

Amend HB 700 (senate committee report) in SECTION 1 of the bill as follows:

(1) In added Section 398.001(6), Finance Code (page 1, lines 60-61), strike "The term includes a commercial sales-based financing broker.".

(2) In added Section 398.001(7), Finance Code (page 2, line 3), between "commercial" and "financing", insert "sales-based".

(3) In added Section 398.002, Finance Code (page 2, line 23), between "provider" and "who", insert "or a commercial sales-based financing broker".

(4) In added Section 398.002, Finance Code (page 2, lines 26 through 28), strike "maintains a physical presence in this state in the same manner and to the same extent to which this chapter applies to a commercial sales-based financing broker" and substitute "or broker maintains a physical presence in this state".

(5) In added Section 398.003, Finance Code (page 2, line 30), between "provider" and "that", insert "or broker".

(6) In added Section 398.005(b), Finance Code (page 3, line 3), between "actions" and the underlined semicolon, insert the following:

for:

(A) violations of rules adopted under Subsection (c);

(B) failures to make disclosures required by Section 398.051; or

(C) failures to register as required by Section 398.053

(7) In added Section 398.005(c), Finance Code (page 3, lines 6 through 9), strike "as necessary to administer, implement, and enforce this chapter, including rules to prohibit certain acts or practices by providers, including acts or practices that" and substitute "applicable to providers and commercial sales-based financing brokers that identify unlawful, unfair, deceptive, or abusive acts or practices related to a transaction subject to this chapter. Rules adopted under this subsection must identify and prohibit specific acts or practices by providers or brokers that".

(8) Strike added Section 398.053, Finance Code (page 4,

lines 18 through 52), and substitute the following:

Sec. 398.053. PROVIDER AND BROKER REGISTRATION. (a) A person may not engage in business as a provider or a commercial sales-based financing broker for compensation in this state unless, before conducting business, the person registers with the Office of Consumer Credit Commissioner. The registration is effective on receipt by the commissioner of a completed registration form as provided by Subsection (d) and the required registration fee and remains effective until renewal or termination by the Office of Consumer Credit Commissioner.

(b) On or before January 31 of each year after filing an initial registration, a provider or broker shall file a renewal registration form with the required renewal registration fee.

(c) The provider or broker shall pay a registration fee on filing an initial registration and a renewal registration fee on filing a renewal registration.

(d) The registration or renewal registration form must include:

(1) the name of the provider or broker;

(2) the name under which the provider or broker transacts business, if different from the name of the provider or broker;

(3) the address of the provider's or broker's principal office, which may be outside this state;

(4) the name and address in this state of a designated agent for service of process; and

(5) any judgment, memorandum of understanding, cease and desist order, or conviction against the provider or broker, or any person that otherwise controls the provider or broker or a director or officer of the provider or broker, related to a violation of law, act of fraud, breach of trust, or money laundering.

(e) The Office of Consumer Credit Commissioner shall:

(1) by rule set the registration fee and registration renewal fee in amounts sufficient to cover the registration costs; and

(2) adopt a form to be used for a registration or

renewal registration under this section.

(9) In added Section 398.054, Finance Code (page 4, lines 53 and 54), between "A" and "commercial", insert "provider or".

(10) At the end of added Subchapter B, Chapter 398, Finance Code (page 4, between lines 60 and 61), add the following:

Sec. 398.056. CERTAIN AUTOMATIC DEBITS PROHIBITED. A provider or commercial sales-based financing broker may not establish a mechanism for automatically debiting a recipient's deposit account unless the provider or broker holds a validly perfected security interest in the recipient's account under Chapter 9, Business & Commerce Code, with a first priority against the claims of all other persons.