

By: Hall, et al.

S.B. No. 603

A BILL TO BE ENTITLED

AN ACT

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

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

SECTION 1. Section 14.062, Finance Code, is amended to read as follows:

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

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

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

~~(6) an explanation of the reason the file was closed, if the office closed the file without taking action other than to investigate the complaint].~~

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

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

12 SECTION 2. Section 14.066, Finance Code, is amended to read
13 as follows:

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

18 SECTION 3. Section 14.107(b), Finance Code, is amended to
19 read as follows:

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

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

4 SECTION 4. Subchapter C, Chapter 14, Finance Code, is
5 amended by adding Sections 14.110, 14.111, and 14.112 to read as
6 follows:

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

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

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

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

22 (c) The office shall:

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

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

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

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

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

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

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

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

26 SECTION 5. Section 14.201, Finance Code, is amended to read
27 as follows:

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

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

10 SECTION 6. Section 14.2015, Finance Code, is amended to
11 read as follows:

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

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

- 27 (2) work performed by the commissioner or the

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

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

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

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

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

27 (2) if the license holder, registrant, applicant, or

1 other person consents to the release of the information or has
2 published the information contained in the release; ~~[or]~~

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

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

7 SECTION 7. Section 14.202, Finance Code, is amended to read
8 as follows:

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

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

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

19 SECTION 8. Section 14.208(a), Finance Code, is amended to
20 read as follows:

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

26 opportunity for a hearing under Chapter 2001, Government Code, a
27 [A] person may appeal the order ~~[to the finance commission as~~

1 ~~provided by Subsection (d) or directly]~~ to district court in
2 accordance with that chapter [~~Chapter 2001, Government Code~~].

3 SECTION 9. Section 14.251, Finance Code, is amended to read
4 as follows:

5 Sec. 14.251. ASSESSMENT OF PENALTY; RESTITUTION ORDER. (a)
6 The commissioner may assess an administrative penalty against a
7 person who [~~knowingly and wilfully~~] violates or causes a violation
8 of this chapter, Chapter 394, or Subtitle B, Title 4, or a rule
9 adopted under this chapter, Chapter 394, or Subtitle B, Title 4.

10 (a-1) The commissioner shall assess an administrative
11 penalty against a credit access business who [~~knowingly and~~
12 ~~wilfully~~] violates or causes a violation of Chapter 393, or a rule
13 adopted under Chapter 393.

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

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

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

26 (3) a person who violates or causes a violation of
27 Subchapter B, Chapter 1956, Occupations Code, or a rule adopted

1 under that subchapter [~~injured by the violation~~].

2 SECTION 10. Section 342.0515(c), Finance Code, is amended
3 to read as follows:

4 (c) Subject to Section 14.112, the [~~The~~] finance commission
5 shall adopt rules establishing procedures for issuing, renewing,
6 and enforcing an individual license under this section. In adopting
7 rules under this subsection, the finance commission shall ensure
8 that:

9 (1) the minimum eligibility requirements for issuance
10 of an individual license are the same as the requirements of Section
11 180.055;

12 (2) the minimum eligibility requirements for renewal
13 of an individual license are the same as the requirements of Section
14 180.059; and

15 (3) the applicant pays:

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

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

20 SECTION 11. Section 342.101(c), Finance Code, is amended to
21 read as follows:

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

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

27 (c) The bond must be conditioned on:

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

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

6 SECTION 13. Subchapter C, Chapter 342, Finance Code, is
7 amended by adding Section 342.106 to read as follows:

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

11 SECTION 14. Section 342.154, Finance Code, is amended to
12 read as follows:

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

18 SECTION 15. Section 342.155, Finance Code, is amended to
19 read as follows:

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

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

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

3 Sec. 342.1555. GROUNDS FOR REFUSING RENEWAL. The
4 commissioner may refuse to renew the license of a person who fails
5 to comply with an order issued by the commissioner to enforce this
6 chapter.

7 SECTION 17. Section 342.156, Finance Code, is amended to
8 read as follows:

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

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

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

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

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

27 SECTION 18. Section 345.351, Finance Code, is amended to

1 read as follows:

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

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

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

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

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

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

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

22 (a) A creditor who is not an authorized lender under Chapter
23 342 or a credit union shall:

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

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

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

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

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

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

15 SECTION 20. Section 347.4515, Finance Code, is amended by
16 adding Subsections (a-1) and (e) and amending Subsection (c) to
17 read as follows:

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

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

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

1 180.055;

2 (2) the minimum eligibility requirements for renewal
3 of an individual license are the same as the requirements of Section
4 180.059; and

5 (3) the applicant pays:

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

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

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

13 SECTION 21. Section 348.5015(c), Finance Code, is amended
14 to read as follows:

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

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

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

25 (3) the applicant pays:

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

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

3 SECTION 22. Section 348.502(b), Finance Code, is amended to
4 read as follows:

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

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

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

10 SECTION 23. Subchapter F, Chapter 348, Finance Code, is
11 amended by adding Section 348.5055 to read as follows:

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

15 SECTION 24. Section 348.506, Finance Code, is amended to
16 read as follows:

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

22 SECTION 25. Subchapter F, Chapter 348, Finance Code, is
23 amended by adding Section 348.5065 to read as follows:

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

1 SECTION 26. Section 348.507, Finance Code, is amended to
2 read as follows:

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

11 SECTION 27. Section 348.508, Finance Code, is amended to
12 read as follows:

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

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

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

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

26 SECTION 28. Section 349.301, Finance Code, is amended to
27 read as follows:

1 Sec. 349.301. PAYMENT OF FEES. A person who registers or
2 obtains or renews a license under this title after the date on which
3 the person was required to register or to obtain or renew the
4 license may limit the person's liability as provided by this
5 subchapter by paying to the commissioner:

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

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

10 SECTION 29. Section 351.006(b), Finance Code, is amended to
11 read as follows:

12 (b) The [~~Notwithstanding Section 14.251, the~~] commissioner
13 may assess an administrative penalty under Subchapter F, Chapter
14 14, against a person who violates Section 32.06(b-1), Tax Code,
15 regardless of whether the violation is knowing or wilful.

16 SECTION 30. Section 351.0515(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 31. Section 351.101(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 32. Section 351.102(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 33. Subchapter C, Chapter 351, Finance Code, is
21 amended by adding Section 351.106 to read as follows:

22 Sec. 351.106. 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 34. Subchapter D, Chapter 351, Finance Code, is
26 amended by adding Section 351.1535 to read as follows:

27 Sec. 351.1535. GROUNDS FOR REFUSAL TO RENEW. The

1 commissioner may refuse to renew the license of a person who fails
2 to comply with an order issued by the commissioner to enforce this
3 chapter.

4 SECTION 35. Section 351.154, Finance Code, is amended to
5 read as follows:

6 Sec. 351.154. [~~ANNUAL~~] LICENSE FEE. Not later than the 30th
7 day before the date the license expires [~~December 1~~], a license
8 holder shall pay to the commissioner for each license held a a [~~an~~
9 ~~annual~~] fee [~~for the year beginning the next January 1,~~] in an
10 amount determined as provided by Section 14.107.

11 SECTION 36. Section 351.155, Finance Code, is amended to
12 read as follows:

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

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

21 SECTION 37. Section 351.156, Finance Code, is amended to
22 read as follows:

23 Sec. 351.156. 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 Section 32.06 or
4 32.065, Tax Code, or a rule adopted or an order issued under this
5 chapter or Section 32.06 or 32.065, Tax Code;

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

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

15 SECTION 38. Section 352.003, Finance Code, is amended by
16 amending Subsections (a) and (c) and adding Subsections (a-1),
17 (c-1), and (f) to read as follows:

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

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

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

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

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

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

14 SECTION 39. Section 352.007, Finance Code, is amended to
15 read as follows:

16 Sec. 352.007. ADMINISTRATIVE PENALTY. The commissioner may
17 assess an administrative penalty of \$500 against a person for each
18 [~~knowing and wilful~~] violation of this chapter.

19 SECTION 40. Section 353.502(b), Finance Code, is amended to
20 read as follows:

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

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

26 SECTION 41. Subchapter F, Chapter 353, Finance Code, is
27 amended by adding Section 353.5055 to read as follows:

1 Sec. 353.5055. LICENSE TERM. A license issued under this
2 chapter is valid for the period prescribed by finance commission
3 rule adopted under Section 14.112.

4 SECTION 42. Section 353.506, Finance Code, is amended to
5 read as follows:

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

11 SECTION 43. Subchapter F, Chapter 353, Finance Code, is
12 amended by adding Section 353.5065 to read as follows:

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

17 SECTION 44. Section 353.507, Finance Code, is amended to
18 read as follows:

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

24 [~~(1)~~] that day[~~, or~~

25 [~~(2) December 31 of the last year for which an annual~~
26 ~~fee was paid]~~.

27 SECTION 45. Section 353.508, Finance Code, is amended to

1 read as follows:

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

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

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

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

15 SECTION 46. Section 354.005(d), Finance Code, is amended to
16 read as follows:

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

23 SECTION 47. Section 371.002, Finance Code, is amended to
24 read as follows:

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

27 (1) prevent fraud, unfair practices, discrimination,

1 imposition, and abuse of state residents;

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

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

8 (4) provide for licensing and investigation fees;

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

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

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

16 SECTION 48. Section 371.052(a), Finance Code, is amended to
17 read as follows:

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

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

21 [~~(2)~~] meet the net assets requirement of Section
22 371.072; and

23 (2) [~~(3)~~] show that:

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

26 (B) the applicant or the applicant's owners and
27 managers have the financial responsibility, experience, character,

1 and general fitness to command the confidence of the public in the
2 pawnshop's operations.

3 SECTION 49. Section 371.055, Finance Code, is amended to
4 read as follows:

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

7 (1) an investigation fee of:

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

10 (B) \$250 if the application:

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

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

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

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

20 SECTION 50. Section 371.062, Finance Code, is amended to
21 read as follows:

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

26 SECTION 51. Subchapter B, Chapter 371, Finance Code, is
27 amended by adding Section 371.0625 to read as follows:

1 Sec. 371.0625. LICENSE TERM. A license issued under this
2 chapter is valid for the period prescribed by finance commission
3 rule adopted under Section 14.112.

4 SECTION 52. Section 371.064, Finance Code, is amended to
5 read as follows:

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

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

15 [~~(1)~~] that day[~~, or~~

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

18 SECTION 53. Subchapter B, Chapter 371, Finance Code, is
19 amended by adding Section 371.0645 to read as follows:

20 Sec. 371.0645. 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 54. Subchapter B, Chapter 371, Finance Code, is
25 amended by adding Section 371.074 to read as follows:

26 Sec. 371.074. PAWNBROKER RESPONSIBLE FOR EMPLOYEES AND
27 AGENTS. A license holder under this subchapter is responsible for

1 all acts of the license holder's officers, directors, employees,
2 and agents acting on behalf of the pawnshop.

3 SECTION 55. Section 371.251(a), Finance Code, is amended to
4 read as follows:

5 (a) After notice and opportunity for a hearing, the
6 commissioner may revoke or suspend a pawnshop license if the
7 commissioner finds that:

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

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

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

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

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

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

1 (7) the financial responsibility, experience,
2 character, or general fitness of the pawnbroker or its owners and
3 managers do not command the confidence of the public or warrant the
4 belief that the business will be operated lawfully, fairly, and
5 within the purposes of this chapter; or

6 (8) the pawnbroker has not maintained the minimum net
7 assets required by Section 371.072.

8 SECTION 56. Section 371.257(a), Finance Code, is amended to
9 read as follows:

10 (a) The holder of a pawnshop license [~~or a pawnshop employee~~
11 ~~license~~] may surrender the license by delivering it to the
12 commissioner with written notice of surrender.

13 SECTION 57. Section 371.258, Finance Code, is amended to
14 read as follows:

15 Sec. 371.258. REINSTATEMENT OF LICENSE. (a) This section
16 applies to a pawnshop license [~~or a pawnshop employee license~~].

17 (b) The commissioner may reinstate a suspended pawnshop
18 license [~~or pawnshop employee license~~] or issue a new license to the
19 person whose license or licenses have been revoked if no fact or
20 condition exists that clearly would have justified refusal to issue
21 the license originally.

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

1 pawnbroker by certified mail.

2 SECTION 58. Section 371.259, Finance Code, is amended to
3 read as follows:

4 Sec. 371.259. CERTIFICATE OF STANDING; COPIES. The
5 commissioner, under the commissioner's seal and signature, shall
6 provide a certificate of good standing or a certified copy of a
7 pawnshop license [~~or a pawnshop employee license~~] to a person who
8 applies and pays for the certificate or copy.

9 SECTION 59. Section 393.224, Finance Code, is amended to
10 read as follows:

11 Sec. 393.224. ADMINISTRATIVE PENALTY. The consumer credit
12 commissioner, in accordance with rules adopted by the Finance
13 Commission of Texas, may assess an administrative penalty against a
14 credit access business that [~~knowingly and wilfully~~] violates this
15 subchapter or a rule adopted under this subchapter in the manner
16 provided by Subchapter F, Chapter 14.

17 SECTION 60. Section 393.604(c), Finance Code, is amended to
18 read as follows:

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

22 SECTION 61. Section 393.605(c), Finance Code, is amended to
23 read as follows:

24 (c) The bond must be conditioned on:

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

27 (2) the payment of all amounts that become due to this

1 state or another person under this subchapter during the period
2 [~~calendar year~~] for which the bond is given.

3 SECTION 62. Subchapter G, Chapter 393, Finance Code, is
4 amended by adding Sections 393.6085 and 393.6115 to read as
5 follows:

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

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

13 SECTION 63. Section 393.612, Finance Code, is amended to
14 read as follows:

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

20 SECTION 64. Section 393.613, Finance Code, is amended to
21 read as follows:

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

27 [~~(1)~~] that day[, ~~or~~

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

3 SECTION 65. Section 393.614(a), Finance Code, is amended to
4 read as follows:

5 (a) After notice and opportunity for a hearing, the
6 commissioner may suspend or revoke a license if the commissioner
7 finds that:

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

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

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

18 SECTION 66. Section 394.204, Finance Code, is amended by
19 amending Subsections (b), (f), (g), and (k) and adding Subsection
20 (j-1) to read as follows:

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

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

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

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

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

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

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

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

21 (4) the provider is insolvent;

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

24 (6) the provider fails to respond within a reasonable
25 time and in an appropriate manner to communications from the
26 commissioner;

27 (7) the provider has received money from or on behalf

1 of a consumer for disbursement to a creditor under a debt management
2 plan that provides for regular periodic payments to creditors in
3 full repayment of the principal amount of the debts and the provider
4 has failed to disburse money to the creditor on behalf of the
5 consumer within a reasonable time, normally 30 days;

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

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

12 SECTION 67. Section 394.205(b), Finance Code, is amended to
13 read as follows:

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

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

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

23 (3) records of total and average fees charged to
24 consumers, including all voluntary contributions received from
25 consumers.

26 SECTION 68. Section 394.214(e), Finance Code, is amended to
27 read as follows:

1 (e) The commissioner may enforce this subchapter and rules
2 adopted under this subchapter by:

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

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

8 (3) imposing an administrative penalty not to exceed
9 \$1,000 for each violation as provided by Subchapter F, Chapter 14;
10 or

11 (4) rejecting an initial application, refusing to
12 renew a registration, or revoking or suspending a registration as
13 provided by Section 394.204.

14 SECTION 69. Section 1956.0612, Occupations Code, is amended
15 by amending Subsections (b) and (d) and adding Subsections (b-1),
16 (d-1), and (h) to read as follows:

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

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

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

24 (b-1) A registration issued under this section is valid for
25 the period prescribed by commission rule adopted under Section
26 14.112, Finance Code.

27 (d) The commission by rule shall establish a deadline for

1 the submission of the information and fee required by Subsection
2 (b) for initial issuance and renewal of registrations under this
3 section.

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

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

11 SECTION 70. Section 1956.0614(a), Occupations Code, is
12 amended to read as follows:

13 (a) The commissioner may revoke the registration of a dealer
14 if the commissioner concludes that the dealer has violated this
15 chapter or an order issued by the commissioner to enforce this
16 chapter. The commissioner shall recite the basis of the decision in
17 an order revoking the registration.

18 SECTION 71. Section 1956.0615, Occupations Code, is amended
19 to read as follows:

20 Sec. 1956.0615. ADMINISTRATIVE PENALTY. The commissioner
21 may assess an administrative penalty not to exceed \$500 against a
22 person for each [~~knowing and wilful~~] violation of this chapter.

23 SECTION 72. The following provisions of the Finance Code
24 are repealed:

- 25 (1) Section 14.208(d);
- 26 (2) Section 351.0023(g);
- 27 (3) Section 371.052(b);

- 1 (4) Subchapter C, Chapter 371;
- 2 (5) Sections 371.255 and 371.256; and
- 3 (6) Sections 371.304(b), (c), and (d).

4 SECTION 73. Section 14.112, Finance Code, as added by this
5 Act, applies only to a license or registration issued or renewed on
6 or after September 1, 2019. A license or registration issued or
7 renewed before that date is governed by the law in effect
8 immediately before the effective date of this Act, and the former
9 law is continued in effect for that purpose.

10 SECTION 74. (a) On the effective date of this Act, a
11 license issued under former Section 371.104, Finance Code, expires.

12 (b) The repeal of a law by this Act does not entitle a person
13 to a refund of an application, licensing, or other fee paid by the
14 person before the effective date of this Act.

15 SECTION 75. The changes in law made by this Act do not
16 affect the validity of a disciplinary action or other proceeding
17 that was initiated before the effective date of this Act and that is
18 pending before a court or other governmental entity on that date.

19 SECTION 76. (a) A violation of a law that is repealed by
20 this Act is governed by the law in effect on the date the violation
21 was committed, and the former law is continued in effect for that
22 purpose.

23 (b) For purposes of this section, a violation was committed
24 before the effective date of this Act if any element of the
25 violation occurred before that date.

26 SECTION 77. This Act takes effect September 1, 2019.