



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 916 (as reported without amendment)
Sponsor: Senator Mike Kowall
Committee: Commerce

CONTENT

The bill would amend Public Act 350 of 1917, which governs the licensure and business of second hand dealers and junk dealers, to do the following:

- Specify that "second hand dealer" would include a person that is engaged in the business of receiving tangible personal property for recycling by means of an automated recycling kiosk.
- Require a second hand dealer that used an automated recycling kiosk to receive articles, to obtain a license in the city, county, or village in which the kiosk was installed.
- Provide that a second hand dealer that used an automated recycling kiosk to receive articles would be considered to be carrying on the business of a second hand dealer in the city, county, or village in which the kiosk was installed.
- Permit a dealer to pay cash for an item if the payment were made by an automated recycling kiosk.
- Permit a second hand dealer that operated an automated recycling kiosk to store an article acquired at the kiosk in a secure off-site location; and require a dealer to retain a stored item for 30 days and return it at the request of a law enforcement officer without cost.

The bill would define "automated recycling kiosk" as an interactive device that is installed in a secure retail space, and has the following technological functions: a) verification of a seller's identity by remote examination of a government-issued identification card by a live representative during all hours of operation; b) secure storage of items accepted by the kiosk for recycling; c) capture and storage of images of the seller and the article purchased during the transaction; and d) electronic reporting of all transactions to law enforcement.

MCL 445.401-445.405

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have no fiscal impact on the State and could have a small indeterminate fiscal impact on local government. A violation of Public Act 350 of 1917 is generally a misdemeanor punishable by imprisonment for up to six months and a fine of between \$500 and \$1,000. The provisions of the bill would increase the number of people who are subject to the requirements of the Act, which could increase the number of violations and the imposition of penalties. Any increase in misdemeanor arrests and convictions could increase resource demands on law enforcement, court systems, community supervision, and jails. Any associated increase in fine revenue would increase funding to public libraries.

The fee for a license under the Act must be established by the local unit based on the cost of issuance.

Date Completed: 4-26-18

Fiscal Analyst: Ryan Bergan

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Bill Analysis @ www.senate.michigan.gov/sfa

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