

By: Representative Guice

To: Banks and Banking

## HOUSE BILL NO. 1452

1 AN ACT TO AMEND SECTION 63-19-11, MISSISSIPPI CODE OF 1972,  
2 TO REVISE THE LICENSE FEE UNDER THE MOTOR VEHICLE SALES FINANCE  
3 LAW; TO AMEND SECTION 63-19-15, MISSISSIPPI CODE OF 1972, TO  
4 DELETE THE PROVISION WHICH PROVIDES THAT THE COMMISSIONER OF  
5 BANKING SHALL ENDORSE THE CHANGE OF LOCATION OF A MOTOR VEHICLE  
6 SALES FINANCE COMPANY ON THE LICENSE WITHOUT CHARGE; TO AMEND  
7 SECTION 63-19-27, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE  
8 COMMISSIONER OF BANKING TO CHARGE MOTOR VEHICLE SALES FINANCE  
9 LICENSEES AN EXAMINATION FEE; TO AMEND SECTION 63-19-55,  
10 MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE COMMISSIONER OF BANKING  
11 TO IMPOSE CIVIL PENALTIES FOR VIOLATIONS OF THE MOTOR VEHICLE  
12 SALES FINANCE LAW; TO CREATE A NEW CODE SECTION TO BE CODIFIED  
13 WITHIN CHAPTER 19 OF TITLE 63 TO AUTHORIZE THE COMMISSIONER OF  
14 BANKING TO EXAMINE PERSONS REASONABLY SUSPECTED OF CONDUCTING  
15 BUSINESS THAT REQUIRES A LICENSE UNDER THE MOTOR VEHICLE SALES  
16 FINANCE LAW; TO AMEND SECTION 75-15-15, MISSISSIPPI CODE OF 1972,  
17 TO REVISE THE LICENSE FEE UNDER THE SALE OF CHECKS LAW; TO AMEND  
18 SECTION 75-15-19, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE  
19 COMMISSIONER OF BANKING TO CHARGE LICENSEES UNDER THE SALE OF  
20 CHECKS LAW AN EXAMINATION FEE; TO AMEND SECTION 75-15-31,  
21 MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE COMMISSIONER OF BANKING  
22 TO IMPOSE CIVIL PENALTIES FOR VIOLATIONS OF THE SALE OF CHECKS  
23 LAW; TO CREATE A NEW CODE SECTION TO BE CODIFIED WITHIN CHAPTER 15  
24 OF TITLE 75 TO AUTHORIZE THE COMMISSIONER OF BANKING TO EXAMINE  
25 PERSONS REASONABLY SUSPECTED OF CONDUCTING BUSINESS THAT REQUIRES  
26 A LICENSE UNDER THE SALE OF CHECKS LAW; TO AMEND SECTION  
27 75-67-115, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE COMMISSIONER  
28 OF BANKING TO CHARGE LICENSEES UNDER THE SMALL LOAN REGULATORY LAW  
29 AN EXAMINATION FEE; TO AMEND SECTION 75-67-213, MISSISSIPPI CODE  
30 OF 1972, TO REVISE THE LICENSE FEE UNDER THE SMALL LOAN PRIVILEGE  
31 TAX LAW; TO AMEND SECTION 75-67-215, TO AUTHORIZE THE COMMISSIONER  
32 OF BANKING TO IMPOSE CIVIL PENALTIES FOR VIOLATIONS OF THE SMALL  
33 LOAN PRIVILEGE TAX LAW; TO CREATE A NEW CODE SECTION TO BE  
34 CODIFIED WITHIN ARTICLE 5 OF CHAPTER 67 OF TITLE 75 TO AUTHORIZE  
35 THE COMMISSIONER OF BANKING TO EXAMINE PERSONS REASONABLY  
36 SUSPECTED OF CONDUCTING BUSINESS WHICH REQUIRES A LICENSE UNDER  
37 THE SMALL LOAN PRIVILEGE TAX LAW; TO AMEND SECTION 75-67-229,  
38 MISSISSIPPI CODE OF 1972, TO ALLOW THE COMMISSIONER OF BANKING TO  
39 CHARGE A FEE WHEN ISSUING A NEW LICENSE FOR THE UNEXPIRED PORTION  
40 OF THE YEAR SHOWING A NEW LOCATION OF THE SMALL LOAN BUSINESS; TO  
41 AMEND SECTION 75-67-321, MISSISSIPPI CODE OF 1972, TO REVISE THE  
42 FEE FOR A PAWNSHOP LICENSE; TO AMEND SECTION 75-67-323,  
43 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE INITIAL APPLICATION  
44 AND BOND FOR A PAWNSHOP LICENSE SHALL BE FILED WITH THE  
45 COMMISSIONER OF BANKING, INSTEAD OF THE LOCAL AUTHORITIES; TO  
46 AMEND SECTION 75-67-333, MISSISSIPPI CODE OF 1972, TO PROVIDE THE  
47 COMMISSIONER OF BANKING SHALL PROVIDE NOTICE AND HEARING BEFORE  
48 IMPOSING A CIVIL PENALTY FOR VIOLATIONS OF THE PAWNSHOP ACT; TO  
49 AMEND SECTION 75-67-341, MISSISSIPPI CODE OF 1972, TO AUTHORIZE  
50 THE COMMISSIONER OF BANKING TO CHARGE PAWNSHOP LICENSEES AN

51 EXAMINATION FEE; TO CREATE A NEW CODE SECTION TO BE CODIFIED  
52 WITHIN ARTICLE 7 OF CHAPTER 67 OF TITLE 75 TO AUTHORIZE THE  
53 COMMISSIONER OF BANKING TO EXAMINE PERSONS REASONABLY SUSPECTED OF  
54 CONDUCTING BUSINESS WHICH REQUIRES A PAWNSHOP LICENSE; TO AMEND  
55 SECTION 75-67-419, MISSISSIPPI CODE OF 1972, TO REVISE THE FEE FOR  
56 A TITLE PLEDGE LENDER LICENSE; TO AMEND SECTION 75-67-421,  
57 MISSISSIPPI CODE OF 1972, TO PROVIDE THAT THE INITIAL APPLICATION  
58 AND BOND FOR A TITLE PLEDGE LENDER LICENSE SHALL BE FILED WITH THE  
59 COMMISSIONER OF BANKING, INSTEAD OF THE LOCAL AUTHORITIES; TO  
60 AMEND SECTION 75-67-435, MISSISSIPPI CODE OF 1972, TO AUTHORIZE  
61 THE COMMISSIONER OF BANKING TO CHARGE TITLE PLEDGE LICENSEES AN  
62 EXAMINATION FEE; TO CREATE A NEW CODE SECTION TO BE CODIFIED  
63 WITHIN ARTICLE 9 OF CHAPTER 67 OF TITLE 75 TO AUTHORIZE THE  
64 COMMISSIONER OF BANKING TO EXAMINE PERSONS REASONABLY SUSPECTED OF  
65 CONDUCTING BUSINESS WHICH REQUIRES A LICENSE UNDER THE TITLE  
66 PLEDGE LOAN ACT; TO AMEND SECTION 81-19-15, MISSISSIPPI CODE OF  
67 1972, TO REVISE THE PENALTY FOR FAILURE TO PAY THE FEE FOR A  
68 CONSUMER LOAN BROKER LICENSE; TO AMEND SECTION 81-19-17,  
69 MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE COMMISSIONER OF BANKING  
70 TO IMPOSE ADMINISTRATIVE FINES FOR VIOLATIONS OF THE CONSUMER LOAN  
71 BROKER ACT; TO AMEND SECTION 81-19-19, MISSISSIPPI CODE OF 1972,  
72 TO PROVIDE THAT SUCH ADMINISTRATIVE FINES SHALL BE DEPOSITED INTO  
73 THE CONSUMER FINANCE FUND AND NOT THE STATE GENERAL FUND; TO  
74 CREATE A NEW CODE SECTION TO BE CODIFIED WITHIN CHAPTER 19 OF  
75 TITLE 81 TO AUTHORIZE THE COMMISSIONER OF BANKING TO EXAMINE  
76 PERSONS REASONABLY SUSPECTED OF CONDUCTING BUSINESS WHICH REQUIRES  
77 A CONSUMER LOAN BROKER LICENSE; TO AMEND SECTION 81-21-3,  
78 MISSISSIPPI CODE OF 1972, TO REVISE THE LICENSE FEE FOR INSURANCE  
79 PREMIUM FINANCE COMPANIES; TO AMEND SECTION 81-21-9, MISSISSIPPI  
80 CODE OF 1972, TO PROVIDE FOR A CIVIL PENALTY AGAINST ANY INSURANCE  
81 PREMIUM FINANCE COMPANY WHICH FAILS TO TIMELY PAY THE REQUIRED  
82 LICENSE FEE; TO CREATE A NEW CODE SECTION TO BE CODIFIED WITHIN  
83 CHAPTER 21 OF TITLE 81 TO AUTHORIZE THE COMMISSIONER OF BANKING TO  
84 EXAMINE PERSONS REASONABLY SUSPECTED OF CONDUCTING BUSINESS WHICH  
85 REQUIRES A PREMIUM FINANCE COMPANY LICENSE; AND FOR RELATED  
86 PURPOSES.

87 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

88 SECTION 1. Section 63-19-11, Mississippi Code of 1972, is  
89 amended as follows:

90 63-19-11. With each initial application for a license, the  
91 applicant shall pay to the commissioner at the time of making the  
92 application a license fee of Seven Hundred Fifty Dollars  
93 (\$750.00), and for renewal applications, an annual renewal fee of  
94 Four Hundred Seventy-five Dollars (\$475.00) for each calendar year  
95 for each place of business so operated.

96 SECTION 2. Section 63-19-15, Mississippi Code of 1972, is  
97 amended as follows:

98 63-19-15. Each license shall specify the location of the  
99 office and must be conspicuously displayed there. \* \* \*

100 SECTION 3. Section 63-19-27, Mississippi Code of 1972, is

101 amended as follows:

102           63-19-27. The commissioner may charge the licensee an  
103 examination fee in an amount not less than Two Hundred Dollars  
104 (\$200.00) nor more than Three Hundred Dollars (\$300.00) per  
105 examination of each office or location within the State of  
106 Mississippi, plus any actual expenses incurred while examining the  
107 licensee's records or books that are located outside the State of  
108 Mississippi. However, in no event shall a licensee be examined  
109 more than once in a two-year period unless for cause shown based  
110 upon consumer complaint and/or other exigent reasons as determined  
111 by the commissioner.

112           All \* \* \* expense fees paid to the commissioner shall be  
113 deposited by the commissioner in the State Treasury in a special  
114 and separate fund to be known as the "Consumer Finance Fund."

115           SECTION 4. Section 63-19-55, Mississippi Code of 1972, is  
116 amended as follows:

117           63-19-55. (1) Any person who shall willfully and  
118 intentionally violate any provision of this chapter or engage in  
119 the business of a sales finance company in this state without a  
120 license therefor as provided in this chapter shall be guilty of a  
121 misdemeanor and upon conviction shall be punished by a fine not  
122 exceeding Five Hundred Dollars (\$500.00). However, any licensee  
123 who is exempt from liability for an act or omission under Section  
124 63-19-57 shall not be guilty of a misdemeanor under this section  
125 for the same act or omission.

126           (2) If any person engages in business as provided for in  
127 this chapter without paying the license fee provided for in this  
128 chapter before commencing business or before the expiration of the  
129 person's current license, as the case may be, then the person  
130 shall be liable for the full amount of the license fee, plus a  
131 penalty in an amount not to exceed Twenty-five Dollars (\$25.00)  
132 for each day that the person has engaged in the business without a  
133 license or after the expiration of a license.

134           (3) The commissioner may, after notice and hearing, impose a  
135 civil penalty against any licensee if the licensee or employee is  
136 adjudged by the commissioner to be in violation of the provisions  
137 of this chapter. The civil penalty shall not exceed Five Hundred  
138 Dollars (\$500.00) per violation and shall be deposited into the  
139 Consumer Finance Fund of the Department of Banking and Consumer  
140 Finance.

141           (4) Any person willfully violating Sections 63-19-31 through  
142 63-19-45, shall be barred from recovery of any finance charge,  
143 delinquency or collection charge on the contract.

144           (5) However, any such contract purchased in good faith for  
145 value by any bank, trust company, private bank, industrial bank or  
146 investment company authorized to do business in this state shall  
147 be held and construed to be valid and enforceable in the hands of  
148 the purchaser for value, except that such purchaser shall not be  
149 permitted to recover on such contract from the buyer anything in  
150 excess of the principal balance due thereon, plus the amount of  
151 the finance and collection charges permitted under the terms and  
152 provisions of this chapter.

153           SECTION 5. The following section shall be codified as a  
154 separate Code section within Chapter 19 of Title 63, Mississippi  
155 Code of 1972:

156           63-19-\_\_\_. The commissioner, or his duly authorized  
157 representative, for the purpose of discovering violations of this  
158 chapter and for the purpose of determining whether persons are  
159 subject to the provisions of this chapter, may examine persons  
160 licensed under this chapter and persons reasonably suspected by  
161 the commissioner of conducting business that requires a license  
162 under this chapter, including all relevant books, records and  
163 papers employed by those persons in the transaction of their  
164 business, and may summon witnesses and examine them under oath  
165 concerning matters relating to the business of those persons, or  
166 such other matters as may be relevant to the discovery of

167 violations of this chapter, including without limitation the  
168 conduct of business without a license as required by this chapter.

169 SECTION 6. Section 75-15-15, Mississippi Code of 1972, is  
170 amended as follows:

171 75-15-15. Each licensee shall pay to the commissioner with  
172 his initial application a license fee of Seven Hundred Fifty  
173 Dollars (\$750.00), and annually thereafter on or before April 1 of  
174 each year, a renewal fee of Four Hundred Dollars (\$400.00), plus  
175 Fifty Dollars (\$50.00) for each location in excess of one (1) in  
176 Mississippi through which the licensee plans to sell during the  
177 license year for which the fee is paid, provided that in no event  
178 shall the annual renewal fee exceed One Thousand Dollars  
179 (\$1,000.00).

180 SECTION 7. Section 75-15-19, Mississippi Code of 1972, is  
181 amended as follows:

182 75-15-19. Each licensee shall file with the commissioner  
183 annually on or before April 15 of each year a statement listing:

184 (a) The locations, offices and agencies authorized by  
185 the licensee to act for and on behalf of the licensee in selling  
186 or issuing or dispensing checks. A supplemental statement setting  
187 forth any changes in the list of locations, offices and agencies  
188 shall be filed with the commissioner on or before the first day of  
189 July, October and January of each year and the principal sum of  
190 the corporate surety bond or deposit required under Section  
191 75-15-11 shall be adjusted, if appropriate, to reflect any  
192 increase or decrease in the number of locations, offices and  
193 agencies. Such annual and supplemental statement shall not be  
194 required of any licensee who continues to maintain a corporate  
195 surety bond, as required by subsection (b) of Section 75-15-11 of  
196 this chapter, in the principal sum of Two Hundred Fifty Thousand  
197 Dollars (\$250,000.00), or a securities deposit having an aggregate  
198 market value at least equal to Two Hundred Fifty Thousand Dollars  
199 (\$250,000.00).

200           (b) Each licensee shall file with the commissioner  
201 annually on or before April 15 of each year, statements correctly  
202 reflecting its net worth as of the close of its most recent fiscal  
203 year, such statement to be certified to by a certified public  
204 accountant satisfactory to the commissioner.

205           (c) The commissioner may conduct or cause to be  
206 conducted an examination or audit of the books and records of any  
207 licensee at any time or times he shall deem proper, the cost of  
208 such examination or audit to be borne by the licensee. The  
209 refusal of access to such books and records shall be cause for the  
210 revocation of its license. The commissioner may charge the  
211 licensee an examination fee in an amount not less than Two Hundred  
212 Dollars (\$200.00) nor more than Three Hundred Dollars (\$300.00)  
213 per examination of each office or location within the State of  
214 Mississippi, plus any actual expenses incurred while examining the  
215 licensee's records or books that are located outside the State of  
216 Mississippi. However, in no event shall a licensee be examined  
217 more than once in a two-year period unless for cause shown based  
218 upon consumer complaint and/or other exigent reasons as determined  
219 by the commissioner.

220           SECTION 8. Section 75-15-31, Mississippi Code of 1972, is  
221 amended as follows:

222           75-15-31. (1) If any person to whom or which this chapter  
223 applies or any agent, subagent or representative of such person  
224 violates any of the provisions of this chapter or attempts to  
225 transact the business of selling or issuing or delivering checks  
226 as a service or for a fee or other consideration, without having  
227 first obtained license from the commissioner pursuant to the  
228 provisions of this chapter, such person and each such agent,  
229 subagent or representative shall be deemed guilty of a  
230 misdemeanor, and upon conviction shall be fined not less than One  
231 Hundred Dollars (\$100.00) nor more than Five Hundred Dollars  
232 (\$500.00) and he may also be confined to the county jail or

233 sentenced to hard labor for the county, for not more than twelve  
234 (12) months. Each violation shall constitute a separate offense.

235 (2) If any person engages in business as provided for in  
236 this chapter without paying the license fee provided for in this  
237 chapter before commencing business or before the expiration of the  
238 person's current license, as the case may be, then the person  
239 shall be liable for the full amount of the license fee plus a  
240 penalty in an amount not to exceed Twenty-five Dollars (\$25.00)  
241 for each day that the person has engaged in the business without a  
242 license or after the expiration of a license.

243 (3) The commissioner may, after notice and hearing, impose a  
244 civil penalty against any licensee if the licensee or employee is  
245 adjudged by the commissioner to be in violation of the provisions  
246 of this chapter. The civil penalty shall not exceed Five Hundred  
247 Dollars (\$500.00) per violation and shall be deposited into the  
248 Consumer Finance Fund of the Department of Banking and Consumer  
249 Finance.

250 SECTION 9. The following section shall be codified as a  
251 separate Code section within Chapter 15 of Title 75, Mississippi  
252 Code of 1972:

253 75-15-\_\_\_. The commissioner, or his duly authorized  
254 representative, for the purpose of discovering violations of this  
255 chapter and for the purpose of determining whether persons are  
256 subject to the provisions of this chapter, may examine persons  
257 licensed under this chapter and persons reasonably suspected by  
258 the commissioner of conducting business that requires a license  
259 under this chapter, including all relevant books, records and  
260 papers employed by those persons in the transaction of their  
261 business, and may summon witnesses and examine them under oath  
262 concerning matters relating to the business of those persons, or  
263 such other matters as may be relevant to the discovery of  
264 violations of this chapter, including without limitation the  
265 conduct of business without a license as required under this

266 chapter.

267 SECTION 10. Section 75-67-115, Mississippi Code of 1972, is  
268 amended as follows:

269 75-67-115. The commissioner may charge the licensee an  
270 examination fee in an amount not less than Two Hundred Dollars  
271 (\$200.00) nor more than Three Hundred Dollars (\$300.00) per  
272 examination of each office or location within the State of  
273 Mississippi, plus any actual expenses incurred while examining the  
274 licensee's records or books that are located outside the State of  
275 Mississippi. However, in no event shall a licensee be examined  
276 more than once in a two-year period unless for cause shown based  
277 upon consumer complaint and/or other exigent reasons as determined  
278 by the commissioner.

279 All \* \* \* expense fees paid to the commissioner shall be  
280 deposited by the commissioner in the State Treasury in a special  
281 and separate fund to be known as the "Consumer Finance Fund."

282 SECTION 11. Section 75-67-213, Mississippi Code of 1972, is  
283 amended as follows:

284 75-67-213. With each initial application for a license under  
285 the provisions of this article, the applicant shall pay to the  
286 commissioner at the time of making such application a license fee  
287 of Seven Hundred Fifty Dollars (\$750.00), and for renewal  
288 applications, an annual renewal fee of Four Hundred Seventy-five  
289 Dollars (\$475.00). The licenses issued under the provisions  
290 hereof shall be valid for a period of one (1) year from the date  
291 of the issuance thereof. Such fee is in addition to any other  
292 privilege tax or fee required by law. Within thirty (30) days  
293 prior to the expiration of any valid and subsisting license issued  
294 hereunder, the holder thereof, if he desires to continue to engage  
295 in business in the State of Mississippi, shall file application  
296 for a new license in the same manner and under the same conditions  
297 herein provided \* \* \*.

298 SECTION 12. Section 75-67-215, Mississippi Code of 1972, is



299 amended as follows:

300 75-67-215. (1) If any person shall engage in business as  
301 provided for in this article without paying the license fee  
302 provided for herein prior to commencing business or prior to the  
303 expiration of such person's current license, as the case may be,  
304 then such person shall be liable for the full amount of such  
305 license fee plus a penalty in an amount not to exceed Twenty-five  
306 Dollars (\$25.00) for each day that the person has engaged in the  
307 business without a license or after the expiration of a license.

308 (2) The commissioner may, after notice and hearing as  
309 defined in Section 75-67-237 in cases of revocation of license,  
310 impose a civil penalty against any licensee if the licensee is  
311 adjudged by the commissioner to be in willful violation of the  
312 provisions of this article. The civil penalty shall not exceed  
313 Five Hundred Dollars (\$500.00) per violation and shall be  
314 deposited into the Consumer Finance Fund of the Department of  
315 Banking and Consumer Finance. Any licensee who has been imposed a  
316 civil penalty by the commissioner may, within twenty (20) days  
317 after such fine is imposed, appeal to the circuit court of the  
318 county where the business is being conducted, as in cases from an  
319 order of a lesser tribunal. The trial on appeal shall be de novo.

320 SECTION 13. Section 75-67-229, Mississippi Code of 1972, is  
321 amended as follows:

322 75-67-229. Not more than one (1) place of business shall be  
323 operated or maintained under the same license, but the  
324 commissioner may issue separate licenses to the same licensee for  
325 different and separate places of business upon compliance with all  
326 of the provisions of this article governing the issuance of  
327 licenses with respect to each separate license. If any licensee  
328 shall desire to change his place of business within the same  
329 municipality during the period for which the license is valid, he  
330 shall make written application therefor to the commissioner who  
331 shall issue a new license \* \* \* for the unexpired portion of the

332 year showing the new location of the business. However, nothing  
333 herein shall authorize or permit a change in the place of business  
334 of a licensee to a location outside of the original municipality.

335 SECTION 14. The following section shall be codified as a  
336 separate Code section within Article 5 of Chapter 67 of Title 75,  
337 Mississippi Code of 1972:

338 75-67-\_\_\_\_\_. The commissioner, or his duly authorized  
339 representative, for the purpose of discovering violations of this  
340 article and for the purpose of determining whether persons are  
341 subject to the provisions of this article, may examine persons  
342 licensed under this article and persons reasonably suspected by  
343 the commissioner of conducting business that requires a license  
344 under this article, including all relevant books, records and  
345 papers employed by those persons in the transaction of their  
346 business, and may summon witnesses and examine them under oath  
347 concerning matters relating to the business of those persons, or  
348 such other matters as may be relevant to the discovery of  
349 violations of this article, including without limitation the  
350 conduct of business without a license as required under this  
351 article.

352 SECTION 15. Section 75-67-321, Mississippi Code of 1972, is  
353 amended as follows:

354 75-67-321. (1) A person may not engage in business as a  
355 pawnbroker or otherwise portray himself as a pawnbroker unless the  
356 person has a valid license authorizing engagement in the business.  
357 A separate license is required for each place of business under  
358 this article. The commissioner may issue more than one (1)  
359 license to a person if that person complies with this article for  
360 each license. A new license or application to transfer an  
361 existing license is required upon a change, directly or  
362 beneficially, in the ownership of any licensed pawnshop and an  
363 application shall be made to the commissioner in accordance with  
364 this article.

365 (2) When a licensee wishes to move a pawnshop to another  
366 location, the licensee shall give thirty (30) days prior written  
367 notice to the commissioner who shall amend the license  
368 accordingly.

369 (3) Each license shall remain in full force and effect until  
370 relinquished, suspended, revoked or expired. With each initial  
371 application for a license, the applicant shall pay the  
372 commissioner a license fee of Five Hundred Dollars (\$500.00), and  
373 on or before December 1 of each year thereafter, an annual renewal  
374 fee of Three Hundred Dollars (\$300.00). If the annual fee remains  
375 unpaid thirty (30) days after December 1, the license shall  
376 thereupon expire, but not before December 31 of any year for which  
377 the annual fee has been paid. If any person engages in business  
378 as provided for in this article without paying the license fee  
379 provided for in this article commencing business or before the  
380 expiration of the person's current license, as the case may be,  
381 then the person shall be liable for the full amount of the license  
382 fee, plus a penalty in an amount not to exceed Twenty-five Dollars  
383 (\$25.00) for each day that the person has engaged in such business  
384 without a license or after the expiration of a license. All  
385 licensing fees and penalties shall be paid into the Consumer  
386 Finance Fund of the Department of Banking and Consumer Finance.

387 (4) Notwithstanding other provisions of this article, the  
388 commissioner may issue a temporary license authorizing the  
389 operator of a pawnshop on the receipt of an application to  
390 transfer a license from one person to another or on the receipt of  
391 an application for a license involving principals and owners that  
392 are substantially identical to those of an existing licensed  
393 pawnshop. The temporary license is effective until the permanent  
394 license is issued or denied.

395 (5) Notwithstanding other provisions of this article,  
396 neither a new license nor an application to transfer an existing  
397 license shall be required upon any change, directly or

398 beneficially, in the ownership of any licensed pawnshop  
399 incorporated under the laws of this state or any other state so  
400 long as the licensee continues to operate as a corporation doing a  
401 pawnshop business under the license. The commissioner may,  
402 however, require the licensee to provide such information as he  
403 deems reasonable and appropriate concerning the officer and  
404 directors of the corporation and persons owning in excess of  
405 twenty-five percent (25%) of the outstanding shares of the  
406 corporation.

407 SECTION 16. Section 75-67-323, Mississippi Code of 1972, is  
408 amended as follows:

409 75-67-323. To be eligible for a pawnbroker license, an  
410 applicant shall:

411 (a) Operate lawfully and fairly within the purposes of  
412 this article;

413 (b) Not have been convicted of a felony in the last ten  
414 (10) years or be active as a beneficial owner for someone who has  
415 been convicted of a felony in the last ten (10) years;

416 (c) File with the commissioner a bond with good  
417 security in the penal sum of Ten Thousand Dollars (\$10,000.00),  
418 payable to the State of Mississippi for the faithful performance  
419 by the licensee of the duties and obligations pertaining to the  
420 business so licensed and the prompt payment of any judgment which  
421 may be recovered against such licensee on account of damages or  
422 other claim arising directly or collaterally from any violation of  
423 the provisions of this article; such bond shall not be valid until  
424 it is approved by the commissioner; such applicant may file, in  
425 lieu thereof, cash, a certificate of deposit, or government bonds  
426 in the amount of Ten Thousand Dollars (\$10,000.00); such deposit  
427 shall be filed with the commissioner and is subject to the same  
428 terms and conditions as are provided for in the surety bond  
429 required herein; any interest or earnings on such deposits are  
430 payable to the depositor.

431 (d) File with the commissioner an application  
432 accompanied by the initial license fee required in this  
433 article \* \* \*.

434 (e) Submit a set of fingerprints from any local law  
435 enforcement agency. In order to determine the applicant's  
436 suitability for license, the commissioner shall forward the  
437 fingerprints to the Department of Public Safety; and if no  
438 disqualifying record is identified at the state level, the  
439 fingerprints shall be forwarded by the Department of Public Safety  
440 to the FBI for a national criminal history record check.

441 SECTION 17. Section 75-67-333, Mississippi Code of 1972, is  
442 amended as follows:

443 75-67-333. (1) In addition to any other penalty which may  
444 be applicable, any licensee or employee who willfully violates any  
445 provision of this article, or who willfully makes a false entry in  
446 any record specifically required by this article, shall be guilty  
447 of a misdemeanor and upon conviction thereof, shall be punishable  
448 by a fine not in excess of One Thousand Dollars (\$1,000.00) per  
449 violation or false entry.

450 (2) (a) In addition to any other penalty which may be  
451 applicable, any licensee or employee who fails to make a record of  
452 a pawnshop transaction and subsequently sells or disposes of the  
453 pledged goods from such transaction shall be punished as follows:

454 (i) For a first offense, the licensee or employee  
455 shall be guilty of a misdemeanor and upon conviction thereof,  
456 shall be punishable by a fine not in excess of One Thousand  
457 Dollars (\$1,000.00) or by imprisonment in the county jail for not  
458 more than one (1) year, or both fine and imprisonment;

459 (ii) For a second offense, the licensee or  
460 employee shall be guilty of a felony and upon conviction thereof,  
461 shall be punishable by a fine not in excess of Five Thousand  
462 Dollars (\$5,000.00) or by imprisonment in the custody of the State  
463 Department of Corrections for a term not less than one (1) year

464 nor more than five (5) years, or by both fine and imprisonment.

465 (b) Any licensee convicted in the manner provided in  
466 this subsection (2) shall forfeit the surety bond or deposit  
467 required in Section 75-67-323 and the amount of such bond or  
468 deposit shall be credited to the budget of the state or local  
469 agency, which directly participated in the prosecution of such  
470 licensee, for the specific purpose of increasing law enforcement  
471 resources for that specific state or local agency. Such bond or  
472 deposit shall be used to augment existing state and local law  
473 enforcement budgets and not to supplant them.

474 (3) Compliance with the criminal provisions of this article  
475 shall be enforced by the appropriate law enforcement agency who  
476 may exercise for such purpose any authority conferred upon such  
477 agency by law.

478 (4) When the commissioner has reasonable cause to believe  
479 that a person is violating any provision of this article, the  
480 commissioner, in addition to and without prejudice to the  
481 authority provided elsewhere in this article, may enter an order  
482 requiring the person to stop or to refrain from the violation. The  
483 commissioner may sue in any circuit court of the state having  
484 jurisdiction and venue to enjoin the person from engaging in or  
485 continuing the violation or from doing any act in furtherance of  
486 the violation. In such an action, the court may enter an order or  
487 judgment awarding a preliminary or permanent injunction.

488 (5) The commissioner may, after notice and a hearing, impose  
489 a civil penalty against any licensee adjudged by the commissioner  
490 to be in violation of the provisions of this article. Such civil  
491 penalty shall not exceed Five Hundred Dollars (\$500.00) per  
492 violation and shall be deposited into the Consumer Finance Fund of  
493 the Department of Banking and Consumer Finance.

494 SECTION 18. Section 75-67-341, Mississippi Code of 1972, is  
495 amended as follows:

496 75-67-341. (1) The Commissioner of Banking shall develop

497 and provide any necessary forms to carry out the provisions of  
498 this article.

499 (2) To assure compliance with the provisions of this  
500 article, the commissioner may examine the books and records of any  
501 licensee without notice during normal business hours. The  
502 commissioner may charge the licensee an examination fee in an  
503 amount not less than Two Hundred Dollars (\$200.00) nor more than  
504 Three Hundred Dollars (\$300.00) per examination of each office or  
505 location within the State of Mississippi, plus any actual expenses  
506 incurred while examining the licensee's records or books that are  
507 located outside the State of Mississippi. However, in no event  
508 shall a licensee be examined more than once in a three-year period  
509 unless for cause shown based upon consumer complaint and/or other  
510 exigent reasons as determined by the commissioner.

511 SECTION 19. The following section shall be codified as a  
512 separate Code section within Article 7 of Chapter 67 of Title 75,  
513 Mississippi Code of 1972:

514 75-67-\_\_\_. The commissioner, or his duly authorized  
515 representative, for the purpose of discovering violations of this  
516 article and for the purpose of determining whether persons are  
517 subject to the provisions of this article, may examine persons  
518 licensed under this article and persons reasonably suspected by  
519 the commissioner of conducting business that requires a license  
520 under this article, including all relevant books, records and  
521 papers employed by those persons in the transaction of their  
522 business, and may summon witnesses and examine them under oath  
523 concerning matters relating to the business of those persons, or  
524 such other matters as may be relevant to the discovery of  
525 violations of this article, including without limitation the  
526 conduct of business without a license as required under this  
527 article.

528 SECTION 20. Section 75-67-419, Mississippi Code of 1972, is  
529 amended as follows:

530           75-67-419. (1) A person may not engage in business as a  
531 title pledge lender or otherwise portray himself as a title pledge  
532 lender unless the person has a valid license authorizing  
533 engagement in the business. A separate license is required for  
534 each place of business under this article. The commissioner may  
535 issue more than one (1) license to a person if that person  
536 complies with this article for each license. A new license or  
537 application to transfer an existing license is required upon a  
538 change, directly or beneficially, in the ownership of any licensed  
539 title pledge office and an application shall be made to the  
540 commissioner in accordance with this article.

541           (2) When a licensee wishes to move a title pledge office to  
542 another location, the licensee shall give thirty (30) days prior  
543 written notice to the commissioner who shall amend the license  
544 accordingly.

545           (3) Each license shall remain in full force and effect until  
546 relinquished, suspended, revoked or expired. With each initial  
547 application for a license, the applicant shall pay the  
548 commissioner at the time of making the application a license fee  
549 of Seven Hundred Fifty Dollars (\$750.00), and on or before June 1  
550 of each year thereafter, an annual renewal fee of Four Hundred  
551 Seventy-five Dollars (\$475.00). If the annual fee remains unpaid  
552 thirty (30) days after June 1, the license shall thereupon expire,  
553 but not before June 30 of any year for which the annual fee has  
554 been paid. If any person engages in business as provided for in  
555 this article without paying the license fee provided for in this  
556 article before commencing business or before the expiration of  
557 such person's current license, as the case may be, then the person  
558 shall be liable for the full amount of the license fee, plus a  
559 penalty in an amount not to exceed Twenty-five Dollars (\$25.00)  
560 for each day that the person has engaged in the business without a  
561 license or after the expiration of a license. All licensing fees  
562 and penalties shall be paid into the Consumer Finance Fund of the



563 Department of Banking and Consumer Finance.

564 (4) Notwithstanding other provisions of this article, the  
565 commissioner may issue a temporary license authorizing the  
566 operation of a title pledge office on the receipt of an  
567 application to transfer a license from one person to another or on  
568 the receipt of an application for a license involving principals  
569 and owners that are substantially identical to those of an  
570 existing licensed title pledge office. The temporary license is  
571 effective until the permanent license is issued or denied.

572 (5) Notwithstanding other provisions of this article,  
573 neither a new license nor an application to transfer an existing  
574 license shall be required upon any change, directly or  
575 beneficially, in the ownership of any licensed title pledge office  
576 incorporated under the laws of this state or any other state so  
577 long as the licensee continues to operate as a corporation doing a  
578 title pledge business under the license. The commissioner may,  
579 however, require the licensee to provide such information as he  
580 deems reasonable and appropriate concerning the officer and  
581 directors of the corporation and persons owning in excess of  
582 twenty-five percent (25%) of the outstanding shares of the  
583 corporation.

584 SECTION 21. Section 75-67-421, Mississippi Code of 1972, is  
585 amended as follows:

586 75-67-421. (1) To be eligible for a title pledge lender  
587 license, an applicant shall:

588 (a) Operate lawfully and fairly within the purposes of  
589 this article;

590 (b) Not have been convicted of a felony in the last ten  
591 (10) years or be active as a beneficial owner for someone who has  
592 been convicted of a felony in the last ten (10) years;

593 (c) File with the commissioner a bond with good  
594 security in the penal sum of One Hundred Thousand Dollars  
595 (\$100,000.00), payable to the State of Mississippi for the

596 faithful performance by the licensee of the duties and obligations  
597 pertaining to the business so licensed and the prompt payment of  
598 any judgment which may be recovered against the licensee on  
599 account of damages or other claim arising directly or collaterally  
600 from any violation of the provisions of this article; such bond  
601 shall not be valid until it is approved by the commissioner; such  
602 applicant may file, in lieu thereof, cash, a certificate of  
603 deposit, or government bonds in the amount of Ten Thousand Dollars  
604 (\$10,000.00), the deposit of which shall be filed with the  
605 commissioner and is subject to the same terms and conditions as  
606 are provided for in the surety bond required herein; any interest  
607 or earnings on such deposits are payable to the depositor.

608 (d) File with the commissioner an application  
609 accompanied by a set of fingerprints from any local law  
610 enforcement agency, \* \* \* and the initial license fee required in  
611 this article \* \* \*. In order to determine the applicant's  
612 suitability for license, the commissioner shall forward the  
613 fingerprints to the Department of Public Safety; and if no  
614 disqualifying record is identified at the state level, the  
615 fingerprints shall be forwarded by the Department of Public Safety  
616 to the FBI for a national criminal history record check.

617 (2) Upon the filing of an application in a form prescribed  
618 by the commissioner, accompanied by the fee and documents required  
619 in this article, the department shall investigate to ascertain  
620 whether the qualifications prescribed by this article have been  
621 satisfied. If the commissioner finds that the qualifications have  
622 been satisfied and, if he approves the documents so filed by the  
623 applicant, he shall issue to the applicant a license to engage in  
624 the business of title pledge lending in this state.

625 (3) Complete and file with the commissioner an annual  
626 renewal application accompanied by the renewal fee required in  
627 this article.

628 (4) The license shall be kept conspicuously posted in the

629 place of business of the licensee.

630 SECTION 22. Section 75-67-435, Mississippi Code of 1972, is  
631 amended as follows:

632 75-67-435. (1) The Commissioner of Banking and Consumer  
633 Finance shall develop and provide any necessary forms to carry out  
634 the provisions of this article.

635 (2) The department may adopt reasonable administrative  
636 regulations, not inconsistent with law, for the enforcement of  
637 this article.

638 (3) To assure compliance with the provision of this article,  
639 the department may examine the books and records of any licensee  
640 without notice during normal business hours. The commissioner may  
641 charge the licensee an examination fee in an amount not less than  
642 Two Hundred Dollars (\$200.00) nor more than Three Hundred Dollars  
643 (\$300.00) per examination of each office or location within the  
644 State of Mississippi, plus any actual expenses incurred while  
645 examining the licensee's records or books that are located outside  
646 the State of Mississippi. However, in no event shall a licensee  
647 be examined more than once in a two-year period unless for cause  
648 shown based upon consumer complaint and/or other exigent reasons  
649 as determined by the commissioner.

650 SECTION 23. The following section shall be codified as a  
651 separate Code section within Article 9 of Chapter 67 of Title 75,  
652 Mississippi Code of 1972:

653 75-67-\_\_\_. The commissioner, or his duly authorized  
654 representative, for the purpose of discovering violations of this  
655 article and for the purpose of determining whether persons are  
656 subject to the provisions of this article, may examine persons  
657 licensed under this article and persons reasonably suspected by  
658 the commissioner of conducting business that requires a license  
659 under this article, including all relevant books, records and  
660 papers employed by those persons in the transaction of their  
661 business, and may summon witnesses and examine them under oath

662 concerning matters relating to the business of those persons, or  
663 such other matters as may be relevant to the discovery of  
664 violations of this article, including without limitation the  
665 conduct of business without a license as required under this  
666 article.

667 SECTION 24. Section 81-19-15, Mississippi Code of 1972, is  
668 amended as follows:

669 81-19-15. Applications for renewal of a license shall be  
670 submitted, along with the payment of the annual fee, on an  
671 application form supplied by the commissioner upon which  
672 information relating to all of the applicant's licensed offices  
673 shall be set forth in accordance with instructions contained  
674 therein, including, in the discretion of the commissioner, such  
675 additional information as may be required by statute or regulation  
676 for the issuance of an initial license.

677 The application for renewal of a license shall be received by  
678 the commissioner within thirty (30) days prior to the expiration  
679 of any valid and existing license issued hereunder. If any person  
680 engages in business as provided for in this chapter without paying  
681 the license fee provided for in this chapter before commencing  
682 business or before the expiration of his current license shall be  
683 liable for the full amount of the license fee, plus a penalty in  
684 an amount not to exceed Twenty-five Dollars (\$25.00) for each day  
685 that the person has engaged in the business without a license or  
686 after the expiration of a license.

687 SECTION 25. Section 81-19-17, Mississippi Code of 1972, is  
688 amended as follows:

689 81-19-17. (1) Each licensee shall be subject to the  
690 supervision of the commissioner.

691 (2) The commissioner is authorized to make and enforce such  
692 reasonable regulations as are necessary and proper for the  
693 administration, enforcement and interpretation of the provisions  
694 of this chapter. In adopting such regulations, the commissioner

695 shall follow the procedures set forth in the Mississippi  
696 Administrative Procedures Act (Section 25-43-1 et seq.,  
697 Mississippi Code of 1972).

698 (3) In order to discover violations of this chapter and to  
699 identify persons subject to the provisions of this chapter, the  
700 commissioner is authorized to examine licensees, including all  
701 books, records, accounts and papers employed by such licensees in  
702 the transaction of their business, to summon witnesses and examine  
703 them under oath concerning matters relating to the business of  
704 such persons, and to investigate such other matters as may be  
705 relevant in the opinion of the commissioner. For this purpose and  
706 for the general purposes of administration of this chapter, the  
707 commissioner may employ such deputies and assistants as may be  
708 necessary, and such deputies and assistants, in the discretion of  
709 the commissioner, may be vested with the same authority conferred  
710 upon the commissioner by this chapter.

711 (4) For the purpose of defraying a portion of the  
712 examination and administrative expenses incurred by the  
713 commissioner, each licensee shall pay at the time of examination  
714 the actual expenses of the examination, not to exceed Two Hundred  
715 Dollars (\$200.00) per day for the time actually devoted to  
716 examining the business of the licensee. However, for any  
717 examination other than one conducted because of suspected blatant  
718 violation of this chapter, the amount charged to any single  
719 licensee in any one (1) year shall not exceed Two Thousand Dollars  
720 (\$2,000.00).

721 (5) The commissioner may impose and collect an  
722 administrative fine against any person found to have charged or  
723 collected a service charge or advance fee from a borrower before a  
724 loan is actually found, obtained and closed for such borrower.  
725 Such fine shall not exceed Five Thousand Dollars (\$5,000.00) for  
726 each violation.

727 (6) Whenever the commissioner has reasonable cause to

728 believe that any person is violating any of the provisions of this  
729 chapter, in addition to all other remedies provided herein, the  
730 commissioner may, by, through and on the relation of the Attorney  
731 General, district attorney or county attorney, apply to a court of  
732 competent jurisdiction for an injunction, both temporary and  
733 permanent, to restrain such person from engaging in or continuing  
734 such violation of the provisions of this chapter or from doing any  
735 act or acts in furtherance thereof.

736 (7) The commissioner may, after notice and hearing, impose  
737 an administrative fine against any licensee if the licensee or  
738 employee is adjudged by the commissioner to be in violation of the  
739 provisions of this chapter. The administrative fine shall not  
740 exceed Five Hundred Dollars (\$500.00) per violation and shall be  
741 deposited into the Consumer Finance Fund of the Department of  
742 Banking and Consumer Finance.

743 SECTION 26. Section 81-19-19, Mississippi Code of 1972, is  
744 amended as follows:

745 81-19-19. All funds coming into the possession of the  
746 commissioner as a result of this chapter, including all annual  
747 fees and examination fees \* \* \*, shall be deposited by the  
748 commissioner into the special fund in the State Treasury known as  
749 the "Consumer Finance Fund," and shall be expended by the  
750 commissioner solely and exclusively for the administration and  
751 enforcement of this chapter. \* \* \*

752 SECTION 27. The following section shall be codified as a  
753 separate Code section within Chapter 19 of Title 81, Mississippi  
754 Code of 1972:

755 81-19-\_\_\_. The commissioner, or his duly authorized  
756 representative, for the purpose of discovering violations of this  
757 chapter and for the purpose of determining whether persons are  
758 subject to the provisions of this chapter, may examine persons  
759 licensed under this chapter and persons reasonably suspected by  
760 the commissioner of conducting business that requires a license

761 under this chapter, including all relevant books, records and  
762 papers employed by those persons in the transaction of their  
763 business, and may summon witnesses and examine them under oath  
764 concerning matters relating to the business of those persons, or  
765 such other matters as may be relevant to the discovery of  
766 violations of this chapter, including without limitation the  
767 conduct of business without a license as required under this  
768 chapter.

769 SECTION 28. Section 81-21-3, Mississippi Code of 1972, is  
770 amended as follows:

771 81-21-3. (1) No person shall engage in the business of a  
772 premium finance company in this state without first having  
773 obtained a license as a premium finance company from the  
774 commissioner.

775 (2) With each initial application for a license, the  
776 applicant shall pay to the commissioner at the time of making the  
777 application a license fee of Seven Hundred Fifty Dollars  
778 (\$750.00), and for renewal applications, an annual renewal fee of  
779 Four Hundred Seventy-five Dollars (\$475.00) payable as of the  
780 first day of July of each year to the commissioner for deposit  
781 into the special fund in the State Treasury designated as the  
782 "Consumer Finance Fund." The commissioner may employ persons as  
783 necessary to administer this chapter and to examine or investigate  
784 and make reports on violations of this chapter.

785 (3) The commissioner may charge the licensee an examination  
786 fee in an amount not less than Two Hundred Dollars (\$200.00) nor  
787 more than Three Hundred Dollars (\$300.00) per examination of each  
788 office or location within the State of Mississippi, plus any  
789 actual expenses incurred while examining the licensee's records or  
790 books that are located outside the State of Mississippi. However,  
791 in no event shall a licensee be examined more than once in a  
792 two-year period unless for cause shown based upon consumer  
793 complaint and/or other exigent reasons as determined by the

794 commissioner. Such fees shall be payable in addition to other  
795 fees and taxes now required by law and shall be expendable  
796 receipts for the use of the commissioner in defraying the cost of  
797 the administration of this chapter.

798 All fees, license tax and penalties provided for in this  
799 chapter which are payable to the commissioner shall, when  
800 collected by him or his designated representative, be deposited in  
801 the special fund in the State Treasury known as the "Consumer  
802 Finance Fund" and shall be expended by the commissioner solely and  
803 exclusively for the purpose of administering and enforcing the  
804 provisions of this chapter.

805 (4) Application for licensing shall be made on forms  
806 prepared by the commissioner and shall contain the following  
807 information:

808 (a) Name, business address and telephone number of the  
809 premium finance company;

810 (b) Name and business address of corporate officers and  
811 directors or principals or partners; and

812 (c) A sworn statement by an appropriate officer,  
813 principal or partner of the premium finance company that:

814 (i) The premium finance company is financially  
815 capable to engage in the business of insurance premium financing;

816 (ii) If a corporation, that the corporation is  
817 authorized to transact business in this state; and

818 (iii) If any material change occurs in the  
819 information contained in the registration form, a revised  
820 statement shall be submitted to the commissioner.

821 (5) The commissioner is authorized to promulgate rules and  
822 regulations to effectuate the purposes of this chapter. All such  
823 rules and regulations shall be promulgated in accordance with the  
824 provisions of the Mississippi Administrative Procedures Law.

825 SECTION 29. Section 81-21-9, Mississippi Code of 1972, is  
826 amended as follows:



827           81-21-9. (1) In lieu of revoking or suspending the license  
828 for any of the causes enumerated in this chapter, after a hearing  
829 as provided in Section 81-21-7, the commissioner may subject such  
830 company to a penalty not to exceed Five Hundred Dollars (\$500.00)  
831 for each offense when the commissioner finds that the public  
832 interest would not be harmed by the continued operation of the  
833 company. The amount of any such penalty shall be paid by such  
834 company to the commissioner for deposit into the special fund in  
835 the State Treasury designated as the "Consumer Finance Fund." At  
836 any hearing provided by this chapter, the commissioner shall have  
837 authority to administer oaths to witnesses. Anyone testifying  
838 falsely, after having been administered such oath, shall be  
839 subject to the penalty of perjury.

840           (2) If any person engages in business as provided for in  
841 this chapter without paying the license fee provided for in this  
842 chapter before commencing business or before the expiration of the  
843 person's current license, as the case may be, then the person  
844 shall be liable for the full amount of the license fee, plus a  
845 penalty in an amount not to exceed Twenty-five Dollars (\$25.00)  
846 for each day that the person has engaged in the business without a  
847 license or after the expiration of a license.

848           SECTION 30. The following section shall be codified as a  
849 separate Code section within Chapter 21 of Title 81, Mississippi  
850 Code of 1972:

851           81-21-\_\_\_. The commissioner, or his duly authorized  
852 representative, for the purpose of discovering violations of this  
853 chapter and for the purpose of determining whether persons are  
854 subject to the provisions of this chapter, may examine persons  
855 licensed under this chapter and persons reasonably suspected by  
856 the commissioner of conducting business that requires a license  
857 under this chapter, including all relevant books, records and  
858 papers employed by those persons in the transaction of their  
859 business, and may summon witnesses and examine them under oath

860 concerning matters relating to the business of those persons, or  
861 such other matters as may be relevant to the discovery of  
862 violations of this chapter, including without limitation the  
863 conduct of business without a license as required under this  
864 chapter.

865 SECTION 31. This act shall take effect and be in force from  
866 and after its passage.