



Senate Fiscal Agency  
P.O. Box 30036  
Lansing, Michigan 48909-7536

## BILL ANALYSIS



Telephone: (517) 373-5383  
Fax: (517) 373-1986

House Bill 5589 (as reported without amendment)

Sponsor: Representative Matt Hall

House Committee: Regulatory Reform  
Ways and Means

Senate Committee: Regulatory Reform

**CONTENT**

The bill would amend Public Act 273 of 1917, which governs and licenses pawnbrokers in certain governmental units, to modify a provision requiring a pawnbroker to give to the person pawning or pledging any article a memorandum or note containing certain language to reflect the changes proposed by Senate Bill 369, which would amend Public Act 273 of 1917 to increase, from 3% per month to 4% per month, the maximum interest rate a pawnbroker may charge on any loan.

Specifically, the memorandum or note must be consecutively numbered and on its back must be printed in English in 12-point type the following: "If interest or charges in excess of 3% per month, plus storage charges provided in this document, are asked or received, this loan is void and of no effect; and the borrower cannot be made to pay back the money loaned, any interest on the loan, or any charges or any part of the charges, and the pawnbroker loses all right to the possession of the goods, article, or thing pawned, and shall surrender the item to the borrower or pawner upon due demand for the item." The bill would refer to 4%, instead of 3%.

The bill is tie-barred to Senate Bill 369.

MCL 446.208

Legislative Analyst: Stephen Jackson

**FISCAL IMPACT**

The bill likely would have a negative fiscal impact on the Department of Licensing and Regulatory Affairs and no fiscal impact on local units of government. The exemptions from licensure could result in fewer individuals seeking to obtain or renew a license. This would result in a decrease in revenue used to administer licensing and regulations for the Bureau of Construction Codes.

Date Completed: 8-31-20

Fiscal Analyst: Elizabeth Raczkowski