

HOUSE BILL No. 5632

March 26, 1990, Introduced by Rep. Joe Young, Jr. and referred to the Committee on State Affairs.

A bill to amend the title and sections 1, 2, 3, 5, 8, 9, 10, 11, 13, and 19 of Act No. 273 of the Public Acts of 1917, entitled

"An act to regulate and license pawnbrokers in cities and incorporated villages of this state, having a population of more than 3,000,"

being sections 446.201, 446.202, 446.203, 446.205, 446.208, 446.209, 446.210, 446.211, 446.213, and 446.219 of the Michigan Compiled Laws; and to repeal certain parts of the act.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title and sections 1, 2, 3, 5, 8, 9, 10, 11,
2 13, and 19 of Act No. 273 of the Public Acts of 1917, being sec-
3 tions 446.201, 446.202, 446.203, 446.205, 446.208, 446.209,
4 446.210, 446.211, 446.213, and 446.219 of the Michigan Compiled
5 Laws, are amended to read as follows:

TITLE

1

2 An act to regulate and license pawnbrokers; ~~in cities and~~
3 ~~incorporated villages of this state, having a population of more~~
4 ~~than 3,000~~ AND TO PRESCRIBE CERTAIN POWERS AND DUTIES TO CERTAIN
5 LOCAL GOVERNMENTAL AGENCIES AND CERTAIN STATE AGENCIES.

6 Sec. 1. ~~No~~ A person, corporation, or firm shall
7 ~~hereafter~~ NOT carry on the business of pawnbroker in any of the
8 cities or incorporated villages of this state ~~, having a popula-~~
9 ~~tion of more than 3,000,~~ without having first obtained from the
10 mayor of the city or president of the village where the business
11 is to be carried on, a license subject to the provisions of this
12 act, authorizing ~~such~~ THE person, corporation, or firm to carry
13 on ~~such~~ THE business OF PAWNBROKER.

14 Sec. 2. The mayor of ~~any such~~ A city or president of
15 ~~such~~ A village may ~~from time to time~~ grant ~~under his hand,~~
16 ~~and the official seal of his office,~~ to any suitable person,
17 corporation, or firm, a license authorizing ~~such~~ THE person,
18 corporation, or firm to carry on the business of a pawnbroker
19 subject to ~~the provisions of~~ this act. ~~Said~~ A PAWNBROKER'S
20 license shall designate the particular place in ~~said~~ THE city
21 or incorporated village where ~~such person, corporation or firm~~
22 THE PAWNBROKER shall carry on ~~said~~ THE business, and ~~no~~
23 ~~person, corporation or firm receiving said license~~ THE LICENSED
24 PAWNBROKER shall NOT carry on ~~said~~ THE business in any other
25 place than the one designated in ~~said~~ THE license. ~~Said~~ A
26 license shall be for the period of ~~1 year~~ NOT LESS THAN 3 AND
27 NOT MORE THAN 5 YEARS from date of issuance, unless sooner

1 revoked for cause, and shall not be transferable. Before ~~any~~
 2 ~~such~~ A license ~~shall be~~ IS issued, the ~~person applying~~
 3 ~~therefor~~ APPLICANT shall pay to the treasurer of the city or
 4 incorporated village an annual license fee of ~~250 dollars~~
 5 \$250.00, and shall give a bond to the ~~said~~ city or incorporated
 6 village in its corporate name, in the penal sum of ~~3,000~~
 7 ~~dollars~~ \$3,000.00, with at least 2 sureties, to be approved by
 8 the city or village council conditioned for the faithful per-
 9 formance of the duties and obligations pertaining to the ~~said~~
 10 PAWNBROKER'S business and for the payment of all costs and dam-
 11 ages incurred by any violation of this act. ~~Provided, That it~~
 12 ~~shall be within the power of~~ HOWEVER, the common council of any
 13 city or village ~~to~~ MAY fix the amount to be paid as ~~such~~ AN
 14 annual license fee at any amount not less than ~~50 dollars~~
 15 \$50.00, nor more than ~~500 dollars~~ \$500.00.

16 Sec. 3. ~~Any~~ AS USED IN THIS ACT, "PAWNBROKER" MEANS ANY
 17 person, corporation or member, or members of a copartnership or
 18 firm, who loans money on deposit ~~or~~ or pledge of personal prop-
 19 erty ~~or~~ or other valuable thing, other than securities or
 20 printed evidence of indebtedness. ~~or who deals in the pur-~~
 21 ~~chasing of personal property or other valuable thing on condition~~
 22 ~~of selling the same back again at a stipulated price, is hereby~~
 23 ~~defined to be a pawnbroker.~~

24 Sec. 5. (1) ~~Every such~~ A pawnbroker shall keep a book ~~to~~
 25 ~~be inspected by the chief of police or chief police officer of~~
 26 ~~the city or village~~ in which shall be written in English, at the
 27 time ~~he shall receive~~ THE PAWNBROKER RECEIVES any article of

1 personal property ~~—~~ or other valuable thing by way of pledge,
2 ~~or~~ pawn, PURCHASE, OR EXCHANGE, a description of ~~such~~ THE
3 article, A SEQUENTIAL TRANSACTION NUMBER, ~~the~~ ANY amount of
4 money loaned thereon, ~~the rate of interest to be paid on such~~
5 ~~loan,~~ the name, residence, ~~and~~ general description, AND DRIVER
6 LICENSE NUMBER, SOCIAL SECURITY NUMBER, OR OFFICIAL STATE PER-
7 SONAL IDENTIFICATION CARD NUMBER of the person from whom THE
8 ARTICLE WAS RECEIVED, and the day and hour when ~~such property~~
9 THE ARTICLE was received. ~~—, and such~~ THE book, and the place
10 where such business is carried on, and all articles of property
11 therein, shall be subject to examination at any time by the
12 ~~mayor, president,~~ city attorney, ~~or other police officer of~~
13 ~~such city or village~~ LOCAL POLICE AGENCY, or by the COUNTY pros-
14 ecuting attorney ~~or the sheriff or other police officer~~ of the
15 county in which ~~said~~ THE city or village is situated AND THE
16 MICHIGAN STATE POLICE.

17 (2) A LICENSED PAWNBROKER, WHEN HE OR SHE RECEIVES ANY ARTI-
18 CLE OF PERSONAL PROPERTY, OR OTHER VALUABLE THING BY WAY OF
19 PLEDGE, PAWN, PURCHASE, OR EXCHANGE, SHALL MAKE A PERMANENT
20 RECORD OF THE TRANSACTION ON A FORM PROVIDED BY THE DEPARTMENT OF
21 STATE POLICE. EACH RECORD OF TRANSACTION SHALL BE COMPLETED IN
22 TRIPLICATE BY THE LICENSED PAWNBROKER, LEGIBLY IN INK IN THE
23 ENGLISH LANGUAGE, AND SHALL CONTAIN ALL APPLICABLE INFORMATION
24 REQUIRED TO COMPLETE THE RECORD OF TRANSACTION FORM UNDER
25 SUBSECTION (4).

26 (3) THE PAWNBROKER SHALL RETAIN 1 COPY OF THE RECORD OF
27 TRANSACTION AND WITHIN 48 HOURS AFTER THE PROPERTY IS RECEIVED

1 SHALL SEND THE REMAINING COPIES TO THE LOCAL POLICE AGENCY AND
2 THE MICHIGAN STATE POLICE.

3 (4) THE RECORD OF TRANSACTION FORM SHALL BE 3 BY 5 INCHES IN
4 SIZE AND SHALL BE AS FOLLOWS:

**RECORD OF TRANSACTION
FRONT**

1	ARTICLE		SERIAL NO.	
2	MODEL NO. OR CASE NO.		LENS NO. OR MOVE. NO.	
3	TRADE NAME		COLOR	SIZE
4	MATERIAL		STONE SET DESIGN	
5	DESCRIPTION		NO.	KIND OF STONE
6				SIZE
7	INSCRIPTION OR INITIALS			
8				
9	PURCHASE PRICE	AMT. LOANED		
10	OR EXCHANGE	AND RATE		
11	VALUE	OF INTEREST		
12	DEALER			
13	CITY	DATE	TICKET NO.	
14	WOMAN'S <input type="checkbox"/> MAN'S <input type="checkbox"/>		SIGNATURE OF PERSON TAKING PRINT	
15	WRIST <input type="checkbox"/> POCKET <input type="checkbox"/> LAPEL <input type="checkbox"/>			

BACK

16	OPERATOR'S LICENSE # OR OFFICIAL STATE PERSONAL I. D. #	
17	CUSTOMER'S NAME (PRINT)	ADDRESS
18	CITY AND STATE	EMPLOYED BY:
19	AGE	ROLLED PRINT OF LEFT THUMB
20	HEIGHT	ROLLED PRINT OF RIGHT THUMB (IF IMPOSSIBLE THEN SOME OTHER FINGERPRINT. DESIGNATE WHICH.)
21	WEIGHT	
22	RACE:	
23	W B O	
24	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
25	TIME RECEIVED	
26	M F	
27	<input type="checkbox"/> <input type="checkbox"/>	

1 Sec. 8. A pawnbroker, at the time of ~~such loan~~ RECEIVING
2 AN ARTICLE BY PAWN OR PLEDGE, shall deliver to the person pawning
3 or pledging ~~any goods,~~ THE article ~~or thing,~~ a memorandum ~~or~~
4 ~~note signed by him, containing the substance of the entry~~
5 ~~required to be made by him in his book by section 6. No charge~~
6 ~~shall be made or received by any pawnbroker for any such entry,~~
7 ~~memorandum or note.~~ TO BE USED BY THE PERSON TO REDEEM THE
8 ARTICLE. The memorandum ~~or note shall be consecutively numbered~~
9 ~~and upon its back~~ shall ~~be~~ CONTAIN THE FOLLOWING WORDS,
10 printed in English in 10-POINT type: ~~as large as that in which~~
11 ~~the public acts of this state are printed, the following words:~~
12 "If interest or charges in excess of 3% per month, plus storage
13 charges ~~hereinafter~~ AS provided BY LAW, are asked or received,
14 this loan is void and of no effect; and the borrower cannot be
15 made to pay back the money loaned, ~~or~~ any interest, or any
16 charges or any part thereof, and the pawnbroker loses all right
17 to the possession of the goods, article or thing pawned, and
18 shall surrender the ~~same~~ ARTICLE to the borrower or pawner upon
19 due demand ~~therefor~~ FOR THE ARTICLE." THE MEMORANDUM SHALL CON-
20 TAIN THE SAME TRANSACTION NUMBER RECORDED IN THE PAWNBROKER'S
21 BOOK WHEN THE ARTICLE WAS PAWNED OR PLEDGED.

22 Sec. 9. A licensed pawnbroker may charge upon any loan a
23 rate of interest not to exceed 3% per month, except that ~~he~~ THE
24 PAWNBROKER is not required to accept any interest less than 50
25 cents on a single loan. A pawnbroker may also charge 50 cents
26 per month or fraction ~~thereof~~ OF A MONTH for the storage of
27 property ~~, except jewelry, after 30 days but for not more than 4~~

1 ~~months,~~ under any single pledge or pawn. ~~No~~ A pawnbroker or
 2 agent, or employee ~~thereof~~ OF A PAWNBROKER OR AGENT, shall NOT
 3 make a loan upon any deposit, pawn, or pledge at a rate of inter-
 4 est and charge or receive ~~therefor~~ ANY INTEREST OR CHARGE in
 5 excess of the amounts provided for in this act. Interest on any
 6 loan shall not be payable in advance ~~—~~ and shall be computed on
 7 unpaid monthly balances only, but without compounding. A pawn-
 8 broker ~~is~~ SHALL not ~~entitled to any~~ CHARGE AN examination fee
 9 or ~~to~~ make any charge in excess of the amounts provided for in
 10 this act.

11 Sec. 10. ~~No~~ A pawnbroker shall NOT sell any ~~pawn or~~
 12 ~~pledge~~ PAWNED OR PLEDGED ARTICLE, OR ANY ARTICLE THAT THE PAWN-
 13 BROKER HAS RECEIVED BY PURCHASE OR EXCHANGE, until the ~~same~~
 14 ~~shall have~~ ARTICLE HAS remained AT LEAST 6 months in ~~his~~ THE
 15 PAWNBROKER'S possession IN A PLACE IN THE SAME BUILDING IN WHICH
 16 THE ARTICLE WAS RECEIVED BY PAWN, PLEDGE, PURCHASE, OR EXCHANGE,
 17 AND WHICH BUILDING IS EASILY ACCESSIBLE TO INSPECTION BY THE PER-
 18 SONS AND AGENCIES PRESCRIBED IN SECTION 5. THE PAWNBROKER,
 19 WITHIN 24 HOURS AFTER RECEIVING AN ARTICLE, SHALL ATTACH TO THE
 20 ARTICLE A TAG CONTAINING THE TRANSACTION NUMBER ASSIGNED TO THAT
 21 PLEDGE OR PAWN. ~~—, and all such sales shall be at public auction~~
 22 ~~to the highest bidder, and not otherwise. Such sale shall be~~
 23 ~~held under the direction and control of the pawnbroker and in his~~
 24 ~~regularly established place of business. Notice of such sale~~
 25 ~~shall be published for at least 6 days previous thereto in + of~~
 26 ~~the daily newspapers to be designated by the mayor or president,~~
 27 ~~published in English, in the city or village where the business~~

~~1 is carried on: Provided, That if there be no daily newspaper in
2 such city or village, said notice shall be published at least 2
3 successive weeks, in a weekly newspaper, to be designated by the
4 mayor or president, published in English, in such city or
5 village. Such notice shall specify the time and place at which
6 such sale is to take place and by whom it is to be conducted, and
7 shall contain the same description of the articles or goods to be
8 sold as was given in the memorandum or note delivered to the
9 pawner under section 8 of this act, and shall give the number of
10 such memorandum or note. An affidavit of the printer of such
11 paper or of his foreman, or his principal clerk, annexed to a
12 printed copy of such notice taken from the paper in which it was
13 published and specifying the times when and papers in which it
14 was published, shall be filed after the last day of such publica-
15 tion and before the day fixed for such sale with the county clerk
16 of the county in which such sale is held. Such affidavit shall
17 be kept in the office of the said county clerk as a public docu-
18 ment, and open to the inspection of any person. A fee of 50
19 cents shall be paid by the party filing such affidavit to the
20 county clerk for the filing of the same.~~

21 Sec. 11. The borrower, at any time prior to the ~~sale~~
22 EXPIRATION OF THE TERM OF THE LOAN, may pay or tender to the
23 pawnbroker the ~~debt and interest and charges thereon, together~~
24 ~~with the cost of advertising the sale, if the sale has been~~
25 ~~advertised~~ PRINCIPAL, INTEREST, AND STORAGE CHARGES OWED ON A
26 PAWNED OR PLEDGED ARTICLE. The TIMELY payment or tender shall

1 reinvest the pawner with the title and right of possession to the
2 property PAWNED OR pledged.

3 Sec. 13. (1) ~~No~~ A pawnbroker, DURING THE TERM OF A LOAN
4 MADE ON A PAWNED OR PLEDGED ARTICLE, shall NOT deface, scratch,
5 obliterate, melt, separate, or break into parts any ~~particle or~~
6 ~~thing~~ ARTICLE received by ~~him~~ THE PAWNBROKER in pawn or other-
7 wise, or in any manner do, cause, or ~~suffer~~ ALLOW to be done by
8 others, anything which ~~shall destroy or tend~~ DESTROYS OR TENDS
9 to destroy the identity of ~~such~~ THE article or render the iden-
10 tification ~~thereof~~ OF THE ARTICLE more difficult.

11 (2) A PAWNBROKER SHALL NOT ACCEPT BY WAY OF PLEDGE, PAWN,
12 PURCHASE, OR EXCHANGE ANY ARTICLE THAT CUSTOMARILY BEARS A
13 MANUFACTURER'S SERIAL NUMBER OR OTHER IDENTIFYING INSIGNIA UNLESS
14 THE NUMBER OR INSIGNIA IS PLAINLY VISIBLE ON THE ITEM.

15 Sec. 19. Upon ~~any such~~ conviction PURSUANT TO SECTION 18
16 of any person doing business as a pawnbroker under ~~the provi-~~
17 ~~sions of~~ this act, or ~~on~~ conviction of any clerk, agent, ser-
18 vant, or ~~employee~~ EMPLOYEE of any such person IF THE ACTION OF
19 THE CLERK, AGENT, SERVANT, OR EMPLOYEE THAT RESULTED IN THE CON-
20 VENTION WAS AN ACTION THAT REASONABLY SHOULD HAVE BEEN PREVENTED
21 THROUGH SUPERVISION BY THE PAWNBROKER, the license of ~~such~~
22 ~~person shall forthwith~~ THE PAWNBROKER MAY be revoked by the
23 mayor of the city or president of the village, and no part of the
24 PAWNBROKER'S license fee ~~of such party~~ shall be returned to
25 ~~him~~ THE PAWNBROKER, and no further license as a pawnbroker
26 shall be granted to ~~such person~~ THE PAWNBROKER for the period
27 of 1 year from the date of such revocation.

1 Section 2. Sections 6, 12, 16, and 17 of Act No. 273 of the
2 Public Acts of 1917, being sections 446.206, 446.212, 446.216,
3 and 446.217 of the Michigan Compiled Laws, are repealed.