



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 4887 (Substitute S-1 as reported)
Sponsor: Representative Peter J. Lucido
House Committee: Commerce and Trade
Senate Committee: Commerce

CONTENT

The bill would add a section to Public Act 273 of 1917, which regulates and licenses pawnbrokers in certain governmental units, to do the following:

- Allow an appropriate law enforcement officer to place a written hold order on alleged misappropriated property in the possession of a pawnbroker.
- Require a hold order to include certain information, such as the appropriate law enforcement official's name, title, and identification number; a description of the property; and the expiration date of the holding period, which could not exceed 90 days.
- Specify that 10 days after a hold order expired, title to property would transfer to a pawnbroker, if he or she had not received notice from a court granting an extension to the hold order.
- Prohibit a pawnbroker from releasing or disposing of property that was subject to a hold order except pursuant to a court order, written release from a law enforcement official, or the expiration of the holding period of a hold order.
- Prohibit a law enforcement official or any other person who had custody of property from delivering the property to any person who claimed ownership of it unless certain requirements were met.

Additionally, the bill would amend the Act to do the following:

- Increase from \$1 to \$3 the amount a pawnbroker could charge per month or fraction of a month for storage of unencumbered personal property under any single pledge or pawn.
- Delete a provision allowing a pawnbroker to charge a usage fee of \$1 per month or fraction of a month for unencumbered personal property pawned or pledged, and used by the pawner during the term of the pawn or pledge.
- Specify that title to a pledge or pawned item would vest in a pawnbroker 90 days, instead of three months, after the pledge or pawn, or after any longer period agreed to by the parties expired, if the borrower had not paid the debt, interest, and charges on the item.

MCL 446.209 et al.

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have a minimal fiscal impact on the Department of State Police and local law enforcement agencies. The requirement - in some instances - to process, store, and relinquish pawned items under the bill could impose minor administrative costs, similar to costs already routinely assumed in the processing and storing other items obtained as evidence.

Date Completed: 9-10-18

Fiscal Analyst: Bruce Baker

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Bill Analysis @ www.senate.michigan.gov/sfa

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