

HOUSE BILL NO. 4116

February 25, 2025, Introduced by Reps. Liberati, Miller, Aragona, Wilson, Bierlein, Robinson, St. Germaine, Snyder, Herzberg and Maddock and referred to Committee on Regulatory Reform.

A bill to amend 1917 PA 273, entitled

"An act to regulate and license pawnbrokers that conduct business in this state; to provide for the disposition of allegedly misappropriated property in the possession of pawnbrokers; to provide remedies and prescribe penalties; and to provide for the 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 2018 PA 345.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 8. A pawnbroker, at the time of a loan, shall deliver to
2 the person pawning or pledging any article a memorandum or note

1 signed by ~~him or her~~, containing **the pawnbroker that contains** the
 2 substance of the entry ~~required to be made by him or her~~ **the**
 3 **pawnbroker** in his or her ~~the pawnbroker's~~ book ~~by that is required~~
 4 **under** section 6. ~~A~~ **The pawnbroker shall not make or receive a**
 5 charge ~~shall not be made or received by the pawnbroker~~ for the
 6 entry, memorandum, or note. The memorandum or note ~~shall~~ **must** be
 7 consecutively numbered, and ~~upon~~ **the following must be printed on**
 8 ~~its~~ **the** back ~~shall be printed of the memorandum or note~~ in English
 9 in 12-point type: ~~the following:~~ "If interest or charges in excess
 10 of ~~3%~~ **5%** per month, plus storage charges provided in this document,
 11 are asked or received, this loan is void and of no effect, ~~;~~ and
 12 the borrower cannot be made to pay back the money loaned, any
 13 interest on the loan, or any charges or any part of the charges,
 14 and the pawnbroker loses all right to the possession of the goods,
 15 article, or thing pawned ~~,~~ and shall surrender the item to the
 16 borrower or ~~pawner~~ ~~upon~~ **the person pawning on** due demand for the
 17 item."

18 Sec. 9. (1) A licensed pawnbroker may charge on any loan a
 19 rate of interest that does not exceed ~~3%~~ **5%** per month and is not
 20 required to accept any interest less than 50 cents on a single
 21 loan. A pawnbroker may also charge \$3.00 per month or fraction of a
 22 month for the storage of unencumbered personal property under any
 23 single pledge or pawn.

24 (2) A pawnbroker or the pawnbroker's agent or employee shall
 25 not charge or receive interest on a loan that exceeds the amounts
 26 established in this act.

27 (3) Interest on a loan is not payable in advance and ~~shall~~
 28 **must** be computed on unpaid monthly balances without compounding.

29 (4) A pawnbroker is not entitled to any examination fee and

1 shall not make any charge that exceeds the amounts established in
2 this act.

3 Enacting section 1. This amendatory act does not take effect
4 unless House Bill No. 4115 (request no. H01859'25) of the 103rd
5 Legislature is enacted into law.