



**House
Legislative
Analysis
Section**

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PERMANENT PAWNBROKERS' RECORDS

House Bill 5632
Sponsor: Rep. Joseph Young, Jr.
Committee: State Affairs

Complete to 11-7-90

A SUMMARY OF HOUSE BILL 5632 AS INTRODUCED 3-26-90

House Bill 5632 would amend Public Act 273 of 1917 to require that licensed pawnbrokers make a permanent record of each transaction received by way of pledge, pawn, purchase, or exchange. Each transaction would have to be recorded in triplicate on a Record of Transaction form provided by the Department of State Police, and the pawnbroker would be required to forward copies of the form, within 48 hours, to the local police agency and to the Michigan State Police. The bill would also delete the current provision that makes it unlawful for pawnbrokers to transact business on Sundays, and provisions that would be rendered obsolete by the requirements of the bill.

The following provisions of the bill differ from current requirements:

-- The act requires local licensing of pawnbrokers in cities and villages with populations of more than 3,000. Under the bill, the licensing requirements of the act would be extended to all cities and villages.

-- Licenses would be issued for a period of three to five years.

-- An article that customarily bore a manufacturer's serial number or other identifying insignia could not be accepted by a pawnbroker as a pledge, pawn, purchase, or exchange unless the number were clearly visible.

-- Pawnbrokers would be required to record a sequential transaction number, and the driver's license, social security, or official state personal I.D. number of any person from whom articles were received.

-- The above transaction number would be printed on the memorandum used by a customer to redeem an article that had been pawned or pledged, and would be attached to the article by a tag.

-- Pawnbrokers' records would be subject to inspection by the Michigan State Police, as well as the local police agency and the county prosecuting attorney.

-- Current provisions for storage charges would be extended to include jewelry, and there would be no limit on the time period for storage charges.

The bill would also change current provisions in the act regarding the sale of property and the revocation of licenses. At present, pawned or pledged property that has remained in the pawnbroker's possession for at least six months may be sold at public auction, with notice of the sale published in a daily newspaper. The bill would require that the article remain in the pawnbroker's possession in the same building in which it was received, accessible to inspection by police agencies. The borrower could pay or tender the principal, interest, and storage charges owed on the pawned or pledged article at any time prior to the expiration of the term of the loan.

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Currently, a pawnbroker's license is automatically revoked if he or she is found guilty of a violation of the act. The license is also revoked if one of the pawnbroker's employees violates the act. The bill would change this latter provision to provide that the pawnbroker's license be revoked if the employee's action was one that should have been prevented through the pawnbroker's supervision.

MCL 446.201 et al.