

By: Farias

H.B. No. 4391

A BILL TO BE ENTITLED

AN ACT

relating to the regulation of credit services organizations;
providing a civil penalty.

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

SECTION 1. Section 393.101, Finance Code, is amended by
amending Subsection (a) and adding Subsection (a-1) to read as
follows:

(a) Before conducting business in this state, a credit
services organization shall register with the secretary of state by
filing a statement that:

(1) contains the name and address of:

(A) the organization; and

(B) each person who directly or indirectly owns
or controls at least 10 percent of the outstanding shares of stock
in the organization; ~~and~~

(2) fully discloses any litigation or unresolved
complaint relating to the operation of the organization filed with
a governmental authority of this state or contains a notarized
statement that there has been no litigation or unresolved complaint
of that type; and

(3) contains the address of each location in this
state at which the organization will conduct business.

(a-1) A separate registration certificate is required for
each location in this state from which a credit services

1 organization conducts business.

2 SECTION 2. Section 393.104, Finance Code, is amended to
3 read as follows:

4 Sec. 393.104. FEES [~~FILING FEE~~]. (a) The secretary of
5 state may charge a credit services organization a reasonable fee to
6 cover the cost of filing a registration statement or renewal
7 application in an amount not to exceed \$100.

8 (b) In addition to charging a fee for filing a registration
9 statement, the secretary of state may charge a credit services
10 organization a reasonable fee in an amount not to exceed \$100 to
11 issue a registration certificate for multiple business locations as
12 required by Section 393.101(a-1).

13 SECTION 3. Subchapter F, Chapter 393, Finance Code, is
14 amended by adding Section 393.506 to read as follows:

15 Sec. 393.506. CIVIL PENALTY. (a) A credit services
16 organization that fails to register as required by Section 393.101
17 is subject to a civil penalty of \$5,000 for each violation. Each
18 business location that an organization fails to register under
19 Section 393.101(a-1) constitutes a separate violation for purposes
20 of this subsection.

21 (b) The attorney general or a district or county attorney of
22 a jurisdiction in which an unregistered business location of a
23 credit services organization is located may file an action on
24 behalf of the state to collect a civil penalty under this section.

25 SECTION 4. The changes in law made by this Act to Chapter
26 393, Finance Code, apply only to an original registration issued or
27 a registration renewed on or after the effective date of this Act.

1 An original registration issued or a registration renewed before
2 the effective date of this Act is governed by the law in effect on
3 the date the registration was issued or renewed, and the former law
4 is continued in effect for that purpose.

5 SECTION 5. This Act takes effect September 1, 2009.