



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 6029 (Substitute S-1 as reported)
Sponsor: Representative William J. O'Neil
House Committee: Commerce
Senate Committee: Commerce and Labor

CONTENT

The bill would amend Public Act 273 of 1917, which regulates pawnbrokers, to provide that a pawnbroker could agree, in writing, to allow a person who had deposited pledged or pawned property (the pawner) with the pawnbroker, to maintain possession and use of the property during the term of the pawn or pledge transaction. The agreement also could include the payment of a usage fee of \$1 per month or fraction of a month for pawned or pledged property used by the pawner during the term of the pawn or pledge. The usage fee would not be considered interest. The pawnbroker could take possession of the pledged or pawned property pursuant to Section 9609 of the Uniform Commercial Code (which allows secured parties to take possession of property after a default).

The bill would prohibit a pawnbroker from accepting by way of pledge, pawn, purchase, or exchange any article or thing that customarily bears a manufacturer's serial number or other identifying insignia unless the number or insignia was plainly visible on the article or thing.

The bill provides that licensure under the Precious Metal and Gem Dealer Act and/or Public Act 350 of 1917 (which governs secondhand dealers and junk dealers) would not exempt a person from obtaining a license under Public Act 273 of 1917 (the pawnbroker law).

MCL 446.201 et al.

Legislative Analyst: J.P. Finet

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 9-22-04

Fiscal Analyst: Maria Tyszkiewicz