d) Provide the local law enforcement agency with any name under which it conducts business on the website and access to the business premises at any time during normal business hours for purposes of inspection.

(e) Within 24 hours after a request from a local law enforcement agency, provide an electronic copy of the seller's or consignor's name, address, telephone number, driver license number and issuing state, the buyer's name and address if applicable, and a description of the personal property or other valuable thing as described in subdivision (c). The provision of information shall be in a format acceptable to the local law enforcement agency but shall at least be in a legible format and in the English language.

(f) Provide that payment for the personal property or other valuable thing is executed by means of check or other electronic payment system, so long as the payment is not made in cash. No payment shall be provided to the seller until the item is sold.

(g) Immediately remove the personal property or other valuable thing from the website if the local law enforcement agency determines that the personal property or other valuable thing is stolen.

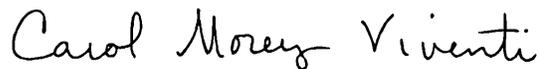
Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 93rd Legislature are enacted into law:

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor