

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.

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

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

10           (3) ~~(4)~~ The license shall be for the period of 1 year from  
11 date of issuance unless sooner revoked for cause and is not  
12 transferable. The legislative body of any city, or the trustees and  
13 chief executive officer of any county or village, shall establish  
14 the fee for the processing and issuance of the license in  
15 accordance with its charter or local ordinance, based upon the cost  
16 of issuance and administration of that license.

17           (4) ~~(5)~~ The city, village, or county may inspect the premises  
18 of a licensed second hand or junk dealer during normal business  
19 hours.

20           Enacting section 1. This amendatory act does not take effect  
21 unless Senate Bill No. 1358 of the 94th Legislature is enacted into  
22 law.