

By: Gutierrez

H.B. No. 2000

A BILL TO BE ENTITLED

1 AN ACT

2 relating to persons eligible for a pawnshop license.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

4 SECTION 1. Section 371.052, Finance Code, is amended by
5 amending Subsections (a) and (b) and adding Subsection (d) to read
6 as follows:

7 (a) To be eligible for a pawnshop license, an applicant:

8 (1) must:

9 (A) [~~(1)~~] be of good moral character;

10 (B) [~~(2)~~] meet the net assets requirement of
11 Section 371.072; and

12 (C) [~~(3)~~] show that:

13 (i) [~~(A)~~] the pawnshop will be operated
14 lawfully and fairly under this chapter; and

15 (ii) [~~(B)~~] the applicant or the applicant's
16 owners and managers have the financial responsibility, experience,
17 character, and general fitness to command the confidence of the
18 public in the pawnshop's operations; and

19 (2) may not be a publicly traded corporation, or be
20 directly or indirectly owned or controlled by a publicly traded
21 corporation, that is registered with the Securities and Exchange
22 Commission unless the corporation has only one class of common
23 stock and that class of common stock has voting rights.

24 (b) Subsection (a)(1)(A) applies to each:

1 (1) operator and legal or beneficial owner if the
2 applicant is a business entity; and

3 (2) officer, owner of at least five percent of the
4 shares outstanding, and director if the applicant is a corporation.

5 (d) In this section, "control" means the possession,
6 directly or indirectly, of the power to direct or cause the
7 direction of the management and policies of a person, whether
8 through the ownership of voting securities, by contract, or
9 otherwise.

10 SECTION 2. Section 371.064, Finance Code, is amended by
11 amending Subsection (a) and adding Subsection (c) to read as
12 follows:

13 (a) Not later than December 1, a pawnbroker shall pay to the
14 commissioner for each license held an annual fee in an amount
15 determined as provided by Section 14.107 for the year beginning the
16 next January 1. At the time a pawnbroker pays the annual fee for
17 each license, the pawnbroker must provide proof to the commissioner
18 that the pawnbroker meets the eligibility requirements under
19 Section 371.052 for each license held.

20 (c) If the pawnbroker fails to provide proof to the
21 commissioner that the pawnbroker meets the eligibility
22 requirements as required by Subsection (a) before the 16th day
23 after the date on which written notice of failure to provide proof
24 has been given to the pawnbroker by the commissioner or if the
25 commissioner, after reviewing the information submitted in
26 compliance with the proof requirement of Subsection (a), determines
27 the pawnbroker would be ineligible for the issuance of a license and

1 the commissioner gives written notice of this determination to the
2 pawnbroker, the license expires on the later of:

3 (1) that day; or

4 (2) December 31 of the last year in which the
5 pawnbroker was eligible for the license.

6 SECTION 3. (a) This Act takes effect September 1, 2003.

7 (b) The changes in law made by Section 371.052, Finance
8 Code, as amended by this Act, apply to an application for a pawnshop
9 license made on or after the effective date of this Act.

10 (c) The changes in law made by Section 371.064, Finance
11 Code, as amended by this Act, apply to a holder of a pawnshop
12 license regardless of whether the original license was issued to
13 the holder before, on, or after the effective date of this Act.