

HOUSE BILL No. 6029

June 17, 2004, Introduced by Reps. O'Neil and Hune and referred to the Committee on Commerce.

A bill to amend 1917 PA 273, entitled

"An act to regulate and license pawnbrokers in certain governmental units of this state; and to prescribe certain powers and duties of certain local governmental units and state agencies,"

by amending sections 9 and 11 (MCL 446.209 and 446.211), as amended by 1998 PA 233.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 9. (1) A licensed pawnbroker may charge upon any loan
2 a rate of interest not to exceed 3% per month and is not required
3 to accept any interest less than 50 cents on a single loan.

4 ~~-(2)-~~ A pawnbroker may also charge \$1.00 per month or fraction of
5 a month for the storage of property under any single pledge or
6 pawn.

7 (2) A pawnbroker may charge \$1.00 per month or fraction of a
8 month for a usage fee for property pawned or pledged and used by
9 the pawner during the term of the pawn or pledge.

1 (3) A pawnbroker or the pawnbroker's agent or employee shall
2 not charge or receive interest on the loan in excess of the
3 amounts provided for in this act.

4 (4) Interest on any loan is not payable in advance and shall
5 be computed on unpaid monthly balances without compounding.

6 (5) A pawnbroker is not entitled to any examination fee and
7 shall not make any charge in excess of the amounts provided for
8 in this act.

9 Sec. 11. (1) If at any time before the sale of the item
10 pledged or pawned the borrower pays or tenders to the pawnbroker
11 the debt and interest and charges on the item, that payment or
12 tender reinvests the pawner with the title and right of
13 possession to the property pledged.

14 (2) A pawnbroker may agree in writing, after pledged or
15 pawned property has been deposited with the pawnbroker, to allow
16 the pawner to maintain possession and use of the pledged or
17 pawned property during the term of the pawn or pledge
18 transaction. The agreement may also include the payment of a
19 usage fee under section 9.