

**CITY OF ALBION  
ORDINANCE #2012-09**

AN ORDINANCE TO REGULATE PAWNBROKERS, 22-1.

**Purpose and Finding:**

Michigan law provides for various regulations relating to the licensing, fees, and interest for the pawnbroker industry in MCL 446.201 et seq. The City of Albion does not currently have an ordinance regulating this activity. It is in the interests of the City of Albion to have an ordinance for this activity to protect the public from unreasonable interest rates and fees when utilizing a pawnbroker as well as to make sure this activity is appropriately licensed.

THE CITY OF ALBION ORDAINS:

**Sec. 22-1. PAWNBROKER DEFINED, LICENSE REQUIRED, INTEREST RATES AND FEES**

1. "Pawnbroker" means a person, corporation, or member, or members of a co-partnership or firm, who loans money on deposit, or pledge of personal property, or other valuable thing, other than securities or printed evidence of indebtedness, or who deals in the purchasing of personal property or other valuable thing on condition of selling the same back again at a stipulated price.
2. A person, corporation, or firm shall not conduct business as a pawnbroker in the City of Albion without having first obtained from the City Manager a license that authorizes that person, corporation, or firm to conduct that business. A license issued under this subsection is subject to the provisions, requirements and limitations of MCL 446.201 et seq. A person, corporation, or firm seeking a license under this ordinance must comply with the requirements of MCL 446.201 et seq., prior to the issuance of the license.
3. The City Manager shall fix the amount to be paid as the annual license fee at any amount not less than fifty (\$50.00) dollars and not more than five hundred (\$500.00) dollars.
4. A licensed pawnbroker may charge upon any loan a rate of interest not to exceed 3% per month and is not required to accept any interest less than fifty (50) cents on a single loan. A pawnbroker may also charge one (\$1.00) dollar per month or fraction of a month for the storage of unencumbered personal property under any single pledge or pawn.
5. A pawnbroker may charge one (\$1.00) dollar per month or a fraction of a month for a usage fee for unencumbered personal property pawned or pledged and used by

the pawner during the term of the pawn or the pledge. A usage fee under this subsection is not considered interest.

6. A pawnbroker or the pawnbroker's agent or employee shall not charge or receive interest on the loan in excess of the amounts provided for in this ordinance.

7. Interest on any loan is not payable in advance and shall be computed on unpaid monthly balances without compounding.

8. A pawnbroker is not entitled to any examination fee and shall not make any charge in excess of the amounts provided for in this ordinance.

9. A violation of subsection(s) (2), (4), (5), (6), (7) or (8) of this ordinance, is a misdemeanor, punishable by up to 90 days in jail and/or a fine of up to \$100.00.

10. Upon a conviction of any person conducting business as a pawnbroker under this ordinance, or on conviction of any clerk, agent, servant, or employee of the person, the City Manager shall revoke the license of the person and no part of the license fee shall be returned to him or her. The City of Albion shall not issue a license as a pawnbroker to that person for the period of one (1) year from the date of the revocation.

(State Law Reference: MCL 446.201, et. seq)

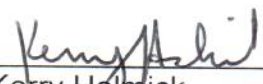
This Ordinance shall take effect after publication and on April 19, 2012.

First Reading:  
March 5, 2012

Second Reading & Adoption:  
March 19, 2012

Ayes 6  
Nays 0  
Absent 1 - Krause

Ayes 6  
Nays 0  
Absent 1 - Brown

  
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Kerry Helmick,  
Finance Director/Clerk/Treasurer

  
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Joe Domingo  
Mayor