

SUBSTITUTE FOR
SENATE BILL NO. 720

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 1 and 2 (MCL 445.401 and 445.402), as amended by 2006 PA 675.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. (1) A person, corporation, copartnership, or firm
2 shall not carry on the business of dealer in second hand goods or
3 junk dealer in any of the counties, cities, or villages of this
4 state without having first obtained, from the mayor of the city or
5 the chief executive officer of the county or village where the
6 business is to be carried on, a license under this act authorizing
7 that person, corporation, copartnership, or firm to carry on that
8 business.

9 (2) This ~~subsection~~ **SECTION** does not require an internet drop-

1 off store complying with subsection (3), or a person engaged in the
2 sale, purchase, consignment, or trade of personal property or other
3 valuable thing for himself or herself, to obtain a license under
4 this act.

5 (3) An internet drop-off store in compliance with the
6 following conditions is exempt from licensure as a second hand
7 dealer or junk dealer under this act:

8 (a) Has a fixed place of business within this state except
9 that he or she exclusively transacts all purchases or sales by
10 means of the internet and the purchases and sales are not
11 physically transacted on the premises of that fixed place of
12 business.

13 (b) Has the personal property or other valuable thing
14 available on a website for viewing by photograph, if available, by
15 the general public at no charge, which website shall be searchable
16 by zip code or state, or both. The website viewing shall include,
17 as applicable, serial number, make, model, and other unique
18 identifying marks, numbers, names, or letters appearing on the
19 personal property or other valuable thing.

20 (c) Maintains records of the sale, purchase, consignment, or
21 trade of the personal property or other valuable thing for at least
22 2 years, which records shall contain a description, including a
23 photograph, if available, and, if applicable, serial number, make,
24 model, and other unique identifying marks, numbers, names, or
25 letters appearing on the personal property or other valuable thing.

26 (d) Provide the local law enforcement agency with any name
27 under which it conducts business on the website and access to the

1 business premises at any time during normal business hours for
2 purposes of inspection.

3 (e) Within 24 hours after a request from a local law
4 enforcement agency, provide an electronic copy of the seller's or
5 consignor's name, address, telephone number, driver license number
6 and issuing state, the buyer's name and address if applicable, and
7 a description of the personal property or other valuable thing as
8 described in subdivision (c). The provision of information shall be
9 in a format acceptable to the local law enforcement agency but
10 shall at least be in a legible format and in the English language.

11 (f) Provide that payment for the personal property or other
12 valuable thing is executed by means of check or other electronic
13 payment system, so long as the payment is not made in cash. No
14 payment shall be provided to the seller until the item is sold.

15 (g) Immediately remove the personal property or other valuable
16 thing from the website if the local law enforcement agency
17 determines that the personal property or other valuable thing is
18 stolen.

19 **(4) THIS SECTION DOES NOT EXEMPT A PERSON PURCHASING OR**
20 **SELLING ARTICLES OF NONFERROUS METALS FROM COMPLIANCE WITH THE**
21 **NONFERROUS METAL REGULATORY ACT.**

22 Sec. 2. (1) The mayor of a city or chief executive officer of
23 a county or village may grant to any person, corporation,
24 copartnership, or firm, a license authorizing that person,
25 corporation, copartnership, or firm to carry on the business of a
26 second hand dealer or junk dealer subject to the provisions of this
27 act.

Senate Bill No. 720 (S-2) as amended December 11, 2008

(2) The license shall designate the particular place where that person, corporation, copartnership, or firm shall carry on that business. The business shall be conducted only in the place designated in the license.

~~—— (3) A license shall not be issued to any person, firm, or corporation desiring to conduct a junk business in any residential community where 65% or more of the property owners within a radius of 1 city block of the contemplated junk business petition the issuing officer not to do so.~~

(3) ~~(4)~~ The license shall be for the period of 1 year from date of issuance unless sooner revoked for cause and is not transferable. The legislative body of any city, or the trustees and chief executive officer of any county or village, shall establish the fee for the processing and issuance of the license in accordance with its charter or local ordinance, based upon the cost of issuance and administration of that license.

(4) ~~(5)~~ The city, village, or county may inspect the premises of a licensed second hand or junk dealer during normal business hours.

[Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 94th Legislature are enacted into law:

- (a) Senate Bill No. 1114.
- (b) Senate Bill No. 1571.
- (c) House Bill No. 5694.
- (d) House Bill No. 6181.

Enacting section 2. This amendatory act takes effect April 1, 2009.]