

By: Paddie

H.B. No. 1442

Substitute the following for H.B. No. 1442:

By: Capriglione

C.S.H.B. No. 1442

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the continuation and functions of the Office of
3 Consumer Credit Commissioner and the licensing and registration of
4 persons regulated by that state agency.

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

6 SECTION 1. Section 11.305(a), Finance Code, is amended to
7 read as follows:

8 (a) The [~~finance commission shall instruct the~~] consumer
9 credit commissioner shall [~~to~~] establish a program to address
10 alternatives to high-cost lending in this state. The program shall:

11 (1) study and report on [~~the problem of~~] high-cost
12 lending, including [~~without limitation~~] the availability, quality,
13 and prices of financial services [~~, including lending and depository~~
14 ~~services,~~] offered in this state to [~~agricultural businesses, small~~
15 ~~businesses, and~~] individual consumers in this state; and

16 (2) evaluate alternatives to high-cost lending and the
17 practices of business entities in this state that provide financial
18 services to [~~agricultural businesses, small businesses, and~~
19 individual consumers in this state[~~,~~

20 [~~(3) develop models to provide lower-cost alternatives~~
21 ~~to assist borrowers who contract for high-cost loans, and~~

22 [~~(4) track the location of lenders who enter into loan~~
23 ~~contracts providing for an interest charge authorized by Section~~
24 ~~342.201, map the location of the lenders by senatorial district and~~

1 ~~by any other appropriate areas, provide other demographic~~
2 ~~information relating to the loans and the location of the lenders,~~
3 ~~and provide information on the changes in the distribution of the~~
4 ~~lenders from 1997 through the date of the report].~~

5 SECTION 2. Section 14.059(b), Finance Code, is amended to
6 read as follows:

7 (b) The program must require intra-agency posting of all
8 nonentry level positions concurrently with any [~~for at least 10~~
9 ~~days before~~] public posting.

10 SECTION 3. Section 14.062, Finance Code, is amended to read
11 as follows:

12 Sec. 14.062. CONSUMER INFORMATION AND COMPLAINTS. (a) The
13 office shall maintain a system to promptly and efficiently act on
14 complaints [~~file on each written complaint~~] filed with the office.
15 The office shall maintain information about parties to the
16 complaint, the subject matter of the complaint, a summary of the
17 results of the review or investigation of the complaint, and its
18 disposition [~~The file must include:~~

19 [~~(1) the name of the person who filed the complaint,~~
20 [~~(2) the date the complaint is received by the office,~~
21 [~~(3) the subject matter of the complaint,~~
22 [~~(4) the name of each person contacted in relation to~~
23 ~~the complaint,~~

24 [~~(5) a summary of the results of the review or~~
25 ~~investigation of the complaint, and~~

26 [~~(6) an explanation of the reason the file was closed,~~
27 ~~if the office closed the file without taking action other than to~~

1 ~~investigate the complaint~~].

2 (b) The office shall make information available describing
3 its procedures for [~~provide to the person filing the complaint and~~
4 ~~to each person who is a subject of the complaint a copy of the~~
5 ~~office's policies and procedures relating to~~] complaint
6 investigation and resolution.

7 (c) The office [~~at least quarterly until final disposition~~
8 ~~of the complaint,~~] shall periodically notify the complaint parties
9 [~~person filing the complaint and each person who is a subject of the~~
10 ~~complaint~~] of the status of the complaint until final disposition
11 [~~investigation unless the notice would jeopardize an undercover~~
12 ~~investigation~~].

13 SECTION 4. Section 14.066, Finance Code, is amended to read
14 as follows:

15 Sec. 14.066. SUNSET PROVISION. The office is subject to
16 Chapter 325, Government Code (Texas Sunset Act). Unless continued
17 in existence as provided by that chapter, the office is abolished
18 September 1, 2031 [~~2019~~].

19 SECTION 5. Section 14.107(b), Finance Code, is amended to
20 read as follows:

21 (b) The finance commission by rule shall set the fees for
22 licensing and examination, as applicable, under Chapter 393 with
23 respect to a credit access business or Chapter 342, 347, 348, 351,
24 353, or 371 at amounts or rates necessary to recover the costs of
25 administering those chapters. The rules may provide that the amount
26 of a fee charged to a license holder is based on the volume of the
27 license holder's regulated business and other key factors. The

1 commissioner may provide for collection of a single [~~annual~~] fee
2 for the term of the license from a person licensed under Subchapter
3 G of Chapter 393 or Chapter 342, 347, 348, 351, or 371. The fee must
4 ~~[to]~~ include amounts due for both licensing and examination.

5 SECTION 6. Subchapter C, Chapter 14, Finance Code, is
6 amended by adding Sections 14.110, 14.111, and 14.112 to read as
7 follows:

8 Sec. 14.110. ALTERNATIVE RULEMAKING AND DISPUTE
9 RESOLUTION. (a) The finance commission by rule shall develop a
10 policy to encourage the use of:

11 (1) negotiated rulemaking procedures under Chapter
12 2008, Government Code, for the adoption of rules by the finance
13 commission applicable to the office; and

14 (2) appropriate alternative dispute resolution
15 procedures under Chapter 2009, Government Code, to assist in the
16 resolution of internal and external disputes under the office's
17 jurisdiction.

18 (b) The procedures applicable to the office relating to
19 alternative dispute resolution must conform, to the extent
20 possible, to any model guidelines issued by the State Office of
21 Administrative Hearings for the use of alternative dispute
22 resolution by state agencies.

23 (c) The office shall:

24 (1) coordinate the implementation of the policy
25 adopted under Subsection (a);

26 (2) provide training as needed to implement the
27 procedures for negotiated rulemaking or alternative dispute

1 resolution; and

2 (3) collect data concerning the effectiveness of those
3 procedures.

4 Sec. 14.111. ADVISORY COMMITTEES. (a) The commissioner may
5 appoint advisory committees to assist the office and commissioner
6 in performing their duties.

7 (b) The commissioner shall specify each committee's
8 purpose, powers, and duties and shall require each committee to
9 report to the commissioner or office in the manner specified by the
10 commissioner concerning the committee's activities and the results
11 of its work.

12 Sec. 14.112. LICENSING AND REGISTRATION TERMS. (a) The
13 finance commission by rule shall prescribe the licensing or
14 registration period for licenses and registrations issued under
15 Chapters 342, 345, 347, 348, 351, 352, 353, 371, 393, and 394 of
16 this code and Chapter 1956, Occupations Code, not to exceed two
17 years.

18 (b) In adopting rules under Subsection (a), the finance
19 commission shall set terms for licenses that comply with Chapter
20 180 and the federal Secure and Fair Enforcement for Mortgage
21 Licensing Act of 2008 (Pub. L. No. 110-289).

22 (c) If the finance commission prescribes the term of a
23 license or registration under Subsection (a) for a period other
24 than one year, the commissioner shall prorate the applicable fee
25 required under a chapter specified in Subsection (a) as necessary
26 to reflect the term of the license or registration.

27 SECTION 7. Section 14.201, Finance Code, is amended to read

1 as follows:

2 Sec. 14.201. INVESTIGATION AND ENFORCEMENT AUTHORITY.
3 Investigative and enforcement authority under this subchapter
4 applies only to:

- 5 (1) this chapter;
- 6 (2) [~~7~~] Subtitles B and C, [~~of~~] Title 4;
- 7 (3) [~~7~~] Chapter 393 with respect to a credit access
8 business;
- 9 (4) [~~7~~ and] Chapter 394; and
- 10 (5) Subchapter B, Chapter 1956, Occupations Code.

11 SECTION 8. Section 14.2015, Finance Code, is amended to
12 read as follows:

13 Sec. 14.2015. CONFIDENTIALITY OF CERTAIN INFORMATION. (a)
14 Except as provided by Subsection (b), information or material
15 obtained or compiled by the commissioner in relation to an
16 examination or investigation by the commissioner or the
17 commissioner's representative of a license holder, registrant,
18 applicant, or other person under Subtitle B or C, Title 4,
19 Subchapter G of Chapter 393, or Chapter 394 of this code or
20 Subchapter B, Chapter 1956, Occupations Code, is confidential and
21 may not be disclosed by the commissioner or an officer or employee
22 of the office [~~Office of Consumer Credit Commissioner~~], including:

- 23 (1) information obtained from a license holder,
24 registrant, applicant, or other person examined or investigated
25 under Subtitle B or C, Title 4, Subchapter G of Chapter 393, or
26 Chapter 394 of this code or Subchapter B, Chapter 1956, Occupations
27 Code;

1 (2) work performed by the commissioner or the
2 commissioner's representative on information obtained from a
3 license holder, registrant, applicant, or other person for the
4 purposes of an examination or investigation conducted under
5 Subtitle B or C, Title 4, Chapter 393 with respect to a credit
6 access business, or Chapter 394 of this code or Subchapter B,
7 Chapter 1956, Occupations Code;

8 (3) a report on an examination or investigation of a
9 license holder, registrant, applicant, or other person conducted
10 under Subtitle B or C, Title 4, Chapter 393 with respect to a credit
11 access business, or Chapter 394 of this code or Subchapter B,
12 Chapter 1956, Occupations Code; and

13 (4) any written communications between the license
14 holder, registrant, applicant, or other person, as applicable, and
15 the commissioner or the commissioner's representative relating to
16 or referencing an examination or investigation conducted under
17 Subtitle B or C, Title 4, Chapter 393 with respect to a credit
18 access business, or Chapter 394 of this code or Subchapter B,
19 Chapter 1956, Occupations Code.

20 (b) The commissioner or the commissioner's representative
21 may disclose the confidential information or material described by
22 Subsection (a):

23 (1) to a department, agency, or instrumentality of
24 this state or the United States if the commissioner considers
25 disclosure to be necessary or proper to the enforcement of the laws
26 of this state or the United States and in the best interest of the
27 public;

1 (2) if the information was previously provided to or
2 provided by the license holder, registrant, applicant, or other
3 person, and the person consents to the release of the information or
4 has published the information contained in the release; ~~[or]~~

5 (3) if the commissioner determines that release of the
6 information is required for an administrative hearing; or

7 (4) to provide a summary of investigation information
8 to the person who filed the complaint with the office.

9 SECTION 9. Section 14.202, Finance Code, is amended to read
10 as follows:

11 Sec. 14.202. REQUEST FOR INFORMATION; INVESTIGATION
12 AUTHORITY ~~[FAILURE TO COMPLY]~~. ~~[(a)]~~ On receipt of a written
13 complaint or other reasonable cause to believe that a person is
14 violating a statute listed by Section 14.201, the commissioner may:

15 (1) require the person to furnish information
16 regarding a specific loan, retail transaction, or business practice
17 to which the violation relates; and ~~[or]~~

18 (2) ~~[(b) If a person fails to furnish the information~~
19 ~~requested by the commissioner, the commissioner may]~~ conduct an
20 investigation to determine whether a violation exists.

21 SECTION 10. Sections 14.208(a) and (b), Finance Code, are
22 amended to read as follows:

23 (a) If the commissioner has reasonable cause to believe that
24 a person is violating a statute to which this chapter applies, the
25 commissioner, in addition to any other authorized action, may issue
26 an order to cease and desist from the violation or an order to take
27 affirmative action, or both, to enforce compliance. ~~[A person may~~

1 ~~appeal the order to the finance commission as provided by~~
2 ~~Subsection (d) or directly to district court in accordance with~~
3 ~~Chapter 2001, Government Code.]~~

4 (b) If a person against whom an order under this section is
5 made requests a hearing not later than the 30th day after the date
6 the order is served, the commissioner shall set and give notice of a
7 hearing before a hearings officer. ~~[The hearing is governed by]~~
8 Chapter 2001, Government Code, governs the hearing and the right to
9 judicial review in district court. Based on the findings of fact,
10 conclusions of law, and recommendations of the hearings officer,
11 the commissioner by order may find whether a violation has
12 occurred.

13 SECTION 11. Section 14.251(b), Finance Code, is amended to
14 read as follows:

15 (b) The commissioner may order the following businesses or
16 other persons ~~[a person who violates or causes a violation of this~~
17 ~~chapter, Chapter 394, or Subtitle B, Title 4, or a rule adopted~~
18 ~~under this chapter, Chapter 394, or Subtitle B, Title 4, or a credit~~
19 ~~access business who violates or causes a violation of Chapter 393 or~~
20 ~~a rule adopted under Chapter 393,]~~ to pay ~~[make]~~ restitution to an
21 identifiable person:

22 (1) a person who violates or causes a violation of this
23 chapter, Chapter 394, or Subtitle B, Title 4, or a rule adopted
24 under this chapter, Chapter 394, or Subtitle B, Title 4;

25 (2) a credit access business who violates or causes a
26 violation of Chapter 393 or a rule adopted under Chapter 393; or

27 (3) a person who violates or causes a violation of

1 Subchapter B, Chapter 1956, Occupations Code, or a rule adopted
2 under that subchapter [~~injured by the violation~~].

3 SECTION 12. Section 14.256, Finance Code, is amended to
4 read as follows:

5 Sec. 14.256. ACCEPTANCE OF PENALTY; DEFAULT. If a person
6 accepts the determination and recommended penalty of the
7 commissioner or fails to make a timely written request for a
8 hearing, the commissioner by order shall approve the determination
9 and impose the recommended penalty.

10 SECTION 13. Section 14.257(a), Finance Code, is amended to
11 read as follows:

12 (a) If a person makes a timely written request for
13 [~~requests~~] a hearing [~~or fails to give a timely response to the~~
14 ~~notice~~], the commissioner shall set a hearing and give notice of the
15 hearing to the person by certified mail.

16 SECTION 14. Section 342.0515(c), Finance Code, is amended
17 to read as follows:

18 (c) Subject to Section 14.112, the [~~The~~] finance commission
19 shall adopt rules establishing procedures for issuing, renewing,
20 and enforcing an individual license under this section. In adopting
21 rules under this subsection, the finance commission shall ensure
22 that:

23 (1) the minimum eligibility requirements for issuance
24 of an individual license are the same as the requirements of Section
25 180.055;

26 (2) the minimum eligibility requirements for renewal
27 of an individual license are the same as the requirements of Section

1 180.059; and

2 (3) the applicant pays:

3 (A) an investigation fee in a reasonable amount
4 determined by the commissioner; and

5 (B) a [~~an annual~~] license fee in an amount
6 determined as provided by Section 14.107.

7 SECTION 15. Section 342.101(c), Finance Code, is amended to
8 read as follows:

9 (c) On the filing of each license application, the applicant
10 shall pay to the commissioner [~~for the license's year of issuance~~] a
11 license fee in an amount determined as provided by Section 14.107.

12 SECTION 16. Section 342.102(c), Finance Code, is amended to
13 read as follows:

14 (c) The bond must be conditioned on:

15 (1) the license holder's faithful performance under
16 this chapter and rules adopted under this chapter; and

17 (2) the payment of all amounts that become due to the
18 state or another person under this chapter during the period
19 [~~calendar year~~] for which the bond is given.

20 SECTION 17. Subchapter C, Chapter 342, Finance Code, is
21 amended by adding Section 342.106 to read as follows:

22 Sec. 342.106. LICENSE TERM. A license issued under this
23 chapter is valid for the period prescribed by finance commission
24 rule adopted under Section 14.112.

25 SECTION 18. Section 342.154, Finance Code, is amended to
26 read as follows:

27 Sec. 342.154. [~~ANNUAL~~] LICENSE FEE. Not later than 30 days

1 before the date the license expires [~~December 1~~], a license holder
2 shall pay to the commissioner for each license held a [an annual]
3 fee [~~for the year beginning the next January 1,~~] in an amount
4 determined as provided by Section 14.107.

5 SECTION 19. Section 342.155, Finance Code, is amended to
6 read as follows:

7 Sec. 342.155. EXPIRATION OF LICENSE ON FAILURE TO PAY
8 [~~ANNUAL~~] FEE. If the [~~annual~~] fee for a license is not paid before
9 the 16th day after the date on which the written notice of
10 delinquency of payment has been given to the license holder, the
11 license expires on [~~the later of:~~

12 [~~(1)~~] that day[~~, or~~
13 [~~(2) December 31 of the last year for which an annual~~
14 ~~fee was paid~~].

15 SECTION 20. Subchapter D, Chapter 342, Finance Code, is
16 amended by adding Section 342.1555 to read as follows:

17 Sec. 342.1555. GROUNDS FOR REFUSING RENEWAL. The
18 commissioner may refuse to renew the license of a person who fails
19 to comply with an order issued by the commissioner to enforce this
20 chapter.

21 SECTION 21. Section 342.156, Finance Code, is amended to
22 read as follows:

23 Sec. 342.156. LICENSE SUSPENSION OR REVOCATION. After
24 notice and opportunity for a hearing, the commissioner may suspend
25 or revoke a license if the commissioner finds that:

26 (1) the license holder failed to pay the [~~annual~~]
27 license fee, an examination fee, an investigation fee, or another

1 charge imposed by the commissioner under this chapter;

2 (2) the license holder, knowingly or without the
3 exercise of due care, violated this chapter or a rule adopted or
4 order issued under this chapter;

5 (3) a fact or condition exists that, if it had existed
6 or had been known to exist at the time of the original application
7 for the license, clearly would have justified the commissioner's
8 denial of the application; or

9 (4) the license holder has failed to ensure that an
10 individual acting as a residential mortgage loan originator, as
11 defined by Section 180.002, in the making, transacting, or
12 negotiating of a loan subject to this chapter is licensed under this
13 chapter in accordance with Section 342.0515.

14 SECTION 22. Section 345.157(d), Finance Code, is amended to
15 read as follows:

16 (d) The holder shall remit 50 cents of each delinquency
17 charge in excess of \$10 collected under this section to the
18 comptroller, in the time and manner established by the comptroller,
19 for deposit to the credit of an account in the general revenue fund.
20 One-half of the money in the account may be appropriated only to
21 finance research conducted by the commissioner [~~finance
22 commission~~] under Section 11.305 and the other one-half of the
23 money in the account may be appropriated only to finance
24 educational activities and counseling services under Section
25 394.001.

26 SECTION 23. Section 345.351, Finance Code, is amended to
27 read as follows:

1 Sec. 345.351. REGISTRATION OF HOLDER. (a) A holder who is
2 not an authorized lender under Chapter 342 or a credit union shall:

3 (1) register with the Office of Consumer Credit
4 Commissioner; and

5 (2) pay a an [~~an annual~~] fee of \$10 for each location at
6 which a retail installment transaction is originated, serviced, or
7 collected.

8 (b) Subject to Section 14.112, the [~~The~~] finance commission
9 by rule may establish procedures to facilitate the registration and
10 collection of fees under this section[~~, including rules staggering~~
11 ~~throughout the year the dates on which fees are due~~].

12 (c) A registration issued under this section is valid for
13 the period prescribed by finance commission rule adopted under
14 Section 14.112.

15 (d) The commissioner may refuse to renew the registration of
16 a holder who fails to comply with an order issued by the
17 commissioner to enforce this chapter.

18 SECTION 24. Section 347.451, Finance Code, is amended by
19 amending Subsections (a), (b), and (d) and adding Subsections (a-1)
20 and (e) to read as follows:

21 (a) A creditor who is not an authorized lender under Chapter
22 342 or a credit union shall:

23 (1) register with the Office of Consumer Credit
24 Commissioner; and

25 (2) pay a a [~~an annual~~] fee of \$15 for each location at
26 which a credit transaction is originated, serviced, or collected.

27 (a-1) A registration issued under this section is valid for

1 the period prescribed by finance commission rule adopted under
2 Section 14.112.

3 (b) Subject to Section 14.112, the ~~[The]~~ finance commission
4 by rule may establish procedures to facilitate the registration and
5 collection of fees under this section~~[, including rules staggering~~
6 ~~the due dates of the fees throughout the year]~~.

7 (d) A creditor shall file the registration renewal and pay
8 the ~~[annual]~~ registration fee to the commissioner not later than
9 the 30th day after the date on which the creditor receives the
10 notice under Subsection (c).

11 (e) The commissioner may refuse to renew the registration of
12 a creditor who fails to comply with an order issued by the
13 commissioner to enforce this chapter.

14 SECTION 25. Section 347.4515, Finance Code, is amended by
15 adding Subsections (a-1) and (e) and amending Subsection (c) to
16 read as follows:

17 (a-1) A license issued under this section is valid for the
18 period prescribed by finance commission rule adopted under Section
19 14.112.

20 (c) Subject to Section 14.112, the ~~[The]~~ finance commission
21 shall adopt rules establishing procedures for issuing, renewing,
22 and enforcing an individual license under this section. In adopting
23 rules under this subsection, the finance commission shall ensure
24 that:

25 (1) the minimum eligibility requirements for issuance
26 of an individual license are the same as the requirements of Section
27 180.055;

1 (2) the minimum eligibility requirements for renewal
2 of an individual license are the same as the requirements of Section
3 180.059; and

4 (3) the applicant pays:

5 (A) an investigation fee in a reasonable amount
6 determined by the commissioner; and

7 (B) a [~~an annual~~] license fee in an amount
8 determined as provided by Section 14.107.

9 (e) The commissioner may refuse to renew the license of an
10 individual described by Subsection (b) who fails to comply with an
11 order issued by the commissioner to enforce this chapter.

12 SECTION 26. Section 348.5015(c), Finance Code, is amended
13 to read as follows:

14 (c) Subject to Section 14.112, the [~~The~~] finance commission
15 shall adopt rules establishing procedures for applying for issuing,
16 renewing, and enforcing a license under this section. In adopting
17 rules under this subsection, the finance commission shall ensure
18 that:

19 (1) the minimum eligibility requirements for issuance
20 of a license are the same as the requirements of Section 180.055;

21 (2) the minimum eligibility requirements for renewal
22 of a license are the same as the requirements of Section 180.059;
23 and

24 (3) the applicant pays:

25 (A) an investigation fee in a reasonable amount
26 determined by the commissioner; and

27 (B) a [~~an annual~~] license fee in an amount

1 determined as provided by Section 14.107.

2 SECTION 27. Section 348.502(b), Finance Code, is amended to
3 read as follows:

4 (b) On the filing of a license application, the applicant
5 shall pay to the commissioner:

6 (1) an investigation fee not to exceed \$200; and

7 (2) [~~for the license's year of issuance,~~] a license fee
8 in an amount determined as provided by Section 14.107.

9 SECTION 28. Subchapter F, Chapter 348, Finance Code, is
10 amended by adding Section 348.5055 to read as follows:

11 Sec. 348.5055. LICENSE TERM. A license issued under this
12 chapter is valid for the period prescribed by finance commission
13 rule adopted under Section 14.112.

14 SECTION 29. Section 348.506, Finance Code, is amended to
15 read as follows:

16 Sec. 348.506. [~~ANNUAL~~] LICENSE FEE. Not later than the 30th
17 day before the date the license expires [~~December 1~~], a license
18 holder shall pay to the commissioner for each license held a [~~an~~
19 ~~annual~~] fee [~~for the year beginning the next January 1,~~] in an
20 amount determined as provided by Section 14.107.

21 SECTION 30. Subchapter F, Chapter 348, Finance Code, is
22 amended by adding Section 348.5065 to read as follows:

23 Sec. 348.5065. GROUNDS FOR REFUSAL TO RENEW. The
24 commissioner may refuse to renew the license of a person who fails
25 to comply with an order issued by the commissioner to enforce this
26 chapter.

27 SECTION 31. Section 348.507, Finance Code, is amended to

1 read as follows:

2 Sec. 348.507. EXPIRATION OF LICENSE ON FAILURE TO PAY
3 ~~[ANNUAL]~~ FEE. If the ~~[annual]~~ fee for a license is not paid before
4 the 16th day after the date on which the written notice of
5 delinquency of payment has been given to the license holder, the
6 license expires on ~~[the later of:~~
7 ~~[(1)]~~ that day~~, or~~
8 ~~[(2) December 31 of the last year for which an annual~~
9 ~~fee was paid]~~.

10 SECTION 32. Section 348.508, Finance Code, is amended to
11 read as follows:

12 Sec. 348.508. LICENSE SUSPENSION OR REVOCATION. After
13 notice and opportunity for a hearing, the commissioner may suspend
14 or revoke a license if the commissioner finds that:

15 (1) the license holder failed to pay the ~~[annual]~~
16 license fee, an examination fee, an investigation fee, or another
17 charge imposed by the commissioner;

18 (2) the license holder, knowingly or without the
19 exercise of due care, violated this chapter or a rule adopted or
20 order issued under this chapter; or

21 (3) a fact or condition exists that, if it had existed
22 or had been known to exist at the time of the original application
23 for the license, clearly would have justified the commissioner's
24 denial of the application.

25 SECTION 33. Section 349.301, Finance Code, is amended to
26 read as follows:

27 Sec. 349.301. PAYMENT OF FEES. A person who registers or

1 obtains or renews a license under this title after the date on which
2 the person was required to register or to obtain or renew the
3 license may limit the person's liability as provided by this
4 subchapter by paying to the commissioner:

5 (1) all prior registration or license fees that the
6 person should have paid under this title [~~for prior years~~]; and

7 (2) except as provided by Section 349.302(a), a late
8 filing fee as provided by this subchapter.

9 SECTION 34. Section 351.0515(c), Finance Code, is amended
10 to read as follows:

11 (c) Subject to Section 14.112, the [~~The~~] finance commission
12 shall adopt rules establishing procedures for issuing, renewing,
13 and enforcing an individual license under this section. In adopting
14 rules under this subsection, the finance commission shall ensure
15 that:

16 (1) the minimum eligibility requirements for issuance
17 of an individual license are the same as the requirements of Section
18 180.055;

19 (2) the minimum eligibility requirements for renewal
20 of an individual license are the same as the requirements of Section
21 180.059; and

22 (3) the applicant pays:

23 (A) an investigation fee in a reasonable amount
24 determined by the commissioner; and

25 (B) a [~~an annual~~] license fee in an amount
26 determined as provided by Section 14.107.

27 SECTION 35. Section 351.101(c), Finance Code, is amended to

1 read as follows:

2 (c) On the filing of each license application, the applicant
3 shall pay to the commissioner [~~for the license's year of issuance~~] a
4 license fee in an amount determined as provided by Section 14.107.

5 SECTION 36. Section 351.102(c), Finance Code, is amended to
6 read as follows:

7 (c) The bond must be conditioned on:

8 (1) the license holder's faithful performance under
9 this chapter and rules adopted under this chapter; and

10 (2) the payment of all amounts that become due to the
11 state or another person under this chapter during the period
12 [~~calendar year~~] for which the bond is given.

13 SECTION 37. Subchapter C, Chapter 351, Finance Code, is
14 amended by adding Section 351.106 to read as follows:

15 Sec. 351.106. LICENSE TERM. A license issued under this
16 chapter is valid for the period prescribed by finance commission
17 rule adopted under Section 14.112.

18 SECTION 38. Subchapter D, Chapter 351, Finance Code, is
19 amended by adding Section 351.1535 to read as follows:

20 Sec. 351.1535. GROUNDS FOR REFUSAL TO RENEW. The
21 commissioner may refuse to renew the license of a person who fails
22 to comply with an order issued by the commissioner to enforce this
23 chapter.

24 SECTION 39. Section 351.154, Finance Code, is amended to
25 read as follows:

26 Sec. 351.154. [~~ANNUAL~~] LICENSE FEE. Not later than the 30th
27 day before the date the license expires [~~December 1~~], a license

1 holder shall pay to the commissioner for each license held a a [~~an~~
2 ~~annual~~] fee [~~for the year beginning the next January 1,~~] in an
3 amount determined as provided by Section 14.107.

4 SECTION 40. Section 351.155, Finance Code, is amended to
5 read as follows:

6 Sec. 351.155. EXPIRATION OF LICENSE ON FAILURE TO PAY
7 [~~ANNUAL~~] FEE. If the [~~annual~~] fee for a license is not paid before
8 the 16th day after the date on which the written notice of
9 delinquency of payment has been given to the license holder, the
10 license expires on [~~the later of:~~

11 [~~(1)~~] that day[~~, or~~
12 [~~(2) December 31 of the last year for which an annual~~
13 ~~fee was paid~~].

14 SECTION 41. Section 351.156, Finance Code, is amended to
15 read as follows:

16 Sec. 351.156. LICENSE SUSPENSION OR REVOCATION. After
17 notice and opportunity for a hearing, the commissioner may suspend
18 or revoke a license if the commissioner finds that:

19 (1) the license holder failed to pay the [~~annual~~]
20 license fee, an examination fee, an investigation fee, or another
21 charge imposed by the commissioner under this chapter;

22 (2) the license holder, knowingly or without the
23 exercise of due care, violated this chapter or Section 32.06 or
24 32.065, Tax Code, or a rule adopted or an order issued under this
25 chapter or Section 32.06 or 32.065, Tax Code;

26 (3) a fact or condition exists that, if it had existed
27 or had been known to exist at the time of the original application

1 for the license, clearly would have justified the commissioner's
2 denial of the application; or

3 (4) the license holder has failed to ensure that an
4 individual acting as a residential mortgage loan originator, as
5 defined by Section 180.002, in the making, transacting, or
6 negotiating of a property tax loan for a principal dwelling is
7 licensed under this chapter in accordance with Section 351.0515.

8 SECTION 42. Section 352.003, Finance Code, is amended by
9 amending Subsections (a) and (c) and adding Subsections (a-1),
10 (c-1), and (f) to read as follows:

11 (a) To register as a facilitator, a person must provide to
12 the commissioner [~~, on or before December 31 preceding each calendar~~
13 ~~year in which the person seeks to act as a facilitator]~~:

14 (1) a list of each location in this state at which
15 e-file providers authorized by the Internal Revenue Service file
16 tax returns on behalf of borrowers for whom the facilitator acts to
17 allow the making of a refund anticipation loan; and

18 (2) a processing fee for each location included on the
19 list furnished under Subdivision (1).

20 (a-1) A registration issued under this section is valid for
21 the period prescribed by finance commission rule adopted under
22 Section 14.112.

23 (c) The finance commission by rule shall establish a
24 deadline for the submission of the information and fee required by
25 Subsection (a) for initial issuance and renewal of registrations
26 under this section.

27 (c-1) After the applicable [December 31] deadline for

1 initial or renewal registrations, a facilitator may amend the
2 registration required under Subsection (a) to reflect any change in
3 the information provided by the registration.

4 (f) The commissioner may refuse to renew the registration of
5 a person who fails to comply with an order issued by the
6 commissioner to enforce this chapter.

7 SECTION 43. Section 352.006(b), Finance Code, is amended to
8 read as follows:

9 (b) If the commissioner proposes to revoke a registration,
10 the facilitator is entitled to notice and an opportunity for a
11 hearing before the commissioner or a hearings officer, who shall
12 propose a decision to the commissioner. The commissioner or
13 hearings officer shall prescribe the time and place of the hearing
14 if the facilitator makes a written request for a hearing not later
15 than the 20th day after the date the facilitator receives the notice
16 of the proposed revocation. The hearing is governed by Chapter
17 2001, Government Code.

18 SECTION 44. Section 353.502(b), Finance Code, is amended to
19 read as follows:

20 (b) On the filing of a license application, the applicant
21 shall pay to the commissioner:

- 22 (1) an investigation fee not to exceed \$200; and
23 (2) [~~for the license's year of issuance,~~] a license fee
24 in an amount determined as provided by Section 14.107.

25 SECTION 45. Subchapter F, Chapter 353, Finance Code, is
26 amended by adding Section 353.5055 to read as follows:

27 Sec. 353.5055. LICENSE TERM. A license issued under this

1 chapter is valid for the period prescribed by finance commission
2 rule adopted under Section 14.112.

3 SECTION 46. Section 353.506, Finance Code, is amended to
4 read as follows:

5 Sec. 353.506. [~~ANNUAL~~] LICENSE FEE. Not later than the 30th
6 day before the date the license expires [~~December 1~~], a license
7 holder shall pay to the commissioner for each license held a a [~~an~~
8 ~~annual~~] fee [~~for the year beginning the next January 1,~~] in an
9 amount determined as provided by Section 14.107.

10 SECTION 47. Subchapter F, Chapter 353, Finance Code, is
11 amended by adding Section 353.5065 to read as follows:

12 Sec. 353.5065. GROUNDS FOR REFUSAL OF RENEWAL. The
13 commissioner may refuse to renew the license of a person who fails
14 to comply with an order issued by the commissioner to enforce this
15 chapter.

16 SECTION 48. Section 353.507, Finance Code, is amended to
17 read as follows:

18 Sec. 353.507. EXPIRATION OF LICENSE ON FAILURE TO PAY
19 [~~ANNUAL~~] FEE. If the [~~annual~~] fee for a license is not paid before
20 the 16th day after the date on which the written notice of
21 delinquency of payment has been given to the license holder, the
22 license expires on [~~the later of:~~

23 [~~(1)~~] that day[, ~~or~~
24 [~~(2)~~ ~~December 31 of the last year for which an annual~~
25 ~~fee was paid~~].

26 SECTION 49. Section 353.508, Finance Code, is amended to
27 read as follows:

1 Sec. 353.508. LICENSE SUSPENSION OR REVOCATION. After
2 notice and opportunity for a hearing, the commissioner may suspend
3 or revoke a license if the commissioner finds that:

4 (1) the license holder failed to pay the [~~annual~~]
5 license fee, an investigation fee, or another charge imposed by the
6 commissioner;

7 (2) the license holder, knowingly or without the
8 exercise of due care, violated this chapter or a rule adopted or
9 order issued under this chapter; or

10 (3) a fact or condition exists that, if it had existed
11 or had been known to exist at the time of the original application
12 for the license, clearly would have justified the commissioner's
13 denial of the application.

14 SECTION 50. Section 354.005(d), Finance Code, is amended to
15 read as follows:

16 (d) The commissioner may deny approval of a form only if the
17 form excludes the language required by Sections 354.003 and 354.004
18 or contains any inconsistent or misleading provisions. All form
19 denials, after an opportunity for a hearing under Chapter 2001,
20 Government Code, may be appealed to a district court in accordance
21 with that chapter [~~the finance commission~~].

22 SECTION 51. Section 371.002, Finance Code, is amended to
23 read as follows:

24 Sec. 371.002. PURPOSES. The purposes of this chapter are
25 to:

26 (1) prevent fraud, unfair practices, discrimination,
27 imposition, and abuse of state residents;

1 (2) exercise the state's police power to ensure a sound
2 system of making pawn loans and transfers of personal property by
3 and through pawnshops;

4 (3) prevent transactions in stolen property and other
5 unlawful property transactions by licensing and regulating
6 pawnbrokers [~~and pawnshop employees~~];

7 (4) provide for licensing and investigation fees;

8 (5) provide minimum capital requirements for
9 pawnbrokers;

10 (6) ensure financial responsibility to the state and
11 its residents and compliance with federal, state, and local law,
12 including rules and ordinances; and

13 (7) assist local governments in the exercise of their
14 police power.

15 SECTION 52. Section 371.052(a), Finance Code, is amended to
16 read as follows:

17 (a) To be eligible for a pawnshop license, an applicant
18 must:

19 (1) [~~be of good moral character,~~

20 ~~(2)] meet the net assets requirement of Section
21 371.072; and~~

22 (2) [~~(3)] show that:~~

23 (A) the pawnshop will be operated lawfully and
24 fairly under this chapter; and

25 (B) the applicant or the applicant's owners and
26 managers have the financial responsibility, experience, character,
27 and general fitness to command the confidence of the public in the

1 pawnshop's operations.

2 SECTION 53. Section 371.055, Finance Code, is amended to
3 read as follows:

4 Sec. 371.055. FEES; PROOF OF INSURANCE. An applicant must
5 submit with the application:

6 (1) an investigation fee of:

7 (A) \$500 if the applicant does not hold a
8 license; or

9 (B) \$250 if the application:

10 (i) is for an additional license for a
11 separate location; or

12 (ii) involves substantially identical
13 principals and owners of a licensed pawnshop at a separate
14 location;

15 (2) a a [~~an annual~~] fee in an amount determined as
16 provided by Section 14.107; and

17 (3) proof of general liability and fire insurance in a
18 reasonable amount and form required by the commissioner.

19 SECTION 54. Section 371.062, Finance Code, is amended to
20 read as follows:

21 Sec. 371.062. DISPOSITION OF FEES ON DENIAL OF APPLICATION.
22 If the commissioner denies the application, the commissioner shall
23 retain the investigation fee and shall return to the applicant the
24 [~~annual~~] license fee submitted with the application.

25 SECTION 55. Subchapter B, Chapter 371, Finance Code, is
26 amended by adding Section 371.0625 to read as follows:

27 Sec. 371.0625. LICENSE TERM. A license issued under this

1 subchapter is valid for the period prescribed by finance commission
2 rule adopted under Section 14.112.

3 SECTION 56. Section 371.064, Finance Code, is amended to
4 read as follows:

5 Sec. 371.064. [~~ANNUAL~~] LICENSE FEE; EXPIRATION. (a) Not
6 later than the 30th day before the date the license expires
7 [~~December 1~~], a pawnbroker shall pay to the commissioner for each
8 license held a [~~an annual~~] fee in an amount determined as provided
9 by Section 14.107 [~~for the year beginning the next January 1~~].

10 (b) If the [~~annual~~] fee for a license is not paid before the
11 16th day after the date on which written notice of delinquency of
12 payment has been given to the pawnbroker by the commissioner, the
13 license expires on [~~the later of:~~

14 [~~(1)~~] that day[~~, or~~
15 [~~(2) December 31 of the last year for which an annual~~
16 ~~fee was paid~~].

17 SECTION 57. Subchapter B, Chapter 371, Finance Code, is
18 amended by adding Section 371.0645 to read as follows:

19 Sec. 371.0645. GROUNDS FOR REFUSAL TO RENEW. The
20 commissioner may refuse to renew the license of a person who fails
21 to comply with an order issued by the commissioner to enforce this
22 chapter.

23 SECTION 58. Subchapter B, Chapter 371, Finance Code, is
24 amended by adding Section 371.074 to read as follows:

25 Sec. 371.074. PAWNBROKER RESPONSIBLE FOR EMPLOYEES AND
26 AGENTS. A license holder under this subchapter is responsible for
27 all acts of the license holder's officers, directors, employees,

1 and agents acting on behalf of the pawnshop.

2 SECTION 59. The heading to Subchapter C, Chapter 371,
3 Finance Code, is amended to read as follows:

4 SUBCHAPTER C. PAWNSHOP EMPLOYEE LICENSE PROGRAM

5 SECTION 60. Section 371.101, Finance Code, is amended to
6 read as follows:

7 Sec. 371.101. PAWNSHOP EMPLOYEE LICENSE PROGRAM

8 [~~REQUIRED~~]. (a) A pawnbroker may, but is not required to,
9 participate in the pawnshop employee license program by notifying
10 the commissioner in writing on a form prescribed by the
11 commissioner.

12 (a-1) A pawnbroker may submit a written notification to
13 participate in the pawnshop employee license program under
14 Subsection (a):

15 (1) at the time of the pawnbroker's original license
16 application;

17 (2) at the time of a renewal of the pawnbroker's
18 license; or

19 (3) at another time prescribed by the commissioner.

20 (a-2) A pawnbroker may notify the commissioner in writing of
21 the pawnbroker's intention to no longer participate in the pawnshop
22 employee license program at any time notification is permitted
23 under Subsection (a-1). On receipt by the commissioner of a
24 pawnbroker's notification under this subsection, the pawnbroker
25 will no longer be a part of the pawnshop employee license program
26 unless the pawnbroker resubmits a new notification for
27 participation under Subsection (a-1).

1 (b) An individual who begins employment at a pawnshop for a
2 pawnbroker that participates in the pawnshop employee license
3 program under Subsection (a), as a condition of employment, must
4 apply to the commissioner for a pawnshop employee license not later
5 than the 75th day after the date employment begins.

6 [~~(b)~~] The individual may continue employment until the
7 license is issued or denied.

8 (c) If a pawnbroker participates in the pawnshop employee
9 license program under Subsection (a), the participating [A]
10 pawnbroker may not employ an individual to write a pawn
11 transaction, buy or sell merchandise, or supervise another employee
12 who writes pawn transactions or buys or sells merchandise unless
13 the individual:

14 (1) has complied with Subsection (b) [~~(a)~~] but has not
15 been issued or denied a license; or

16 (2) holds a pawnshop employee license.

17 (d) Subsection (c) does not apply to an individual who:

18 (1) has an ownership interest in the pawnshop license;
19 and

20 (2) is named on the application.

21 (e) Subject to Section 14.112, the Finance Commission of
22 Texas shall adopt rules to administer the pawnshop employee license
23 program.

24 SECTION 61. Section 371.102(a), Finance Code, is amended to
25 read as follows:

26 (a) To be eligible for a pawnshop employee license, an
27 individual must:

1 (1) be of [~~good moral character and~~] good business
2 repute; [~~and~~]

3 (2) possess the character and general fitness
4 necessary to warrant belief that the individual will operate the
5 business lawfully and fairly under this chapter; and

6 (3) be employed by a pawnbroker that participates in
7 the pawnshop employee license program under Section 371.101.

8 SECTION 62. Section 371.103(b), Finance Code, is amended to
9 read as follows:

10 (b) The application must be accompanied by an investigation
11 and annual fee in an amount determined as provided by Section 14.107
12 ~~[of \$25]~~.

13 SECTION 63. Section 371.105, Finance Code, is amended to
14 read as follows:

15 Sec. 371.105. LICENSE TERM. A pawnshop employee license is
16 valid for the period prescribed by finance commission rule adopted
17 under Section 14.112 ~~[effective until the license expires or is~~
18 ~~surrendered, suspended, or revoked]~~.

19 SECTION 64. Section 371.106, Finance Code, is amended to
20 read as follows:

21 Sec. 371.106. [~~ANNUAL~~] LICENSE FEE; EXPIRATION. (a) Not
22 later than the 30th day before the date the license expires
23 ~~[December 1]~~, a pawnshop employee license holder shall pay to the
24 commissioner a ~~[an annual]~~ fee in an amount determined as provided
25 by Section 14.107 ~~[of \$15 for the year beginning the next January~~
26 ~~1]~~.

27 (b) The commissioner shall send written notice of

1 delinquency to a license holder who does not pay the fee on or
2 before the 30th day before the date the license expires [~~December~~
3 ~~1~~].

4 (c) If the [~~annual~~] fee for a license is not paid before the
5 16th day after the date of the delinquency notice, the license
6 expires on [~~the later of:~~]

7 [~~(1)~~] that day [~~or~~

8 [~~(2) January 1 of the first year for which the annual~~
9 ~~fee was not paid~~].

10 (d) A pawnshop employee license expires on the 30th day
11 after the last day of employment if the license holder:

12 (1) ceases to be employed by a pawnbroker that
13 participates in the pawnshop employee license program under Section
14 371.101; and

15 (2) is not employed within that time by another
16 pawnbroker that participates in the pawnshop employee license
17 program.

18 SECTION 65. Subchapter C, Chapter 371, Finance Code, is
19 amended by adding Section 371.107 to read as follows:

20 Sec. 371.107. GROUNDS FOR REFUSAL TO RENEW. The
21 commissioner may refuse to renew the pawnshop employee license of a
22 person who fails to comply with an order issued by the commissioner
23 to enforce this chapter.

24 SECTION 66. Section 371.251(a), Finance Code, is amended to
25 read as follows:

26 (a) After notice and opportunity for a hearing, the
27 commissioner may revoke or suspend a pawnshop license if the

1 commissioner finds that:

2 (1) the pawnbroker has not paid a fee or charge imposed
3 by the commissioner under this chapter;

4 (2) the pawnbroker, knowingly or without exercising
5 due care to prevent the violation, has violated this chapter or a
6 rule adopted or an order issued under this chapter;

7 (3) a fact or condition exists that, if it had existed
8 or had been known to exist at the time of the original license
9 application, clearly would have justified refusal to issue the
10 license;

11 (4) the pawnbroker has established an association with
12 an unlicensed person who, with the knowledge of the pawnbroker, has
13 violated this chapter;

14 (5) the pawnbroker has aided or conspired with a
15 person to circumvent this chapter;

16 (6) the pawnbroker or a legal or beneficial owner of
17 the pawnbroker [~~is not of good moral character or~~] has been
18 convicted of a crime that the commissioner finds directly relates
19 to the duties and responsibilities of the occupation of pawnbroker
20 or would otherwise make the person unfit for a pawnshop license
21 under Section [371.052](#);

22 (7) the financial responsibility, experience,
23 character, or general fitness of the pawnbroker or its owners and
24 managers do not command the confidence of the public or warrant the
25 belief that the business will be operated lawfully, fairly, and
26 within the purposes of this chapter; or

27 (8) the pawnbroker has not maintained the minimum net

1 assets required by Section 371.072.

2 SECTION 67. Section 371.255, Finance Code, is amended to
3 read as follows:

4 Sec. 371.255. REVOCATION OR SUSPENSION OF PAWNSHOP EMPLOYEE
5 LICENSE. After notice and hearing, the commissioner may revoke or
6 suspend a pawnshop employee license if the commissioner finds that:

7 (1) the license holder knowingly or recklessly
8 violated this chapter or a rule adopted or order issued under this
9 chapter;

10 (2) a fact or condition exists that, if it had existed
11 or had been known to exist at the time of the original license
12 application, clearly would have justified refusal to issue the
13 license; or

14 (3) the [~~moral character,~~] business repute[~~,~~] and
15 general fitness of the license holder do not warrant belief that the
16 license holder will operate the business lawfully and fairly within
17 the provisions of this chapter.

18 SECTION 68. Section 371.258(c), Finance Code, is amended to
19 read as follows:

20 (c) The commissioner shall reinstate an expired pawnbroker
21 license if, not later than the 180th day after the date on which the
22 license expired, the pawnbroker pays the commissioner the
23 delinquent \$125 [~~annual~~] fee plus a reinstatement fee of \$1,000.
24 After a pawnbroker's license has expired, the commissioner shall
25 promptly send notice of reinstatement rights to the delinquent
26 pawnbroker by certified mail.

27 SECTION 69. Section 393.604(c), Finance Code, is amended to

1 read as follows:

2 (c) On the filing of each license application, the applicant
3 shall pay to the commissioner [~~for the license's year of issuance~~] a
4 license fee in an amount determined as provided by Section 14.107.

5 SECTION 70. Section 393.605(c), Finance Code, is amended to
6 read as follows:

7 (c) The bond must be conditioned on:

8 (1) the license holder's faithful performance under
9 this subchapter and rules adopted under this subchapter; and

10 (2) the payment of all amounts that become due to this
11 state or another person under this subchapter during the period
12 [~~calendar year~~] for which the bond is given.

13 SECTION 71. Subchapter G, Chapter 393, Finance Code, is
14 amended by adding Sections 393.6085 and 393.6115 to read as
15 follows:

16 Sec. 393.6085. LICENSE TERM. A license issued under this
17 chapter is valid for the period prescribed by finance commission
18 rule adopted under Section 14.112.

19 Sec. 393.6115. GROUNDS FOR REFUSAL TO RENEW. The
20 commissioner may refuse to renew the license of a credit access
21 business who fails to comply with an order issued by the
22 commissioner to enforce this chapter.

23 SECTION 72. Section 393.612, Finance Code, is amended to
24 read as follows:

25 Sec. 393.612. [~~ANNUAL~~] LICENSE FEE. Not later than the 30th
26 day before the date the license expires [~~December 1~~], a license
27 holder shall pay to the commissioner for each license held a a [~~an~~

1 ~~annual~~] fee [~~for the year beginning the next January 1,~~] in an
2 amount determined as provided by Section 14.107.

3 SECTION 73. Section 393.613, Finance Code, is amended to
4 read as follows:

5 Sec. 393.613. EXPIRATION OF LICENSE ON FAILURE TO PAY
6 ~~[ANNUAL]~~ FEE. If the ~~[annual]~~ fee for a license is not paid before
7 the 16th day after the date on which the written notice of
8 delinquency of payment has been given to the license holder, the
9 license expires on ~~[the later of:~~

- 10 ~~[(1)]~~ that day~~;~~ ~~or~~
11 ~~[(2) December 31 of the last year for which an annual~~
12 ~~fee was paid]~~.

13 SECTION 74. Section 393.614(a), Finance Code, is amended to
14 read as follows:

15 (a) After notice and opportunity for a hearing, the
16 commissioner may suspend or revoke a license if the commissioner
17 finds that:

18 (1) the license holder failed to pay the ~~[annual]~~
19 license fee, an examination fee, an investigation fee, or another
20 charge imposed by the commissioner under this subchapter;

21 (2) the license holder, knowingly or without the
22 exercise of due care, violated this chapter or a rule adopted or
23 order issued under this chapter; or

24 (3) a fact or condition exists that, if it had existed
25 or had been known to exist at the time of the original application
26 for the license, clearly would have justified the commissioner's
27 denial of the application.

1 SECTION 75. Section 394.204, Finance Code, is amended by
2 amending Subsections (b), (f), (g), and (k) and adding Subsection
3 (j-1) to read as follows:

4 (b) A registration issued under this section is valid for
5 the period prescribed by finance commission rule adopted under
6 Section 14.112 [~~Registration expires on December 31 of the year in~~
7 ~~which the registration occurs and must be renewed annually~~].

8 (f) Subject to Subsection (j-1), a [A] person may renew a
9 registration by paying the appropriate fee and completing all
10 required documents.

11 (g) Subject to Section 14.112, the [The] finance commission
12 by rule may establish procedures to facilitate the registration and
13 collection of fees under this section[~~, including rules staggering~~
14 ~~throughout the year the dates on which fees are due~~].

15 (j-1) The commissioner may refuse to renew the registration
16 of a person who fails to comply with an order issued by the
17 commissioner to enforce this chapter.

18 (k) In addition to the power to refuse an initial
19 application as specified in this section, the commissioner may
20 suspend or revoke a provider's registration after notice and
21 opportunity for a hearing if the commissioner finds that any of the
22 following conditions are met:

23 (1) a fact or condition exists that, if it had existed
24 when the provider applied for registration, would have been grounds
25 for denying registration;

26 (2) a fact or condition exists that the commissioner
27 was not aware of when the provider applied for registration and

1 would have been grounds for denying registration;

2 (3) the provider violates this subchapter or rule or
3 order of the commissioner under this subchapter;

4 (4) the provider is insolvent;

5 (5) the provider refuses to permit the commissioner to
6 make an examination authorized by this subchapter;

7 (6) the provider fails to respond within a reasonable
8 time and in an appropriate manner to communications from the
9 commissioner;

10 (7) the provider has received money from or on behalf
11 of a consumer for disbursement to a creditor under a debt management
12 plan that provides for regular periodic payments to creditors in
13 full repayment of the principal amount of the debts and the provider
14 has failed to disburse money to the creditor on behalf of the
15 consumer within a reasonable time, normally 30 days;

16 (8) the commissioner determines that the provider's
17 trust account is not materially in balance with and reconciled to
18 the consumer's account; or

19 (9) the provider fails to warrant the belief that the
20 business will be operated lawfully and fairly and within the
21 provisions and purposes of this subchapter.

22 SECTION 76. Section 394.205(b), Finance Code, is amended to
23 read as follows:

24 (b) Each provider shall file a report with the commissioner
25 at each renewal of the provider's registration. The report must at
26 a minimum disclose in detail and under appropriate headings:

27 (1) the assets and liabilities of the provider at the

1 beginning and end of the period, if the provider is a nonprofit or
2 tax exempt organization;

3 (2) the total number of debt management plans the
4 provider has initiated on behalf of consumers in this state during
5 that period [~~year~~]; and

6 (3) records of total and average fees charged to
7 consumers, including all voluntary contributions received from
8 consumers.

9 SECTION 77. Section 394.214(e), Finance Code, is amended to
10 read as follows:

11 (e) The commissioner may enforce this subchapter and rules
12 adopted under this subchapter by:

13 (1) ordering the violator to cease and desist from the
14 violation and any similar violations;

15 (2) ordering the violator to take affirmative action
16 to correct the violation, including the restitution of money or
17 property to a person aggrieved by the violation;

18 (3) imposing an administrative penalty not to exceed
19 \$1,000 for each violation as provided by Subchapter F, Chapter 14;
20 or

21 (4) rejecting an initial application, refusing to
22 renew a registration, or revoking or suspending a registration as
23 provided by Section 394.204.

24 SECTION 78. Section 1956.0612, Occupations Code, is amended
25 by amending Subsections (b) and (d) and adding Subsections (b-1),
26 (d-1), and (h) to read as follows:

27 (b) To register as a dealer, a person must provide to the

1 commissioner [~~7, on or before December 31 preceding each calendar~~
2 ~~year in which the person seeks to act as a dealer~~]:

3 (1) a list of each location in this state at which the
4 person will conduct business as a dealer; and

5 (2) a processing fee for each location included on the
6 list furnished under Subdivision (1).

7 (b-1) A registration issued under this section is valid for
8 the period prescribed by commission rule adopted under Section
9 14.112, Finance Code.

10 (d) The commission by rule shall establish a deadline for
11 the submission of the information and fee required by Subsection
12 (b) for initial issuance and renewal of registrations under this
13 section.

14 (d-1) After the applicable [December 31] deadline for
15 initial or renewal registrations, a dealer may amend the
16 registration required under Subsection (a) to reflect any change in
17 the information provided by the registration.

18 (h) The commissioner may refuse to renew the registration of
19 a person who fails to comply with an order issued by the
20 commissioner to enforce this chapter.

21 SECTION 79. Section 1956.0614(a), Occupations Code, is
22 amended to read as follows:

23 (a) The commissioner may revoke the registration of a dealer
24 if the commissioner concludes that the dealer has violated this
25 chapter or an order issued by the commissioner to enforce this
26 chapter. The commissioner shall recite the basis of the decision in
27 an order revoking the registration.

1 SECTION 80. Section 1956.063, Occupations Code, is amended
2 by amending Subsection (c) and adding Subsection (c-1) to read as
3 follows:

4 (c) For each transaction regulated by this subchapter, the
5 dealer shall submit a report on a preprinted and prenumbered form
6 prescribed by the commissioner or in the manner described by
7 Subsection (c-1). The form must include the following:

8 (1) the date of the transaction;

9 (2) a description of the crafted precious metal
10 purchased by the dealer;

11 (3) the name and physical address of the dealer; and

12 (4) the name, physical description, and physical
13 address of the seller or transferor.

14 (c-1) A dealer may submit a list required by Section
15 1956.062(b) to satisfy the reporting requirement under this section
16 if the list contains the information described by Subsection (c).

17 SECTION 81. The following provisions of the Finance Code
18 are repealed:

19 (1) Section 14.208(d);

20 (2) Section 371.052(b); and

21 (3) Sections 371.304(b), (c), and (d).

22 SECTION 82. Section 14.112, Finance Code, as added by this
23 Act, applies only to a license or registration issued or renewed on
24 or after September 1, 2019. A license or registration issued or
25 renewed before that date is governed by the law in effect
26 immediately before the effective date of this Act, and the former
27 law is continued in effect for that purpose.

1 SECTION 83. A license issued under Section 371.104, Finance
2 Code, before the effective date of this Act expires on December 31,
3 2019.

4 SECTION 84. The changes in law made by this Act do not
5 affect the validity of a disciplinary action or other proceeding
6 that was initiated before the effective date of this Act and that is
7 pending before a court or other governmental entity on that date.

8 SECTION 85. The changes in law made by this Act to Section
9 371.304, Finance Code, apply only to an offense committed on or
10 after the effective date of this Act. An offense committed before
11 the effective date of this Act is governed by the law in effect on
12 the date the offense was committed, and the former law is continued
13 in effect for that purpose. For purposes of this section, an offense
14 was committed before the effective date of this Act if any element
15 of the offense occurred before that date.

16 SECTION 86. (a) Not later than November 1, 2019, the Finance
17 Commission of Texas shall adopt rules to implement the pawnshop
18 employee license program under Section 371.101, Finance Code, as
19 amended by this Act.

20 (b) Not later than December 1, 2019, the Office of Consumer
21 Credit Commissioner shall be prepared to accept applications for
22 licenses under the pawnshop employee license program described by
23 Section 371.101, Finance Code, as amended by this Act.

24 SECTION 87. This Act takes effect September 1, 2019.