

1-1 By: Paddie, et al. (Senate Sponsor - Hall) H.B. No. 1442
 1-2 (In the Senate - Received from the House April 4, 2019;
 1-3 April 8, 2019, read first time and referred to Committee on
 1-4 Business & Commerce; April 30, 2019, reported adversely, with
 1-5 favorable Committee Substitute by the following vote: Yeas 9, Nays
 1-6 0; April 30, 2019, sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			
1-17	X			

1-18 COMMITTEE SUBSTITUTE FOR H.B. No. 1442 By: Nichols

1-19 A BILL TO BE ENTITLED
 1-20 AN ACT

1-21 relating to the continuation and functions of the Office of
 1-22 Consumer Credit Commissioner, the licensing and registration of
 1-23 persons regulated by that state agency, and certain consumer
 1-24 financial transactions regulated by that state agency.

1-25 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-26 SECTION 1. Section 11.305(a), Finance Code, is amended to
 1-27 read as follows:

1-28 (a) The ~~[finance commission shall instruct the]~~ consumer
 1-29 credit commissioner shall ~~[to]~~ establish a program to address
 1-30 alternatives to high-cost lending in this state. The program shall:

1-31 (1) study and report on ~~[the problem of]~~ high-cost
 1-32 lending, including ~~[without limitation]~~ the availability, quality,
 1-33 and prices of financial services ~~[, including lending and depository~~
 1-34 ~~services,]~~ offered in this state to ~~[agricultural businesses, small~~
 1-35 ~~businesses, and]~~ individual consumers in this state; and

1-36 (2) evaluate alternatives to high-cost lending and the
 1-37 practices of business entities in this state that provide financial
 1-38 services to ~~[agricultural businesses, small businesses, and]~~
 1-39 individual consumers in this state~~[-~~

1-40 ~~[(3) develop models to provide lower-cost alternatives~~
 1-41 ~~to assist borrowers who contract for high-cost loans; and~~

1-42 ~~[(4) track the location of lenders who enter into loan~~
 1-43 ~~contracts providing for an interest charge authorized by Section~~
 1-44 ~~342.201, map the location of the lenders by senatorial district and~~
 1-45 ~~by any other appropriate areas, provide other demographic~~
 1-46 ~~information relating to the loans and the location of the lenders,~~
 1-47 ~~and provide information on the changes in the distribution of the~~
 1-48 ~~lenders from 1997 through the date of the report].~~

1-49 SECTION 2. Section 14.059(b), Finance Code, is amended to
 1-50 read as follows:

1-51 (b) The program must require intra-agency posting of all
 1-52 nonentry level positions concurrently with any ~~[for at least 10~~
 1-53 ~~days before]~~ public posting.

1-54 SECTION 3. Section 14.062, Finance Code, is amended to read
 1-55 as follows:

1-56 Sec. 14.062. CONSUMER INFORMATION AND COMPLAINTS. (a) The
 1-57 office shall maintain a system to promptly and efficiently act on
 1-58 complaints ~~[file on each written complaint]~~ filed with the office.
 1-59 The office shall maintain information about parties to the
 1-60 complaint, the subject matter of the complaint, a summary of the

2-1 results of the review or investigation of the complaint, and its
2-2 disposition [~~The file must include:~~
2-3 [~~(1) the name of the person who filed the complaint,~~
2-4 [~~(2) the date the complaint is received by the office,~~
2-5 [~~(3) the subject matter of the complaint,~~
2-6 [~~(4) the name of each person contacted in relation to~~
2-7 ~~the complaint,~~
2-8 [~~(5) a summary of the results of the review or~~
2-9 ~~investigation of the complaint, and~~
2-10 [~~(6) an explanation of the reason the file was closed,~~
2-11 ~~if the office closed the file without taking action other than to~~
2-12 ~~investigate the complaint].~~

2-13 (b) The office shall make information available describing
2-14 its procedures for [~~provide to the person filing the complaint and~~
2-15 ~~to each person who is a subject of the complaint a copy of the~~
2-16 ~~office's policies and procedures relating to] complaint
2-17 investigation and resolution.~~

2-18 (c) The office [~~, at least quarterly until final disposition~~
2-19 ~~of the complaint,~~] shall periodically notify the complaint parties
2-20 [~~person filing the complaint and each person who is a subject of the~~
2-21 ~~complaint]~~ of the status of the complaint until final disposition
2-22 [~~investigation unless the notice would jeopardize an undercover~~
2-23 ~~investigation].~~

2-24 SECTION 4. Section 14.066, Finance Code, is amended to read
2-25 as follows:

2-26 Sec. 14.066. SUNSET PROVISION. The office is subject to
2-27 Chapter 325, Government Code (Texas Sunset Act). Unless continued
2-28 in existence as provided by that chapter, the office is abolished
2-29 September 1, 2031 [~~2019~~].

2-30 SECTION 5. Section 14.107(b), Finance Code, is amended to
2-31 read as follows:

2-32 (b) The finance commission by rule shall set the fees for
2-33 licensing and examination, as applicable, under Chapter 393 with
2-34 respect to a credit access business or Chapter 342, 347, 348, 351,
2-35 353, or 371 at amounts or rates necessary to recover the costs of
2-36 administering those chapters. The rules may provide that the amount
2-37 of a fee charged to a license holder is based on the volume of the
2-38 license holder's regulated business and other key factors. The
2-39 commissioner may provide for collection of a single [~~annual~~]
2-40 fee for the term of the license from a person licensed under Subchapter
2-41 G of Chapter 393 or Chapter 342, 347, 348, 351, or 371. The fee must
2-42 [~~to~~] include amounts due for both licensing and examination.

2-43 SECTION 6. Subchapter C, Chapter 14, Finance Code, is
2-44 amended by adding Sections 14.110, 14.111, and 14.112 to read as
2-45 follows:

2-46 Sec. 14.110. ALTERNATIVE RULEMAKING AND DISPUTE
2-47 RESOLUTION. (a) The finance commission by rule shall develop a
2-48 policy to encourage the use of:

2-49 (1) negotiated rulemaking procedures under Chapter
2-50 2008, Government Code, for the adoption of rules by the finance
2-51 commission applicable to the office; and

2-52 (2) appropriate alternative dispute resolution
2-53 procedures under Chapter 2009, Government Code, to assist in the
2-54 resolution of internal and external disputes under the office's
2-55 jurisdiction.

2-56 (b) The procedures applicable to the office relating to
2-57 alternative dispute resolution must conform, to the extent
2-58 possible, to any model guidelines issued by the State Office of
2-59 Administrative Hearings for the use of alternative dispute
2-60 resolution by state agencies.

2-61 (c) The office shall:

2-62 (1) coordinate the implementation of the policy
2-63 adopted under Subsection (a);

2-64 (2) provide training as needed to implement the
2-65 procedures for negotiated rulemaking or alternative dispute
2-66 resolution; and

2-67 (3) collect data concerning the effectiveness of those
2-68 procedures.

2-69 Sec. 14.111. ADVISORY COMMITTEES. (a) The commissioner

3-1 may appoint advisory committees to assist the office and
 3-2 commissioner in performing their duties.

3-3 (b) The commissioner shall specify each committee's
 3-4 purpose, powers, and duties and shall require each committee to
 3-5 report to the commissioner or office in the manner specified by the
 3-6 commissioner concerning the committee's activities and the results
 3-7 of its work.

3-8 Sec. 14.112. LICENSING AND REGISTRATION TERMS. (a) The
 3-9 finance commission by rule shall prescribe the licensing or
 3-10 registration period for licenses and registrations issued under
 3-11 Chapters 342, 345, 347, 348, 351, 352, 353, 371, 393, and 394 of
 3-12 this code and Chapter 1956, Occupations Code, not to exceed two
 3-13 years.

3-14 (b) In adopting rules under Subsection (a), the finance
 3-15 commission shall set terms for licenses that comply with Chapter
 3-16 180 and the federal Secure and Fair Enforcement for Mortgage
 3-17 Licensing Act of 2008 (Pub. L. No. 110-289).

3-18 (c) If the finance commission prescribes the term of a
 3-19 license or registration under Subsection (a) for a period other
 3-20 than one year, the commissioner shall prorate the applicable fee
 3-21 required under a chapter specified in Subsection (a) as necessary
 3-22 to reflect the term of the license or registration.

3-23 SECTION 7. Section 14.201, Finance Code, is amended to read
 3-24 as follows:

3-25 Sec. 14.201. INVESTIGATION AND ENFORCEMENT AUTHORITY.
 3-26 Investigative and enforcement authority under this subchapter
 3-27 applies only to:

- 3-28 (1) this chapter;
 3-29 (2) Subtitles B and C, ~~of~~ Title 4;
 3-30 (3) Chapter 393 with respect to a credit access
 3-31 business;
 3-32 (4) ~~and~~ Chapter 394; and
 3-33 (5) Subchapter B, Chapter 1956, Occupations Code.

3-34 SECTION 8. Section 14.2015, Finance Code, is amended to
 3-35 read as follows:

3-36 Sec. 14.2015. CONFIDENTIALITY OF CERTAIN INFORMATION.

3-37 (a) Except as provided by Subsection (b), information or material
 3-38 obtained or compiled by the commissioner in relation to an
 3-39 examination or investigation by the commissioner or the
 3-40 commissioner's representative of a license holder, registrant,
 3-41 applicant, or other person under Subtitle B or C, Title 4,
 3-42 Subchapter G of Chapter 393, or Chapter 394 of this code or
 3-43 Subchapter B, Chapter 1956, Occupations Code, is confidential and
 3-44 may not be disclosed by the commissioner or an officer or employee
 3-45 of the office ~~[Office of Consumer Credit Commissioner],~~ including:

3-46 (1) information obtained from a license holder,
 3-47 registrant, applicant, or other person examined or investigated
 3-48 under Subtitle B or C, Title 4, Subchapter G of Chapter 393, or
 3-49 Chapter 394 of this code or Subchapter B, Chapter 1956, Occupations
 3-50 Code;

3-51 (2) work performed by the commissioner or the
 3-52 commissioner's representative on information obtained from a
 3-53 license holder, registrant, applicant, or other person for the
 3-54 purposes of an examination or investigation conducted under
 3-55 Subtitle B or C, Title 4, Chapter 393 with respect to a credit
 3-56 access business, or Chapter 394 of this code or Subchapter B,
 3-57 Chapter 1956, Occupations Code;

3-58 (3) a report on an examination or investigation of a
 3-59 license holder, registrant, applicant, or other person conducted
 3-60 under Subtitle B or C, Title 4, Chapter 393 with respect to a credit
 3-61 access business, or Chapter 394 of this code or Subchapter B,
 3-62 Chapter 1956, Occupations Code; and

3-63 (4) any written communications between the license
 3-64 holder, registrant, applicant, or other person, as applicable, and
 3-65 the commissioner or the commissioner's representative relating to
 3-66 or referencing an examination or investigation conducted under
 3-67 Subtitle B or C, Title 4, Chapter 393 with respect to a credit
 3-68 access business, or Chapter 394 of this code or Subchapter B,
 3-69 Chapter 1956, Occupations Code.

4-1 (b) The commissioner or the commissioner's representative
 4-2 may disclose the confidential information or material described by
 4-3 Subsection (a):

4-4 (1) to a department, agency, or instrumentality of
 4-5 this state or the United States if the commissioner considers
 4-6 disclosure to be necessary or proper to the enforcement of the laws
 4-7 of this state or the United States and in the best interest of the
 4-8 public;

4-9 (2) if the information was previously provided to or
 4-10 provided by the license holder, registrant, applicant, or other
 4-11 person, and the person consents to the release of the information or
 4-12 has published the information contained in the release; [~~or~~]

4-13 (3) if the commissioner determines that release of the
 4-14 information is required for an administrative hearing; or

4-15 (4) to provide a summary of investigation information
 4-16 to the person who filed the complaint with the office.

4-17 SECTION 9. Section 14.202, Finance Code, is amended to read
 4-18 as follows:

4-19 Sec. 14.202. REQUEST FOR INFORMATION; INVESTIGATION
 4-20 AUTHORITY [~~FAILURE TO COMPLY~~]. [~~(a)~~] On receipt of a written
 4-21 complaint or other reasonable cause to believe that a person is
 4-22 violating a statute listed by Section 14.201, the commissioner may:

4-23 (1) require the person to furnish information
 4-24 regarding a specific loan, retail transaction, or business practice
 4-25 to which the violation relates; and [~~-~~]

4-26 (2) [~~(b) If a person fails to furnish the information~~
 4-27 ~~requested by the commissioner, the commissioner may~~] conduct an
 4-28 investigation to determine whether a violation exists.

4-29 SECTION 10. Sections 14.208(a) and (b), Finance Code, are
 4-30 amended to read as follows:

4-31 (a) If the commissioner has reasonable cause to believe that
 4-32 a person is violating a statute to which this chapter applies, the
 4-33 commissioner, in addition to any other authorized action, may issue
 4-34 an order to cease and desist from the violation or an order to take
 4-35 affirmative action, or both, to enforce compliance. [~~A person may~~
 4-36 ~~appeal the order to the finance commission as provided by~~
 4-37 ~~Subsection (d) or directly to district court in accordance with~~
 4-38 ~~Chapter 2001, Government Code.~~]

4-39 (b) If a person against whom an order under this section is
 4-40 made requests a hearing not later than the 30th day after the date
 4-41 the order is served, the commissioner shall set and give notice of a
 4-42 hearing before a hearings officer. [~~The hearing is governed by~~
 4-43 ~~Chapter 2001, Government Code, governs the hearing and the right to~~
 4-44 ~~judicial review in district court.~~ Based on the findings of fact,
 4-45 conclusions of law, and recommendations of the hearings officer,
 4-46 the commissioner by order may find whether a violation has
 4-47 occurred.

4-48 SECTION 11. Section 14.251(b), Finance Code, is amended to
 4-49 read as follows:

4-50 (b) The commissioner may order the following businesses or
 4-51 other persons [~~a person who violates or causes a violation of this~~
 4-52 ~~chapter, Chapter 394, or Subtitle B, Title 4, or a rule adopted~~
 4-53 ~~under this chapter, Chapter 394, or Subtitle B, Title 4, or a credit~~
 4-54 ~~access business who violates or causes a violation of Chapter 393 or~~
 4-55 ~~a rule adopted under Chapter 393,~~] to pay [~~make~~] restitution to an
 4-56 identifiable person:

4-57 (1) a person who violates or causes a violation of this
 4-58 chapter, Chapter 394, or Subtitle B, Title 4, or a rule adopted
 4-59 under this chapter, Chapter 394, or Subtitle B, Title 4;

4-60 (2) a credit access business who violates or causes a
 4-61 violation of Chapter 393 or a rule adopted under Chapter 393; or

4-62 (3) a person who violates or causes a violation of
 4-63 Subchapter B, Chapter 1956, Occupations Code, or a rule adopted
 4-64 under that subchapter [~~injured by the violation~~].

4-65 SECTION 12. Section 14.256, Finance Code, is amended to
 4-66 read as follows:

4-67 Sec. 14.256. ACCEPTANCE OF PENALTY; DEFAULT. If a person
 4-68 accepts the determination and recommended penalty of the
 4-69 commissioner or fails to make a timely written request for a

5-1 hearing, the commissioner by order shall approve the determination
5-2 and impose the recommended penalty.

5-3 SECTION 13. Section 14.257(a), Finance Code, is amended to
5-4 read as follows:

5-5 (a) If a person makes a timely written request for
5-6 ~~[requests] a hearing [or fails to give a timely response to the~~
5-7 ~~notice]~~, the commissioner shall set a hearing and give notice of the
5-8 hearing to the person by certified mail.

5-9 SECTION 14. Section 342.005, Finance Code, is amended to
5-10 read as follows:

5-11 Sec. 342.005. APPLICABILITY OF CHAPTER. Except as provided
5-12 by Sections 302.001(d) and 342.004(c), a loan is subject to this
5-13 chapter if the loan:

5-14 (1) provides for interest in excess of 10 percent a
5-15 year;

5-16 (2) is extended primarily for personal, family, or
5-17 household use to a person who is located in this state at the time
5-18 the loan is made;

5-19 (3) is made by a person engaged in the business of
5-20 making, arranging, or negotiating those types of loans; and

5-21 (4) either:
5-22 (A) is not secured by a lien on real property; or
5-23 (B) is described by Section 342.001(4), 342.301,
5-24 or 342.456 and is predominantly payable in monthly installments.

5-25 SECTION 15. Section 342.0515(c), Finance Code, is amended
5-26 to read as follows:

5-27 (c) Subject to Section 14.112, the ~~[The]~~ finance commission
5-28 shall adopt rules establishing procedures for issuing, renewing,
5-29 and enforcing an individual license under this section. In adopting
5-30 rules under this subsection, the finance commission shall ensure
5-31 that:

5-32 (1) the minimum eligibility requirements for issuance
5-33 of an individual license are the same as the requirements of Section
5-34 180.055;

5-35 (2) the minimum eligibility requirements for renewal
5-36 of an individual license are the same as the requirements of Section
5-37 180.059; and

5-38 (3) the applicant pays:
5-39 (A) an investigation fee in a reasonable amount
5-40 determined by the commissioner; and

5-41 (B) a ~~[an annual]~~ license fee in an amount
5-42 determined as provided by Section 14.107.

5-43 SECTION 16. The heading to Section 342.053, Finance Code,
5-44 is amended to read as follows:

5-45 Sec. 342.053. AREA OF BUSINESS; LOANS BY MAIL OR ONLINE.

5-46 SECTION 17. Section 342.053(b), Finance Code, is amended to
5-47 read as follows:

5-48 (b) A lender may make, negotiate, arrange, and collect loans
5-49 by mail or online from a licensed office.

5-50 SECTION 18. Section 342.101(c), Finance Code, is amended to
5-51 read as follows:

5-52 (c) On the filing of each license application, the applicant
5-53 shall pay to the commissioner ~~[for the license's year of issuance]~~ a
5-54 license fee in an amount determined as provided by Section 14.107.

5-55 SECTION 19. Section 342.102(c), Finance Code, is amended to
5-56 read as follows:

5-57 (c) The bond must be conditioned on:

5-58 (1) the license holder's faithful performance under
5-59 this chapter and rules adopted under this chapter; and

5-60 (2) the payment of all amounts that become due to the
5-61 state or another person under this chapter during the period
5-62 ~~[calendar year]~~ for which the bond is given.

5-63 SECTION 20. Subchapter C, Chapter 342, Finance Code, is
5-64 amended by adding Section 342.106 to read as follows:

5-65 Sec. 342.106. LICENSE TERM. A license issued under this
5-66 chapter is valid for the period prescribed by finance commission
5-67 rule adopted under Section 14.112.

5-68 SECTION 21. Section 342.154, Finance Code, is amended to
5-69 read as follows:

6-1 Sec. 342.154. [~~ANNUAL~~] LICENSE FEE. Not later than 30 days
6-2 before the date the license expires [~~December 1~~], a license holder
6-3 shall pay to the commissioner for each license held a [~~an annual~~]
6-4 fee [~~for the year beginning the next January 1,~~] in an amount
6-5 determined as provided by Section 14.107.

6-6 SECTION 22. Section 342.155, Finance Code, is amended to
6-7 read as follows:

6-8 Sec. 342.155. EXPIRATION OF LICENSE ON FAILURE TO PAY
6-9 [~~ANNUAL~~] FEE. If the [~~annual~~] fee for a license is not paid before
6-10 the 16th day after the date on which the written notice of
6-11 delinquency of payment has been given to the license holder, the
6-12 license expires on [~~the later of:~~
6-13 [~~(1)~~] that day[, ~~or~~
6-14 [~~(2)~~ December 31 of the last year for which an annual
6-15 fee was paid].

6-16 SECTION 23. Subchapter D, Chapter 342, Finance Code, is
6-17 amended by adding Section 342.1555 to read as follows:

6-18 Sec. 342.1555. GROUNDS FOR REFUSING RENEWAL. The
6-19 commissioner may refuse to renew the license of a person who fails
6-20 to comply with an order issued by the commissioner to enforce this
6-21 chapter.

6-22 SECTION 24. Section 342.156, Finance Code, is amended to
6-23 read as follows:

6-24 Sec. 342.156. LICENSE SUSPENSION OR REVOCATION. After
6-25 notice and opportunity for a hearing, the commissioner may suspend
6-26 or revoke a license if the commissioner finds that:

6-27 (1) the license holder failed to pay the [~~annual~~]
6-28 license fee, an examination fee, an investigation fee, or another
6-29 charge imposed by the commissioner under this chapter;

6-30 (2) the license holder, knowingly or without the
6-31 exercise of due care, violated this chapter or a rule adopted or
6-32 order issued under this chapter;

6-33 (3) a fact or condition exists that, if it had existed
6-34 or had been known to exist at the time of the original application
6-35 for the license, clearly would have justified the commissioner's
6-36 denial of the application; or

6-37 (4) the license holder has failed to ensure that an
6-38 individual acting as a residential mortgage loan originator, as
6-39 defined by Section 180.002, in the making, transacting, or
6-40 negotiating of a loan subject to this chapter is licensed under this
6-41 chapter in accordance with Section 342.0515.

6-42 SECTION 25. Section 343.002, Finance Code, is amended to
6-43 read as follows:

6-44 Sec. 343.002. APPLICABILITY. (a) This chapter applies to
6-45 a loan under this chapter that is extended to a person who is
6-46 located in this state at the time the loan is made.

6-47 (b) This chapter does not apply to:

6-48 (1) a reverse mortgage; or

6-49 (2) an open-end account, as defined by Section
6-50 301.002.

6-51 SECTION 26. Section 345.007, Finance Code, is amended by
6-52 adding Subsection (d) to read as follows:

6-53 (d) This chapter applies to a retail installment
6-54 transaction extended to a person who is located in this state at the
6-55 time the transaction is entered into.

6-56 SECTION 27. Section 345.157(d), Finance Code, is amended to
6-57 read as follows:

6-58 (d) The holder shall remit 50 cents of each delinquency
6-59 charge in excess of \$10 collected under this section to the
6-60 comptroller, in the time and manner established by the comptroller,
6-61 for deposit to the credit of an account in the general revenue fund.
6-62 One-half of the money in the account may be appropriated only to
6-63 finance research conducted by the commissioner [~~finance~~
6-64 ~~commission~~] under Section 11.305 and the other one-half of the
6-65 money in the account may be appropriated only to finance
6-66 educational activities and counseling services under Section
6-67 394.001.

6-68 SECTION 28. Section 345.351, Finance Code, is amended to
6-69 read as follows:

7-1 Sec. 345.351. REGISTRATION OF HOLDER. (a) A holder who is
7-2 not an authorized lender under Chapter 342 or a credit union shall:
7-3 (1) register with the Office of Consumer Credit
7-4 Commissioner; and

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

7-8 (b) Subject to Section 14.112, the [The] finance commission
7-9 by rule may establish procedures to facilitate the registration and
7-10 collection of fees under this section~~[, including rules staggering~~
7-11 ~~throughout the year the dates on which fees are due].~~

7-12 (c) A registration issued under this section is valid for
7-13 the period prescribed by finance commission rule adopted under
7-14 Section 14.112.

7-15 (d) The commissioner may refuse to renew the registration of
7-16 a holder who fails to comply with an order issued by the
7-17 commissioner to enforce this chapter.

7-18 SECTION 29. Section 346.004(a), Finance Code, is amended to
7-19 read as follows:

7-20 (a) Unless the contract for the account provides otherwise,
7-21 this chapter applies to a revolving credit account described by
7-22 Section 346.003 if the loan or extension of credit is extended
7-23 primarily for personal, family, or household use to a person who is
7-24 located in this state at the time the loan is made or the extension
7-25 of credit is entered into.

7-26 SECTION 30. Subchapter A, Chapter 347, Finance Code, is
7-27 amended by adding Section 347.008 to read as follows:

7-28 Sec. 347.008. APPLICABILITY. Each credit transaction
7-29 extended to a person who is located in this state at the time the
7-30 transaction is entered into is subject to this chapter.

7-31 SECTION 31. Section 347.451, Finance Code, is amended by
7-32 amending Subsections (a), (b), and (d) and adding Subsections (a-1)
7-33 and (e) to read as follows:

7-34 (a) A creditor who is not an authorized lender under Chapter
7-35 342 or a credit union shall:

7-36 (1) register with the Office of Consumer Credit
7-37 Commissioner; and

7-38 (2) pay a ~~[an annual]~~ fee of \$15 for each location at
7-39 which a credit transaction is originated, serviced, or collected.

7-40 (a-1) A registration issued under this section is valid for
7-41 the period prescribed by finance commission rule adopted under
7-42 Section 14.112.

7-43 (b) Subject to Section 14.112, the [The] finance commission
7-44 by rule may establish procedures to facilitate the registration and
7-45 collection of fees under this section~~[, including rules staggering~~
7-46 ~~the due dates of the fees throughout the year].~~

7-47 (d) A creditor shall file the registration renewal and pay
7-48 the ~~[annual]~~ registration fee to the commissioner not later than
7-49 the 30th day after the date on which the creditor receives the
7-50 notice under Subsection (c).

7-51 (e) The commissioner may refuse to renew the registration of
7-52 a creditor who fails to comply with an order issued by the
7-53 commissioner to enforce this chapter.

7-54 SECTION 32. Section 347.4515, Finance Code, is amended by
7-55 adding Subsections (a-1) and (e) and amending Subsection (c) to
7-56 read as follows:

7-57 (a-1) A license issued under this section is valid for the
7-58 period prescribed by finance commission rule adopted under Section
7-59 14.112.

7-60 (c) Subject to Section 14.112, the [The] finance commission
7-61 shall adopt rules establishing procedures for issuing, renewing,
7-62 and enforcing an individual license under this section. In adopting
7-63 rules under this subsection, the finance commission shall ensure
7-64 that:

7-65 (1) the minimum eligibility requirements for issuance
7-66 of an individual license are the same as the requirements of Section
7-67 180.055;

7-68 (2) the minimum eligibility requirements for renewal
7-69 of an individual license are the same as the requirements of Section

8-1 180.059; and

8-2 (3) the applicant pays:

8-3 (A) an investigation fee in a reasonable amount
8-4 determined by the commissioner; and

8-5 (B) a [an annual] license fee in an amount
8-6 determined as provided by Section 14.107.

8-7 (e) The commissioner may refuse to renew the license of an
8-8 individual described by Subsection (b) who fails to comply with an
8-9 order issued by the commissioner to enforce this chapter.

8-10 SECTION 33. Section 348.007(a), Finance Code, is amended to
8-11 read as follows:

8-12 (a) Except as otherwise provided by this section, each
8-13 retail installment transaction extended to a person who is located
8-14 in this state at the time the transaction is entered into is subject
8-15 to this chapter.

8-16 SECTION 34. Section 348.5015(c), Finance Code, is amended
8-17 to read as follows:

8-18 (c) Subject to Section 14.112, the [The] finance commission
8-19 shall adopt rules establishing procedures for applying for issuing,
8-20 renewing, and enforcing a license under this section. In adopting
8-21 rules under this subsection, the finance commission shall ensure
8-22 that:

8-23 (1) the minimum eligibility requirements for issuance
8-24 of a license are the same as the requirements of Section 180.055;

8-25 (2) the minimum eligibility requirements for renewal
8-26 of a license are the same as the requirements of Section 180.059;
8-27 and

8-28 (3) the applicant pays:

8-29 (A) an investigation fee in a reasonable amount
8-30 determined by the commissioner; and

8-31 (B) a [an annual] license fee in an amount
8-32 determined as provided by Section 14.107.

8-33 SECTION 35. Section 348.502(b), Finance Code, is amended to
8-34 read as follows:

8-35 (b) On the filing of a license application, the applicant
8-36 shall pay to the commissioner:

8-37 (1) an investigation fee not to exceed \$200; and

8-38 (2) ~~[for the license's year of issuance,]~~ a license fee
8-39 in an amount determined as provided by Section 14.107.

8-40 SECTION 36. Subchapter F, Chapter 348, Finance Code, is
8-41 amended by adding Section 348.5055 to read as follows:

8-42 Sec. 348.5055. LICENSE TERM. A license issued under this
8-43 chapter is valid for the period prescribed by finance commission
8-44 rule adopted under Section 14.112.

8-45 SECTION 37. Section 348.506, Finance Code, is amended to
8-46 read as follows:

8-47 Sec. 348.506. ~~[ANNUAL]~~ LICENSE FEE. Not later than the 30th
8-48 day before the date the license expires ~~[December 1]~~, a license
8-49 holder shall pay to the commissioner for each license held a [an
8-50 annual] fee ~~[for the year beginning the next January 1]~~ in an
8-51 amount determined as provided by Section 14.107.

8-52 SECTION 38. Subchapter F, Chapter 348, Finance Code, is
8-53 amended by adding Section 348.5065 to read as follows:

8-54 Sec. 348.5065. GROUNDS FOR REFUSAL TO RENEW. The
8-55 commissioner may refuse to renew the license of a person who fails
8-56 to comply with an order issued by the commissioner to enforce this
8-57 chapter.

8-58 SECTION 39. Section 348.507, Finance Code, is amended to
8-59 read as follows:

8-60 Sec. 348.507. EXPIRATION OF LICENSE ON FAILURE TO PAY
8-61 ~~[ANNUAL]~~ FEE. If the ~~[annual]~~ fee for a license is not paid before
8-62 the 16th day after the date on which the written notice of
8-63 delinquency of payment has been given to the license holder, the
8-64 license expires on ~~[the later of:~~

8-65 ~~[(1)] that day[, or~~

8-66 ~~[(2) December 31 of the last year for which an annual~~
8-67 ~~fee was paid].~~

8-68 SECTION 40. Section 348.508, Finance Code, is amended to
8-69 read as follows:

9-1 Sec. 348.508. LICENSE SUSPENSION OR REVOCATION. After
9-2 notice and opportunity for a hearing, the commissioner may suspend
9-3 or revoke a license if the commissioner finds that:

9-4 (1) the license holder failed to pay the [~~annual~~]
9-5 license fee, an examination fee, an investigation fee, or another
9-6 charge imposed by the commissioner;

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

9-10 (3) a fact or condition exists that, if it had existed
9-11 or had been known to exist at the time of the original application
9-12 for the license, clearly would have justified the commissioner's
9-13 denial of the application.

9-14 SECTION 41. Section 349.301, Finance Code, is amended to
9-15 read as follows:

9-16 Sec. 349.301. PAYMENT OF FEES. A person who registers or
9-17 obtains or renews a license under this title after the date on which
9-18 the person was required to register or to obtain or renew the
9-19 license may limit the person's liability as provided by this
9-20 subchapter by paying to the commissioner:

9-21 (1) all prior registration or license fees that the
9-22 person should have paid under this title [~~for prior years~~]; and

9-23 (2) except as provided by Section 349.302(a), a late
9-24 filing fee as provided by this subchapter.

9-25 SECTION 42. Subchapter A, Chapter 351, Finance Code, is
9-26 amended by adding Section 351.012 to read as follows:

9-27 Sec. 351.012. APPLICABILITY OF CHAPTER. This chapter
9-28 applies to a property tax loan that is extended to a person for
9-29 payment of property taxes on real property located in this state.

9-30 SECTION 43. Section 351.0515(c), Finance Code, is amended
9-31 to read as follows:

9-32 (c) Subject to Section 14.112, the [~~The~~] finance commission
9-33 shall adopt rules establishing procedures for issuing, renewing,
9-34 and enforcing an individual license under this section. In adopting
9-35 rules under this subsection, the finance commission shall ensure
9-36 that:

9-37 (1) the minimum eligibility requirements for issuance
9-38 of an individual license are the same as the requirements of Section
9-39 180.055;

9-40 (2) the minimum eligibility requirements for renewal
9-41 of an individual license are the same as the requirements of Section
9-42 180.059; and

9-43 (3) the applicant pays:

9-44 (A) an investigation fee in a reasonable amount
9-45 determined by the commissioner; and

9-46 (B) a [~~an annual~~] license fee in an amount
9-47 determined as provided by Section 14.107.

9-48 SECTION 44. The heading to Section 351.053, Finance Code,
9-49 is amended to read as follows:

9-50 Sec. 351.053. AREA OF BUSINESS; PROPERTY TAX LOANS BY MAIL
9-51 OR ONLINE.

9-52 SECTION 45. Section 351.053(b), Finance Code, is amended to
9-53 read as follows:

9-54 (b) A property tax lender may make, negotiate, arrange, and
9-55 collect property tax loans by mail or online from a licensed office.

9-56 SECTION 46. Section 351.101(c), Finance Code, is amended to
9-57 read as follows:

9-58 (c) On the filing of each license application, the applicant
9-59 shall pay to the commissioner [~~for the license's year of issuance~~] a
9-60 license fee in an amount determined as provided by Section 14.107.

9-61 SECTION 47. Section 351.102(c), Finance Code, is amended to
9-62 read as follows:

9-63 (c) The bond must be conditioned on:

9-64 (1) the license holder's faithful performance under
9-65 this chapter and rules adopted under this chapter; and

9-66 (2) the payment of all amounts that become due to the
9-67 state or another person under this chapter during the period
9-68 [~~calendar year~~] for which the bond is given.

9-69 SECTION 48. Subchapter C, Chapter 351, Finance Code, is

10-1 amended by adding Section 351.106 to read as follows:
 10-2 Sec. 351.106. LICENSE TERM. A license issued under this
 10-3 chapter is valid for the period prescribed by finance commission
 10-4 rule adopted under Section 14.112.
 10-5 SECTION 49. Subchapter D, Chapter 351, Finance Code, is
 10-6 amended by adding Section 351.1535 to read as follows:
 10-7 Sec. 351.1535. GROUNDS FOR REFUSAL TO RENEW. The
 10-8 commissioner may refuse to renew the license of a person who fails
 10-9 to comply with an order issued by the commissioner to enforce this
 10-10 chapter.
 10-11 SECTION 50. Section 351.154, Finance Code, is amended to
 10-12 read as follows:
 10-13 Sec. 351.154. ~~[ANNUAL]~~ LICENSE FEE. Not later than the 30th
 10-14 day before the date the license expires ~~[December 1]~~, a license
 10-15 holder shall pay to the commissioner for each license held a ~~[an~~
 10-16 ~~annual]~~ fee ~~[for the year beginning the next January 1,]~~ in an
 10-17 amount determined as provided by Section 14.107.
 10-18 SECTION 51. Section 351.155, Finance Code, is amended to
 10-19 read as follows:
 10-20 Sec. 351.155. EXPIRATION OF LICENSE ON FAILURE TO PAY
 10-21 ~~[ANNUAL]~~ FEE. If the ~~[annual]~~ fee for a license is not paid before
 10-22 the 16th day after the date on which the written notice of
 10-23 delinquency of payment has been given to the license holder, the
 10-24 license expires on ~~[the later of:~~
 10-25 ~~[(1)] that day,~~ ~~or~~
 10-26 ~~[(2) December 31 of the last year for which an annual~~
 10-27 ~~fee was paid].~~
 10-28 SECTION 52. Section 351.156, Finance Code, is amended to
 10-29 read as follows:
 10-30 Sec. 351.156. LICENSE SUSPENSION OR REVOCATION. After
 10-31 notice and opportunity for a hearing, the commissioner may suspend
 10-32 or revoke a license if the commissioner finds that:
 10-33 (1) the license holder failed to pay the ~~[annual]~~
 10-34 license fee, an examination fee, an investigation fee, or another
 10-35 charge imposed by the commissioner under this chapter;
 10-36 (2) the license holder, knowingly or without the
 10-37 exercise of due care, violated this chapter or Section 32.06 or
 10-38 32.065, Tax Code, or a rule adopted or an order issued under this
 10-39 chapter or Section 32.06 or 32.065, Tax Code;
 10-40 (3) a fact or condition exists that, if it had existed
 10-41 or had been known to exist at the time of the original application
 10-42 for the license, clearly would have justified the commissioner's
 10-43 denial of the application; or
 10-44 (4) the license holder has failed to ensure that an
 10-45 individual acting as a residential mortgage loan originator, as
 10-46 defined by Section 180.002, in the making, transacting, or
 10-47 negotiating of a property tax loan for a principal dwelling is
 10-48 licensed under this chapter in accordance with Section 351.0515.
 10-49 SECTION 53. Section 352.003, Finance Code, is amended by
 10-50 amending Subsections (a) and (c) and adding Subsections (a-1),
 10-51 (c-1), and (f) to read as follows:
 10-52 (a) To register as a facilitator, a person must provide to
 10-53 the commissioner ~~[, on or before December 31 preceding each calendar~~
 10-54 ~~year in which the person seeks to act as a facilitator]:~~
 10-55 (1) a list of each location in this state at which
 10-56 e-file providers authorized by the Internal Revenue Service file
 10-57 tax returns on behalf of borrowers for whom the facilitator acts to
 10-58 allow the making of a refund anticipation loan; and
 10-59 (2) a processing fee for each location included on the
 10-60 list furnished under Subdivision (1).
 10-61 (a-1) A registration issued under this section is valid for
 10-62 the period prescribed by finance commission rule adopted under
 10-63 Section 14.112.
 10-64 (c) The finance commission by rule shall establish a
 10-65 deadline for the submission of the information and fee required by
 10-66 Subsection (a) for initial issuance and renewal of registrations
 10-67 under this section.
 10-68 (c-1) After the applicable ~~[December 31]~~ deadline for
 10-69 initial or renewal registrations, a facilitator may amend the

11-1 registration required under Subsection (a) to reflect any change in
 11-2 the information provided by the registration.

11-3 (f) The commissioner may refuse to renew the registration of
 11-4 a person who fails to comply with an order issued by the
 11-5 commissioner to enforce this chapter.

11-6 SECTION 54. Section 352.006(b), Finance Code, is amended to
 11-7 read as follows:

11-8 (b) If the commissioner proposes to revoke a registration,
 11-9 the facilitator is entitled to notice and an opportunity for a
 11-10 hearing before the commissioner or a hearings officer, who shall
 11-11 propose a decision to the commissioner. The commissioner or
 11-12 hearings officer shall prescribe the time and place of the hearing
 11-13 if the facilitator makes a written request for a hearing not later
 11-14 than the 20th day after the date the facilitator receives the notice
 11-15 of the proposed revocation. The hearing is governed by Chapter
 11-16 2001, Government Code.

11-17 SECTION 55. Chapter 352, Finance Code, is amended by adding
 11-18 Section 352.009 to read as follows:

11-19 Sec. 352.009. APPLICABILITY OF CHAPTER. This chapter
 11-20 applies to a refund anticipation loan that is extended to a person
 11-21 who is located in this state at the time the loan is made.

11-22 SECTION 56. Section 353.502(b), Finance Code, is amended to
 11-23 read as follows:

11-24 (b) On the filing of a license application, the applicant
 11-25 shall pay to the commissioner:

11-26 (1) an investigation fee not to exceed \$200; and
 11-27 (2) ~~[for the license's year of issuance,]~~ a license fee
 11-28 in an amount determined as provided by Section 14.107.

11-29 SECTION 57. Subchapter F, Chapter 353, Finance Code, is
 11-30 amended by adding Section 353.5055 to read as follows:

11-31 Sec. 353.5055. LICENSE TERM. A license issued under this
 11-32 chapter is valid for the period prescribed by finance commission
 11-33 rule adopted under Section 14.112.

11-34 SECTION 58. Section 353.506, Finance Code, is amended to
 11-35 read as follows:

11-36 Sec. 353.506. ~~[ANNUAL]~~ LICENSE FEE. Not later than the 30th
 11-37 day before the date the license expires ~~[December 1]~~, a license
 11-38 holder shall pay to the commissioner for each license held a ~~[an~~
 11-39 ~~annual]~~ fee ~~[for the year beginning the next January 1,]~~ in an
 11-40 amount determined as provided by Section 14.107.

11-41 SECTION 59. Subchapter F, Chapter 353, Finance Code, is
 11-42 amended by adding Section 353.5065 to read as follows:

11-43 Sec. 353.5065. GROUNDS FOR REFUSAL OF RENEWAL. The
 11-44 commissioner may refuse to renew the license of a person who fails
 11-45 to comply with an order issued by the commissioner to enforce this
 11-46 chapter.

11-47 SECTION 60. Section 353.507, Finance Code, is amended to
 11-48 read as follows:

11-49 Sec. 353.507. EXPIRATION OF LICENSE ON FAILURE TO PAY
 11-50 ~~[ANNUAL]~~ FEE. If the ~~[annual]~~ fee for a license is not paid before
 11-51 the 16th day after the date on which the written notice of
 11-52 delinquency of payment has been given to the license holder, the
 11-53 license expires on ~~[the later of:~~

11-54 ~~[(1)] that day[, or~~
 11-55 ~~[(2)] December 31 of the last year for which an annual~~
 11-56 ~~fee was paid].~~

11-57 SECTION 61. Section 353.508, Finance Code, is amended to
 11-58 read as follows:

11-59 Sec. 353.508. LICENSE SUSPENSION OR REVOCATION. After
 11-60 notice and opportunity for a hearing, the commissioner may suspend
 11-61 or revoke a license if the commissioner finds that:

11-62 (1) the license holder failed to pay the ~~[annual]~~
 11-63 license fee, an investigation fee, or another charge imposed by the
 11-64 commissioner;

11-65 (2) the license holder, knowingly or without the
 11-66 exercise of due care, violated this chapter or a rule adopted or
 11-67 order issued under this chapter; or

11-68 (3) a fact or condition exists that, if it had existed
 11-69 or had been known to exist at the time of the original application

12-1 for the license, clearly would have justified the commissioner's
12-2 denial of the application.

12-3 SECTION 62. Section 354.005(d), Finance Code, is amended to
12-4 read as follows:

12-5 (d) The commissioner may deny approval of a form only if the
12-6 form excludes the language required by Sections 354.003 and 354.004
12-7 or contains any inconsistent or misleading provisions. All form
12-8 denials, after an opportunity for a hearing under Chapter 2001,
12-9 Government Code, may be appealed to a district court in accordance
12-10 with that chapter [~~the finance commission~~].

12-11 SECTION 63. Section 371.002, Finance Code, is amended to
12-12 read as follows:

12-13 Sec. 371.002. PURPOSES. The purposes of this chapter are
12-14 to:

12-15 (1) prevent fraud, unfair practices, discrimination,
12-16 imposition, and abuse of state residents;

12-17 (2) exercise the state's police power to ensure a sound
12-18 system of making pawn loans and transfers of personal property by
12-19 and through pawnshops;

12-20 (3) prevent transactions in stolen property and other
12-21 unlawful property transactions by licensing and regulating
12-22 pawnbrokers [~~and pawnshop employees~~];

12-23 (4) provide for licensing and investigation fees;

12-24 (5) provide minimum capital requirements for
12-25 pawnbrokers;

12-26 (6) ensure financial responsibility to the state and
12-27 its residents and compliance with federal, state, and local law,
12-28 including rules and ordinances; and

12-29 (7) assist local governments in the exercise of their
12-30 police power.

12-31 SECTION 64. Section 371.003(8), Finance Code, is amended to
12-32 read as follows:

12-33 (8) "Pawn transaction" means the pledging, by a person
12-34 present in this state at the time of the transaction, with a
12-35 pawnbroker of a single item of goods as security for a loan of
12-36 money.

12-37 SECTION 65. Section 371.052(a), Finance Code, is amended to
12-38 read as follows:

12-39 (a) To be eligible for a pawnshop license, an applicant
12-40 must:

12-41 (1) [~~be of good moral character,~~

12-42 [~~2~~] meet the net assets requirement of Section
12-43 371.072; and

12-44 (2) [~~3~~] show that:

12-45 (A) the pawnshop will be operated lawfully and
12-46 fairly under this chapter; and

12-47 (B) the applicant or the applicant's owners and
12-48 managers have the financial responsibility, experience, character,
12-49 and general fitness to command the confidence of the public in the
12-50 pawnshop's operations.

12-51 SECTION 66. Section 371.055, Finance Code, is amended to
12-52 read as follows:

12-53 Sec. 371.055. FEES; PROOF OF INSURANCE. An applicant must
12-54 submit with the application:

12-55 (1) an investigation fee of:

12-56 (A) \$500 if the applicant does not hold a
12-57 license; or

12-58 (B) \$250 if the application:

12-59 (i) is for an additional license for a
12-60 separate location; or

12-61 (ii) involves substantially identical
12-62 principals and owners of a licensed pawnshop at a separate
12-63 location;

12-64 (2) a [~~an annual~~] fee in an amount determined as
12-65 provided by Section 14.107; and

12-66 (3) proof of general liability and fire insurance in a
12-67 reasonable amount and form required by the commissioner.

12-68 SECTION 67. Section 371.062, Finance Code, is amended to
12-69 read as follows:

13-1 Sec. 371.062. DISPOSITION OF FEES ON DENIAL OF APPLICATION.
 13-2 If the commissioner denies the application, the commissioner shall
 13-3 retain the investigation fee and shall return to the applicant the
 13-4 [~~annual~~] license fee submitted with the application.

13-5 SECTION 68. Subchapter B, Chapter 371, Finance Code, is
 13-6 amended by adding Section 371.0625 to read as follows:

13-7 Sec. 371.0625. LICENSE TERM. A license issued under this
 13-8 subchapter is valid for the period prescribed by finance commission
 13-9 rule adopted under Section 14.112.

13-10 SECTION 69. Section 371.064, Finance Code, is amended to
 13-11 read as follows:

13-12 Sec. 371.064. [~~ANNUAL~~] LICENSE FEE; EXPIRATION. (a) Not
 13-13 later than the 30th day before the date the license expires
 13-14 [~~December 1~~], a pawnbroker shall pay to the commissioner for each
 13-15 license held a [~~an annual~~] fee in an amount determined as provided
 13-16 by Section 14.107 [~~for the year beginning the next January 1~~].

13-17 (b) If the [~~annual~~] fee for a license is not paid before the
 13-18 16th day after the date on which written notice of delinquency of
 13-19 payment has been given to the pawnbroker by the commissioner, the
 13-20 license expires on [~~the later of:~~

- 13-21 [~~(1)~~] that day[~~, or~~
- 13-22 [~~(2)~~] ~~December 31 of the last year for which an annual~~
 13-23 ~~fee was paid].~~

13-24 SECTION 70. Subchapter B, Chapter 371, Finance Code, is
 13-25 amended by adding Section 371.0645 to read as follows:

13-26 Sec. 371.0645. GROUNDS FOR REFUSAL TO RENEW. The
 13-27 commissioner may refuse to renew the license of a person who fails
 13-28 to comply with an order issued by the commissioner to enforce this
 13-29 chapter.

13-30 SECTION 71. Subchapter B, Chapter 371, Finance Code, is
 13-31 amended by adding Section 371.074 to read as follows:

13-32 Sec. 371.074. PAWNBROKER RESPONSIBLE FOR EMPLOYEES AND
 13-33 AGENTS. A license holder under this subchapter is responsible for
 13-34 all acts of the license holder's officers, directors, employees,
 13-35 and agents acting on behalf of the pawnshop.

13-36 SECTION 72. The heading to Subchapter C, Chapter 371,
 13-37 Finance Code, is amended to read as follows:

13-38 SUBCHAPTER C. PAWNSHOP EMPLOYEE LICENSE PROGRAM

13-39 SECTION 73. Section 371.101, Finance Code, is amended to
 13-40 read as follows:

13-41 Sec. 371.101. PAWNSHOP EMPLOYEE LICENSE PROGRAM
 13-42 [REQUIRED]. (a) A pawnbroker may, but is not required to,
 13-43 participate in the pawnshop employee license program by notifying
 13-44 the commissioner in writing on a form prescribed by the
 13-45 commissioner.

13-46 (a-1) A pawnbroker may submit a written notification to
 13-47 participate in the pawnshop employee license program under
 13-48 Subsection (a):

- 13-49 (1) at the time of the pawnbroker's original license
 13-50 application;
- 13-51 (2) at the time of a renewal of the pawnbroker's
 13-52 license; or
- 13-53 (3) at another time prescribed by the commissioner.

13-54 (a-2) A pawnbroker may notify the commissioner in writing of
 13-55 the pawnbroker's intention to no longer participate in the pawnshop
 13-56 employee license program at any time notification is permitted
 13-57 under Subsection (a-1). On receipt by the commissioner of a
 13-58 pawnbroker's notification under this subsection, the pawnbroker
 13-59 will no longer be a part of the pawnshop employee license program
 13-60 unless the pawnbroker resubmits a new notification for
 13-61 participation under Subsection (a-1).

13-62 (b) An individual who begins employment at a pawnshop for a
 13-63 pawnbroker that participates in the pawnshop employee license
 13-64 program under Subsection (a), as a condition of employment, must
 13-65 apply to the commissioner for a pawnshop employee license not later
 13-66 than the 75th day after the date employment begins.

13-67 [~~(b)~~] The individual may continue employment until the
 13-68 license is issued or denied.

13-69 (c) If a pawnbroker participates in the pawnshop employee

14-1 license program under Subsection (a), the participating [A]
14-2 pawnbroker may not employ an individual to write a pawn
14-3 transaction, buy or sell merchandise, or supervise another employee
14-4 who writes pawn transactions or buys or sells merchandise unless
14-5 the individual:

14-6 (1) has complied with Subsection (b) [~~(a)~~] but has not
14-7 been issued or denied a license; or

14-8 (2) holds a pawnshop employee license.

14-9 (d) Subsection (c) does not apply to an individual who:

14-10 (1) has an ownership interest in the pawnshop license;
14-11 and

14-12 (2) is named on the application.

14-13 (e) Subject to Section 14.112, the Finance Commission of
14-14 Texas shall adopt rules to administer the pawnshop employee license
14-15 program.

14-16 SECTION 74. Section 371.102(a), Finance Code, is amended to
14-17 read as follows:

14-18 (a) To be eligible for a pawnshop employee license, an
14-19 individual must:

14-20 (1) be of [~~good moral character and~~] good business
14-21 repute; [~~and~~]

14-22 (2) possess the character and general fitness
14-23 necessary to warrant belief that the individual will operate the
14-24 business lawfully and fairly under this chapter; and

14-25 (3) be employed by a pawnbroker that participates in
14-26 the pawnshop employee license program under Section 371.101.

14-27 SECTION 75. Section 371.103(b), Finance Code, is amended to
14-28 read as follows:

14-29 (b) The application must be accompanied by an investigation
14-30 and annual fee in an amount determined as provided by Section 14.107
14-31 [~~of \$25~~].

14-32 SECTION 76. Section 371.105, Finance Code, is amended to
14-33 read as follows:

14-34 Sec. 371.105. LICENSE TERM. A pawnshop employee license is
14-35 valid for the period prescribed by finance commission rule adopted
14-36 under Section 14.112 [~~effective until the license expires or is~~
14-37 ~~surrendered, suspended, or revoked~~].

14-38 SECTION 77. Section 371.106, Finance Code, is amended to
14-39 read as follows:

14-40 Sec. 371.106. [~~ANNUAL~~] LICENSE FEE; EXPIRATION. (a) Not
14-41 later than the 30th day before the date the license expires
14-42 [~~December 1~~], a pawnshop employee license holder shall pay to the
14-43 commissioner a [~~an annual~~] fee in an amount determined as provided
14-44 by Section 14.107 [~~of \$15 for the year beginning the next January~~
14-45 ~~1~~].

14-46 (b) The commissioner shall send written notice of
14-47 delinquency to a license holder who does not pay the fee on or
14-48 before the 30th day before the date the license expires [~~December~~
14-49 ~~1~~].

14-50 (c) If the [~~annual~~] fee for a license is not paid before the
14-51 16th day after the date of the delinquency notice, the license
14-52 expires on [~~the later of~~]

14-53 [~~(1)~~] that day [~~, or~~

14-54 [~~(2)~~] January 1 of the first year for which the annual
14-55 fee was not paid].

14-56 (d) A pawnshop employee license expires on the 30th day
14-57 after the last day of employment if the license holder:

14-58 (1) ceases to be employed by a pawnbroker that
14-59 participates in the pawnshop employee license program under Section
14-60 371.101; and

14-61 (2) is not employed within that time by another
14-62 pawnbroker that participates in the pawnshop employee license
14-63 program.

14-64 SECTION 78. Subchapter C, Chapter 371, Finance Code, is
14-65 amended by adding Section 371.107 to read as follows:

14-66 Sec. 371.107. GROUNDS FOR REFUSAL TO RENEW. The
14-67 commissioner may refuse to renew the pawnshop employee license of a
14-68 person who fails to comply with an order issued by the commissioner
14-69 to enforce this chapter.

15-1 SECTION 79. Section 371.251(a), Finance Code, is amended to
 15-2 read as follows:

15-3 (a) After notice and opportunity for a hearing, the
 15-4 commissioner may revoke or suspend a pawnshop license if the
 15-5 commissioner finds that:

15-6 (1) the pawnbroker has not paid a fee or charge imposed
 15-7 by the commissioner under this chapter;

15-8 (2) the pawnbroker, knowingly or without exercising
 15-9 due care to prevent the violation, has violated this chapter or a
 15-10 rule adopted or an order issued under this chapter;

15-11 (3) a fact or condition exists that, if it had existed
 15-12 or had been known to exist at the time of the original license
 15-13 application, clearly would have justified refusal to issue the
 15-14 license;

15-15 (4) the pawnbroker has established an association with
 15-16 an unlicensed person who, with the knowledge of the pawnbroker, has
 15-17 violated this chapter;

15-18 (5) the pawnbroker has aided or conspired with a
 15-19 person to circumvent this chapter;

15-20 (6) the pawnbroker or a legal or beneficial owner of
 15-21 the pawnbroker [~~is not of good moral character or~~] has been
 15-22 convicted of a crime that the commissioner finds directly relates
 15-23 to the duties and responsibilities of the occupation of pawnbroker
 15-24 or would otherwise make the person unfit for a pawnshop license
 15-25 under Section 371.052;

15-26 (7) the financial responsibility, experience,
 15-27 character, or general fitness of the pawnbroker or its owners and
 15-28 managers do not command the confidence of the public or warrant the
 15-29 belief that the business will be operated lawfully, fairly, and
 15-30 within the purposes of this chapter; or

15-31 (8) the pawnbroker has not maintained the minimum net
 15-32 assets required by Section 371.072.

15-33 SECTION 80. Section 371.255, Finance Code, is amended to
 15-34 read as follows:

15-35 Sec. 371.255. REVOCATION OR SUSPENSION OF PAWNSHOP EMPLOYEE
 15-36 LICENSE. After notice and hearing, the commissioner may revoke or
 15-37 suspend a pawnshop employee license if the commissioner finds that:

15-38 (1) the license holder knowingly or recklessly
 15-39 violated this chapter or a rule adopted or order issued under this
 15-40 chapter;

15-41 (2) a fact or condition exists that, if it had existed
 15-42 or had been known to exist at the time of the original license
 15-43 application, clearly would have justified refusal to issue the
 15-44 license; or

15-45 (3) the [~~moral character,~~] business repute[~~,~~] and
 15-46 general fitness of the license holder do not warrant belief that the
 15-47 license holder will operate the business lawfully and fairly within
 15-48 the provisions of this chapter.

15-49 SECTION 81. Section 371.258(c), Finance Code, is amended to
 15-50 read as follows:

15-51 (c) The commissioner shall reinstate an expired pawnbroker
 15-52 license if, not later than the 180th day after the date on which the
 15-53 license expired, the pawnbroker pays the commissioner the
 15-54 delinquent \$125 [~~annual~~] fee plus a reinstatement fee of \$1,000.
 15-55 After a pawnbroker's license has expired, the commissioner shall
 15-56 promptly send notice of reinstatement rights to the delinquent
 15-57 pawnbroker by certified mail.

15-58 SECTION 82. Section 393.602(a), Finance Code, is amended to
 15-59 read as follows:

15-60 (a) This subchapter applies only to a credit services
 15-61 organization that, with respect to a consumer who is located in this
 15-62 state at the time of the transaction, obtains for a consumer or
 15-63 assists a consumer in obtaining an extension of consumer credit in
 15-64 the form of:

15-65 (1) a deferred presentment transaction; or

15-66 (2) a motor vehicle title loan.

15-67 SECTION 83. Section 393.604(c), Finance Code, is amended to
 15-68 read as follows:

15-69 (c) On the filing of each license application, the applicant

16-1 shall pay to the commissioner [~~for the license's year of issuance~~] a
 16-2 license fee in an amount determined as provided by Section 14.107.

16-3 SECTION 84. Section 393.605(c), Finance Code, is amended to
 16-4 read as follows:

16-5 (c) The bond must be conditioned on:

16-6 (1) the license holder's faithful performance under
 16-7 this subchapter and rules adopted under this subchapter; and

16-8 (2) the payment of all amounts that become due to this
 16-9 state or another person under this subchapter during the period
 16-10 [~~calendar year~~] for which the bond is given.

16-11 SECTION 85. Subchapter G, Chapter 393, Finance Code, is
 16-12 amended by adding Sections 393.6085 and 393.6115 to read as
 16-13 follows:

16-14 Sec. 393.6085. LICENSE TERM. A license issued under this
 16-15 chapter is valid for the period prescribed by finance commission
 16-16 rule adopted under Section 14.112.

16-17 Sec. 393.6115. GROUNDS FOR REFUSAL TO RENEW. The
 16-18 commissioner may refuse to renew the license of a credit access
 16-19 business who fails to comply with an order issued by the
 16-20 commissioner to enforce this chapter.

16-21 SECTION 86. Section 393.612, Finance Code, is amended to
 16-22 read as follows:

16-23 Sec. 393.612. [~~ANNUAL~~] LICENSE FEE. Not later than the 30th
 16-24 day before the date the license expires [~~December 1~~], a license
 16-25 holder shall pay to the commissioner for each license held a [~~an~~
 16-26 ~~annual~~] fee [~~for the year beginning the next January 1~~] in an
 16-27 amount determined as provided by Section 14.107.

16-28 SECTION 87. Section 393.613, Finance Code, is amended to
 16-29 read as follows:

16-30 Sec. 393.613. EXPIRATION OF LICENSE ON FAILURE TO PAY
 16-31 [~~ANNUAL~~] FEE. If the [~~annual~~] fee for a license is not paid before
 16-32 the 16th day after the date on which the written notice of
 16-33 delinquency of payment has been given to the license holder, the
 16-34 license expires on [~~the later of:~~

16-35 [~~(1)~~] that day[, ~~or~~

16-36 [~~(2)~~] ~~December 31 of the last year for which an annual~~
 16-37 ~~fee was paid].~~

16-38 SECTION 88. Section 393.614(a), Finance Code, is amended to
 16-39 read as follows:

16-40 (a) After notice and opportunity for a hearing, the
 16-41 commissioner may suspend or revoke a license if the commissioner
 16-42 finds that:

16-43 (1) the license holder failed to pay the [~~annual~~]
 16-44 license fee, an examination fee, an investigation fee, or another
 16-45 charge imposed by the commissioner under this subchapter;

16-46 (2) the license holder, knowingly or without the
 16-47 exercise of due care, violated this chapter or a rule adopted or
 16-48 order issued under this chapter; or

16-49 (3) a fact or condition exists that, if it had existed
 16-50 or had been known to exist at the time of the original application
 16-51 for the license, clearly would have justified the commissioner's
 16-52 denial of the application.

16-53 SECTION 89. Section 394.204, Finance Code, is amended by
 16-54 amending Subsections (b), (f), (g), and (k) and adding Subsection
 16-55 (j-1) to read as follows:

16-56 (b) A registration issued under this section is valid for
 16-57 the period prescribed by finance commission rule adopted under
 16-58 Section 14.112 [~~Registration expires on December 31 of the year in~~
 16-59 ~~which the registration occurs and must be renewed annually].~~

16-60 (f) Subject to Subsection (j-1), a [A] person may renew a
 16-61 registration by paying the appropriate fee and completing all
 16-62 required documents.

16-63 (g) Subject to Section 14.112, the [~~The~~] finance commission
 16-64 by rule may establish procedures to facilitate the registration and
 16-65 collection of fees under this section[, ~~including rules staggering~~
 16-66 ~~throughout the year the dates on which fees are due].~~

16-67 (j-1) The commissioner may refuse to renew the registration
 16-68 of a person who fails to comply with an order issued by the
 16-69 commissioner to enforce this chapter.

17-1 (k) In addition to the power to refuse an initial
 17-2 application as specified in this section, the commissioner may
 17-3 suspend or revoke a provider's registration after notice and
 17-4 opportunity for a hearing if the commissioner finds that any of the
 17-5 following conditions are met:

17-6 (1) a fact or condition exists that, if it had existed
 17-7 when the provider applied for registration, would have been grounds
 17-8 for denying registration;

17-9 (2) a fact or condition exists that the commissioner
 17-10 was not aware of when the provider applied for registration and
 17-11 would have been grounds for denying registration;

17-12 (3) the provider violates this subchapter or rule or
 17-13 order of the commissioner under this subchapter;

17-14 (4) the provider is insolvent;

17-15 (5) the provider refuses to permit the commissioner to
 17-16 make an examination authorized by this subchapter;

17-17 (6) the provider fails to respond within a reasonable
 17-18 time and in an appropriate manner to communications from the
 17-19 commissioner;

17-20 (7) the provider has received money from or on behalf
 17-21 of a consumer for disbursement to a creditor under a debt management
 17-22 plan that provides for regular periodic payments to creditors in
 17-23 full repayment of the principal amount of the debts and the provider
 17-24 has failed to disburse money to the creditor on behalf of the
 17-25 consumer within a reasonable time, normally 30 days;

17-26 (8) the commissioner determines that the provider's
 17-27 trust account is not materially in balance with and reconciled to
 17-28 the consumer's account; or

17-29 (9) the provider fails to warrant the belief that the
 17-30 business will be operated lawfully and fairly and within the
 17-31 provisions and purposes of this subchapter.

17-32 SECTION 90. Section 394.205(b), Finance Code, is amended to
 17-33 read as follows:

17-34 (b) Each provider shall file a report with the commissioner
 17-35 at each renewal of the provider's registration. The report must at
 17-36 a minimum disclose in detail and under appropriate headings:

17-37 (1) the assets and liabilities of the provider at the
 17-38 beginning and end of the period, if the provider is a nonprofit or
 17-39 tax exempt organization;

17-40 (2) the total number of debt management plans the
 17-41 provider has initiated on behalf of consumers in this state during
 17-42 that period [~~year~~]; and

17-43 (3) records of total and average fees charged to
 17-44 consumers, including all voluntary contributions received from
 17-45 consumers.

17-46 SECTION 91. Section 394.214(e), Finance Code, is amended to
 17-47 read as follows:

17-48 (e) The commissioner may enforce this subchapter and rules
 17-49 adopted under this subchapter by:

17-50 (1) ordering the violator to cease and desist from the
 17-51 violation and any similar violations;

17-52 (2) ordering the violator to take affirmative action
 17-53 to correct the violation, including the restitution of money or
 17-54 property to a person aggrieved by the violation;

17-55 (3) imposing an administrative penalty not to exceed
 17-56 \$1,000 for each violation as provided by Subchapter F, Chapter 14;
 17-57 or

17-58 (4) rejecting an initial application, refusing to
 17-59 renew a registration, or revoking or suspending a registration as
 17-60 provided by Section 394.204.

17-61 SECTION 92. Section 1956.0612, Occupations Code, is amended
 17-62 by amending Subsections (b) and (d) and adding Subsections (b-1),
 17-63 (d-1), and (h) to read as follows:

17-64 (b) To register as a dealer, a person must provide to the
 17-65 commissioner [~~on or before December 31 preceding each calendar~~
 17-66 ~~year in which the person seeks to act as a dealer~~]:

17-67 (1) a list of each location in this state at which the
 17-68 person will conduct business as a dealer; and

17-69 (2) a processing fee for each location included on the

18-1 list furnished under Subdivision (1).

18-2 (b-1) A registration issued under this section is valid for
 18-3 the period prescribed by commission rule adopted under Section
 18-4 14.112, Finance Code.

18-5 (d) The commission by rule shall establish a deadline for
 18-6 the submission of the information and fee required by Subsection
 18-7 (b) for initial issuance and renewal of registrations under this
 18-8 section.

18-9 (d-1) After the applicable [~~December 31~~] deadline for
 18-10 initial or renewal registrations, a dealer may amend the
 18-11 registration required under Subsection (a) to reflect any change in
 18-12 the information provided by the registration.

18-13 (h) The commissioner may refuse to renew the registration of
 18-14 a person who fails to comply with an order issued by the
 18-15 commissioner to enforce this chapter.

18-16 SECTION 93. Section 1956.0614(a), Occupations Code, is
 18-17 amended to read as follows:

18-18 (a) The commissioner may revoke the registration of a dealer
 18-19 if the commissioner concludes that the dealer has violated this
 18-20 chapter or an order issued by the commissioner to enforce this
 18-21 chapter. The commissioner shall recite the basis of the decision in
 18-22 an order revoking the registration.

18-23 SECTION 94. Section 1956.063, Occupations Code, is amended
 18-24 by amending Subsection (c) and adding Subsection (c-1) to read as
 18-25 follows:

18-26 (c) For each transaction regulated by this subchapter, the
 18-27 dealer shall submit a report on a preprinted and prenumbered form
 18-28 prescribed by the commissioner or in the manner described by
 18-29 Subsection (c-1). The form must include the following:

- 18-30 (1) the date of the transaction;
 18-31 (2) a description of the crafted precious metal
 18-32 purchased by the dealer;
 18-33 (3) the name and physical address of the dealer; and
 18-34 (4) the name, physical description, and physical
 18-35 address of the seller or transferor.

18-36 (c-1) A dealer may submit a list required by Section
 18-37 1956.062(b) to satisfy the reporting requirement under this section
 18-38 if the list contains the information described by Subsection (c).

18-39 SECTION 95. The following provisions of the Finance Code
 18-40 are repealed:

- 18-41 (1) Section 14.208(d);
 18-42 (2) Section 371.052(b); and
 18-43 (3) Sections 371.304(b), (c), and (d).

18-44 SECTION 96. Section 14.112, Finance Code, as added by this
 18-45 Act, applies only to a license or registration issued or renewed on
 18-46 or after September 1, 2019. A license or registration issued or
 18-47 renewed before that date is governed by the law in effect
 18-48 immediately before the effective date of this Act, and the former
 18-49 law is continued in effect for that purpose.

18-50 SECTION 97. A license issued under Section 371.104, Finance
 18-51 Code, before the effective date of this Act continues in effect
 18-52 until June 30, 2020. The license may be renewed under Subchapter C,
 18-53 Chapter 371, Finance Code, as amended by this Act.

18-54 SECTION 98. The changes in law made by this Act do not
 18-55 affect the validity of a disciplinary action or other proceeding
 18-56 that was initiated before the effective date of this Act and that is
 18-57 pending before a court or other governmental entity on that date.

18-58 SECTION 99. The changes in law made by this Act to Section
 18-59 371.304, Finance Code, apply only to an offense committed on or
 18-60 after the effective date of this Act. An offense committed before
 18-61 the effective date of this Act is governed by the law in effect on
 18-62 the date the offense was committed, and the former law is continued
 18-63 in effect for that purpose. For purposes of this section, an offense
 18-64 was committed before the effective date of this Act if any element
 18-65 of the offense occurred before that date.

18-66 SECTION 100. (a) Not later than November 1, 2019, the
 18-67 Finance Commission of Texas shall adopt rules to implement the
 18-68 pawnshop employee license program under Section 371.101, Finance
 18-69 Code, as amended by this Act.

19-1 (b) Not later than December 1, 2019, the Office of Consumer
19-2 Credit Commissioner shall be prepared to accept applications for
19-3 licenses under the pawnshop employee license program described by
19-4 Section [371.101](#), Finance Code, as amended by this Act.

19-5 SECTION 101. This Act takes effect September 1, 2019.

19-6

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