

HOUSE BILL NO. 5996

July 23, 2020, Introduced by Reps. Wakeman and Marino and referred to the Committee on Regulatory Reform.

A bill to amend 1917 PA 350, entitled
"An act to regulate and license second hand dealers and junk
dealers; and to prescribe penalties for the violation of the
provisions of this act,"
by amending sections 2, 4, and 5 (MCL 445.402, 445.404, and
445.405), as amended by 2018 PA 329, and by adding section 4a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2. (1) The mayor of a city or chief executive officer of



1 a county or village may grant a license to a person that authorizes
2 that person to carry on the business of a second hand dealer or
3 junk dealer in that city, county, or village, subject to the
4 provisions of this act. For purposes of this subsection, a second
5 hand dealer that uses an automated recycling kiosk to receive
6 articles is considered to be carrying on the business of a second
7 hand dealer in the city, county, or village in which the kiosk is
8 installed.

9 (2) A license granted under this section must designate the
10 particular place where the person shall carry on the business of a
11 second hand dealer or junk dealer. The person must conduct that
12 business only in the place designated in the license.

13 (3) The term of a license granted under this section is 1 year
14 from date of issuance unless sooner revoked for cause. The license
15 is not transferable. The legislative body of any city, or the
16 trustees and chief executive officer of any county or village,
17 shall establish the fee for processing and issuing a license in
18 accordance with its charter or local ordinance, based on the cost
19 of issuance and administration of that license.

20 **(4) A city, village, or county shall not adopt or enforce a**
21 **local law, ordinance, resolution, or rule that duplicates, extends,**
22 **revises, or conflicts with any provision of this act.**

23 **(5) ~~(4)~~The A** city, village, or county may inspect the
24 premises of a licensed second hand dealer or junk dealer during
25 normal business hours. As used in this subsection, "premises"
26 includes the place where an automated recycling kiosk is installed.

27 Sec. 4. (1) A second hand dealer or junk dealer shall post in
28 a conspicuous place in or on its place of business a sign that
29 states its name and occupation.



1 (2) A second hand dealer or junk dealer shall make and
2 maintain a separate book or other written or electronic record,
3 numbered consecutively, and open to inspection by a member of a
4 local law enforcement agency and the Michigan state police, in
5 which the dealer writes or enters in the English language at the
6 time of the purchase or exchange of any **second hand** article, all of
7 the following:

8 (a) A description of the article, **including, but not limited**
9 **to, any serial number, model number, or other identifying number or**
10 **mark that appears on the article.**

11 (b) The name, **date of birth**, description, fingerprint,
12 operator's or chauffeur's license or state identification number,
13 registration plate number, and address of the individual from whom
14 the article is purchased and received. The second hand dealer or
15 junk dealer shall make a copy of the operator's license,
16 chauffeur's license, or state identification card as part of the
17 book or record.

18 (c) The ~~day and hour~~ **date and time** the purchase or exchange is
19 made.

20 (d) The location from which the item is obtained.

21 (e) Subject to subsection (3), the method of payment.

22 **(f) A transaction number.**

23 **(g) The purchase price of the article, or if the article was**
24 **taken in exchange, the value of the item exchanged.**

25 (3) A second hand dealer or junk dealer must pay for an item
26 by check or by an electronic payment system, except that if payment
27 is made by an automated recycling kiosk, the second hand dealer may
28 pay cash for the item.

29 **Sec. 4a. (1) Within 48 hours after a transaction in which it**



1 receives or purchases a second hand article described in subsection
2 (5), a second hand dealer or junk dealer shall electronically
3 transmit the following information to the department, in a format
4 determined by the department, for inclusion in the database:

5 (a) A full and complete description of the article.

6 (b) If applicable, the serial number, model number, or other
7 identifying number or mark that appears on the article.

8 (c) The purchase price of the article or the value of any item
9 given in exchange for the article.

10 (d) The second hand dealer's or junk dealer's name and
11 address.

12 (e) The date and time of the transaction and the name of the
13 employee of the dealer who purchased or received the article, or
14 authorized the purchase or receipt of the article, on the dealer's
15 behalf.

16 (f) The transaction number.

17 (g) The customer's date of birth; operator's license number or
18 other identification number; street address, including city,
19 village, or township of residence, state, and zip code; and county
20 of residence.

21 (h) The number of the dealer's check, bank draft, or money
22 order or the notation "cash" if the dealer paid the purchase price
23 in cash.

24 (i) The customer's thumbprint.

25 (2) A second hand dealer or junk dealer shall retain an
26 electronic copy of any information transmitted under subsection (1)
27 for at least 5 years in a format determined by the department.

28 (3) Within 180 days after the effective date of this section,
29 each second hand dealer or junk dealer shall implement any software



1 that the department determines is necessary to administer the
2 collection of information required under this section and the
3 retention of information by the second hand dealer or junk dealer
4 under subsection (2).

5 (4) A second hand dealer or junk dealer shall pay an annual
6 fee of not more than \$250.00 for each of its licensed locations for
7 the implementation and maintenance of the database. The department
8 shall determine the specific amount of the fee and collect the fee.

9 (5) Subsection (1) only applies to a second hand article
10 received or purchased by a second hand dealer or junk dealer that
11 meets 1 of the following:

12 (a) A second hand article on which a serial number appears.

13 (b) A second hand article, other than an article described in
14 subdivision (a), for which the price paid by the dealer, or the
15 value of the item or items given in exchange for the article, is
16 \$15.00 or more.

17 (6) As used in this section:

18 (a) "Customer" means an individual from whom a second hand or
19 junk dealer purchases or receives a second hand article.

20 (b) "Database" means the statewide electronic database
21 implemented and maintained by the department under section 6 of
22 1917 PA 273, MCL 446.206.

23 (c) "Department" means the department of state police.

24 Sec. 5. (1) Except as provided in subsection (2), a second
25 hand dealer or junk dealer shall retain each article it purchases
26 or receives in exchange for at least 15 days before disposing of
27 it, in an accessible place in the building where the **second hand**
28 article is purchased and received. The dealer shall attach a tag to
29 the article in a visible and convenient place ~~7~~ and write on the



1 tag the number that corresponds with the entry number in the book
2 or other record.

3 (2) A second hand dealer that operates an automated recycling
4 kiosk may store articles acquired at the kiosk in a secure off-site
5 location. A dealer must retain an article stored under this
6 subsection for 30 days, and upon request return that article to a
7 law enforcement officer of this state without cost.

8 ~~(3) A second hand dealer or junk dealer shall prepare and~~
9 ~~deliver on Monday of each week to the local law enforcement agency~~
10 ~~of the local unit of government in which the dealer's business is~~
11 ~~carried on, before 12 noon, a legible and correct paper or~~
12 ~~electronic copy, in the English language, from the book or other~~
13 ~~written or electronic record, that contains a description of each~~
14 ~~article purchased or received in exchange during the preceding~~
15 ~~week, the hour and day when the purchase or exchange was made, a~~
16 ~~description of the individual from whom it was purchased or~~
17 ~~received in exchange, and a copy of the documentation required~~
18 ~~under section 4 concerning the individual from whom it was~~
19 ~~purchased or received in exchange. The statement shall be verified~~
20 ~~in a manner acceptable to the chief of police or chief law~~
21 ~~enforcement officer of the local law enforcement agency.~~

22 (3) ~~(4)~~ This section does not apply to old rags, waste paper,
23 and household goods except radios, televisions, record players, and
24 electrical appliances and does not require a second hand dealer or
25 junk dealer to retain articles purchased from a person that has a
26 fixed place of business after those articles are reported under
27 subsection ~~(3)~~. **section 4a.**

28 Enacting section 1. This amendatory act takes effect 90 days
29 after the date it is enacted into law.



1 Enacting section 2. This amendatory act does not take effect
2 unless all of the following bills of the 100th Legislature are
3 enacted into law:

4 (a) Senate Bill No. _____ or House Bill No. 5997 (request no.
5 05113'19).

6 (b) Senate Bill No. _____ or House Bill No. 5995 (request no.
7 05255'19).

