

By: Senator(s) Woodfield

To: Business and
Financial
Institutions

SENATE BILL NO. 2570

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 WHICH 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 WHICH 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 herein
128 prior to commencing business or prior to the expiration of such
129 person's current license, as the case may be, then such person
130 shall be liable for the full amount of such 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 such business without
133 a 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. Such 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 which requires a license
162 under this chapter, including all relevant books, records and
163 papers employed by such 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 such 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 herein
237 prior to commencing business or prior to the expiration of such
238 person's current license, as the case may be, then such person
239 shall be liable for the full amount of such 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 such business without
242 a 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. Such 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, is hereby authorized to
257 examine persons licensed under this chapter and persons reasonably
258 suspected by the commissioner of conducting business which
259 requires a license under this chapter, including all relevant
260 books, records and papers employed by such persons in the
261 transaction of their business, and to summon witnesses and examine
262 them under oath concerning matters relating to the business of
263 such persons, or such other matters as may be relevant to the
264 discovery of violations of this chapter, including without
265 limitation the conduct of business without a license as required

266 under this 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 such
307 business without a license or after the expiration of a license.

308 (2) The commissioner may, after notice and hearing, impose a
309 civil penalty against any licensee if the licensee or employee is
310 adjudged by the commissioner to be in violation of the provisions
311 of this article. Such civil penalty shall not exceed Five Hundred
312 Dollars (\$500.00) per violation and shall be deposited into the
313 Consumer Finance Fund of the Department of Banking and Consumer
314 Finance.

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

317 75-67-229. Not more than one place of business shall be
318 operated or maintained under the same license, but the
319 commissioner may issue separate licenses to the same licensee for
320 different and separate places of business upon compliance with all
321 of the provisions of this article governing the issuance of
322 licenses with respect to each separate license. If any licensee
323 shall desire to change his place of business within the same
324 municipality during the period for which the license is valid, he
325 shall make written application therefor to the commissioner who
326 shall issue a new license * * * for the unexpired portion of the
327 year showing the new location of the business. However, nothing
328 herein shall authorize or permit a change in the place of business
329 of a licensee to a location outside of the original municipality.

330 SECTION 14. The following section shall be codified as a
331 separate code section within Article 5 of Chapter 67 of Title 75,

332 Mississippi Code of 1972:

333 75-67-. The commissioner, or his duly authorized
334 representative, for the purpose of discovering violations of this
335 article and for the purpose of determining whether persons are
336 subject to the provisions of this article, is hereby authorized to
337 examine persons licensed under this article and persons reasonably
338 suspected by the commissioner of conducting business which
339 requires a license under this article, including all relevant
340 books, records and papers employed by such persons in the
341 transaction of their business, and to summon witnesses and examine
342 them under oath concerning matters relating to the business of
343 such persons, or such other matters as may be relevant to the
344 discovery of violations of this article, including without
345 limitation the conduct of business without a license as required
346 under this article.

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

349 75-67-321. (1) A person may not engage in business as a
350 pawnbroker or otherwise portray himself as a pawnbroker unless the
351 person has a valid license authorizing engagement in the business.

352 A separate license is required for each place of business under
353 this article. The commissioner may issue more than one (1)
354 license to a person if that person complies with this article for
355 each license. A new license or application to transfer an
356 existing license is required upon a change, directly or
357 beneficially, in the ownership of any licensed pawnshop and an
358 application shall be made to the commissioner in accordance with
359 this article.

360 (2) When a licensee wishes to move a pawnshop to another
361 location, the licensee shall give thirty (30) days prior written
362 notice to the commissioner who shall amend the license
363 accordingly.

364 (3) Each license shall remain in full force and effect until

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

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

391 (5) Notwithstanding other provisions of this article,
392 neither a new license nor an application to transfer an existing
393 license shall be required upon any change, directly or
394 beneficially, in the ownership of any licensed pawnshop
395 incorporated under the laws of this state or any other state so
396 long as the licensee continues to operate as a corporation doing a
397 pawnshop business under the license. The commissioner may,

398 however, require the licensee to provide such information as he
399 deems reasonable and appropriate concerning the officer and
400 directors of the corporation and persons owning in excess of
401 twenty-five percent (25%) of the outstanding shares of the
402 corporation.

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

405 75-67-323. To be eligible for a pawnbroker license, an
406 applicant shall:

407 (a) Operate lawfully and fairly within the purposes of
408 this article;

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

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

427 (d) File with the commissioner an application
428 accompanied by the initial license fee required in this
429 article * * *.

430 (e) Submit a set of fingerprints from any local law

431 enforcement agency. In order to determine the applicant's
432 suitability for license, the commissioner shall forward the
433 fingerprints to the Department of Public Safety; and if no
434 disqualifying record is identified at the state level, the
435 fingerprints shall be forwarded by the Department of Public Safety
436 to the FBI for a national criminal history record check.

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

439 75-67-333. (1) In addition to any other penalty which may
440 be applicable, any licensee or employee who willfully violates any
441 provision of this article, or who willfully makes a false entry in
442 any record specifically required by this article, shall be guilty
443 of a misdemeanor and upon conviction thereof, shall be punishable
444 by a fine not in excess of One Thousand Dollars (\$1,000.00) per
445 violation or false entry.

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

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

455 (ii) For a second offense, the licensee or
456 employee shall be guilty of a felony and upon conviction thereof,
457 shall be punishable by a fine not in excess of Five Thousand
458 Dollars (\$5,000.00) or by imprisonment in the custody of the State
459 Department of Corrections for a term not less than one (1) year
460 nor more than five (5) years, or by both fine and imprisonment.

461 (b) Any licensee convicted in the manner provided in
462 this subsection (2) shall forfeit the surety bond or deposit
463 required in Section 75-67-323 and the amount of such bond or

464 deposit shall be credited to the budget of the state or local
465 agency, which directly participated in the prosecution of such
466 licensee, for the specific purpose of increasing law enforcement
467 resources for that specific state or local agency. Such bond or
468 deposit shall be used to augment existing state and local law
469 enforcement budgets and not to supplant them.

470 (3) Compliance with the criminal provisions of this article
471 shall be enforced by the appropriate law enforcement agency who
472 may exercise for such purpose any authority conferred upon such
473 agency by law.

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

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

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

492 75-67-341. (1) The Commissioner of Banking shall develop
493 and provide any necessary forms to carry out the provisions of
494 this article.

495 (2) To assure compliance with the provisions of this
496 article, the commissioner may examine the books and records of any

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

507 SECTION 19. The following section shall be codified as a
508 separate code section within Article 7 of Chapter 67 of Title 75,
509 Mississippi Code of 1972:

510 75-67-_____. The commissioner, or his duly authorized
511 representative, for the purpose of discovering violations of this
512 article and for the purpose of determining whether persons are
513 subject to the provisions of this article, is hereby authorized to
514 examine persons licensed under this article and persons reasonably
515 suspected by the commissioner of conducting business which
516 requires a license under this article, including all relevant
517 books, records and papers employed by such persons in the
518 transaction of their business, and to summon witnesses and examine
519 them under oath concerning matters relating to the business of
520 such persons, or such other matters as may be relevant to the
521 discovery of violations of this article, including without
522 limitation the conduct of business without a license as required
523 under this article.

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

526 75-67-419. (1) A person may not engage in business as a
527 title pledge lender or otherwise portray himself as a title pledge
528 lender unless the person has a valid license authorizing
529 engagement in the business. A separate license is required for

530 each place of business under this article. The commissioner may
531 issue more than one (1) license to a person if that person
532 complies with this article for each license. A new license or
533 application to transfer an existing license is required upon a
534 change, directly or beneficially, in the ownership of any licensed
535 title pledge office and an application shall be made to the
536 commissioner in accordance with this article.

537 (2) When a licensee wishes to move a title pledge office to
538 another location, the licensee shall give thirty (30) days prior
539 written notice to the commissioner who shall amend the license
540 accordingly.

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

560 (4) Notwithstanding other provisions of Sections 75-67-401
561 through 75-67-441, the commissioner may issue a temporary license
562 authorizing the operation of a title pledge office on the receipt

563 of an application to transfer a license from one person to another
564 or on the receipt of an application for a license involving
565 principals and owners that are substantially identical to those of
566 an existing licensed title pledge office. The temporary license
567 is effective until the permanent license is issued or denied.

568 (5) Notwithstanding other provisions of Sections 75-67-401
569 through 75-67-441, neither a new license nor an application to
570 transfer an existing license shall be required upon any change,
571 directly or beneficially, in the ownership of any licensed title
572 pledge office incorporated under the laws of this state or any
573 other state so long as the licensee continues to operate as a
574 corporation doing a title pledge business under the license. The
575 commissioner may, however, require the licensee to provide such
576 information as he deems reasonable and appropriate concerning the
577 officer and directors of the corporation and persons owning in
578 excess of twenty-five percent (25%) of the outstanding shares of
579 the corporation.

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

582 75-67-421. (1) To be eligible for a title pledge lender
583 license, an applicant shall:

584 (a) Operate lawfully and fairly within the purposes of
585 this article;

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

589 (c) File with the commissioner a bond with good
590 security in the penal sum of One Hundred Thousand Dollars
591 (\$100,000.00), payable to the State of Mississippi for the
592 faithful performance by the licensee of the duties and obligations
593 pertaining to the business so licensed and the prompt payment of
594 any judgment which may be recovered against the licensee on
595 account of damages or other claim arising directly or collaterally

596 from any violation of the provisions of this article; such bond
597 shall not be valid until it is approved by the commissioner; such
598 applicant may file, in lieu thereof, cash, a certificate of
599 deposit, or government bonds in the amount of Ten Thousand Dollars
600 (\$10,000.00), the deposit of which shall be filed with the
601 commissioner and is subject to the same terms and conditions as
602 are provided for in the surety bond required herein; any interest
603 or earnings on such deposits are payable to the depositor.

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

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

621 (3) Complete and file with the commissioner an annual
622 renewal application accompanied by the renewal fee required in
623 this article.

624 (4) The license shall be kept conspicuously posted in the
625 place of business of the licensee.

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

628 75-67-435. (1) The Commissioner of Banking and Consumer

629 Finance shall develop and provide any necessary forms to carry out
630 the provisions of this article.

631 (2) The department may adopt reasonable administrative
632 regulations, not inconsistent with law, for the enforcement of
633 this article.

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

646 SECTION 23. The following section shall be codified as a
647 separate code section within Article 9 of Chapter 67 of Title 75,
648 Mississippi Code of 1972:

649 75-67-___. The commissioner, or his duly authorized
650 representative, for the purpose of discovering violations of this
651 article and for the purpose of determining whether persons are
652 subject to the provisions of this article, is hereby authorized to
653 examine persons licensed under this article and persons reasonably
654 suspected by the commissioner of conducting business which
655 requires a license under this article, including all relevant
656 books, records and papers employed by such persons in the
657 transaction of their business, and to summon witnesses and examine
658 them under oath concerning matters relating to the business of
659 such persons, or such other matters as may be relevant to the
660 discovery of violations of this article, including without
661 limitation the conduct of business without a license as required

662 under this article.

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

665 81-19-15. Applications for renewal of a license shall be
666 submitted, along with the payment of the annual fee, on an
667 application form supplied by the commissioner upon which
668 information relating to all of the applicant's licensed offices
669 shall be set forth in accordance with instructions contained
670 therein, including, in the discretion of the commissioner, such
671 additional information as may be required by statute or regulation
672 for the issuance of an initial license.

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

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

685 81-19-17. (1) Each licensee shall be subject to the
686 supervision of the commissioner.

687 (2) The commissioner is authorized to make and enforce such
688 reasonable regulations as are necessary and proper for the
689 administration, enforcement and interpretation of the provisions
690 of this chapter. In adopting such regulations, the commissioner
691 shall follow the procedures set forth in the Mississippi
692 Administrative Procedures Act (Section 25-43-1 et seq.,
693 Mississippi Code of 1972).

694 (3) In order to discover violations of this chapter and to

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

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

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

723 (6) Whenever the commissioner has reasonable cause to
724 believe that any person is violating any of the provisions of this
725 chapter, in addition to all other remedies provided herein, the
726 commissioner may, by, through and on the relation of the Attorney
727 General, District Attorney or county attorney, apply to a court of

728 competent jurisdiction for an injunction, both temporary and
729 permanent, to restrain such person from engaging in or continuing
730 such violation of the provisions of this chapter or from doing any
731 act or acts in furtherance thereof.

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

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

741 81-19-19. All funds coming into the possession of the
742 commissioner as a result of this chapter, including all annual
743 fees and examination fees * * *, shall be deposited by the
744 commissioner into the special fund in the State Treasury known as
745 the "Consumer Finance Fund," and shall be expended by the
746 commissioner solely and exclusively for the administration and
747 enforcement of this chapter. * * *

748 SECTION 27. The following section shall be codified as a
749 separate code section within Chapter 19 of Title 81, Mississippi
750 Code of 1972:

751 81-19-___. The commissioner, or his duly authorized
752 representative, for the purpose of discovering violations of this
753 chapter and for the purpose of determining whether persons are
754 subject to the provisions of this chapter, is hereby authorized to
755 examine persons licensed under this chapter and persons reasonably
756 suspected by the commissioner of conducting business which
757 requires a license under this chapter, including all relevant
758 books, records and papers employed by such persons in the
759 transaction of their business, and to summon witnesses and examine
760 them under oath concerning matters relating to the business of

761 such persons, or such other matters as may be relevant to the
762 discovery of violations of this chapter, including without
763 limitation the conduct of business without a license as required
764 under this chapter.

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

767 81-21-3. (1) No person shall engage in the business of a
768 premium finance company in this state without first having
769 obtained a license as a premium finance company from the
770 commissioner.

771 (2) With each initial application for a license, the
772 applicant shall pay to the commissioner at the time of making the
773 application a license fee of Seven Hundred Fifty Dollars
774 (\$750.00), and for renewal applications, an annual renewal fee of
775 Four Hundred Seventy-five Dollars (\$475.00) payable as of the
776 first day of July of each year to the commissioner for deposit
777 into the special fund in the State Treasury designated as the
778 "Consumer Finance Fund." The commissioner may employ persons as
779 necessary to administer this chapter and to examine or investigate
780 and make reports on violations of this chapter.

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

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

801 (4) Application for licensing shall be made on forms
802 prepared by the commissioner and shall contain the following
803 information:

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

806 (b) Name and business address of corporate officers and
807 directors or principals or partners; and

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

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

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

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

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

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

823 81-21-9. (1) In lieu of revoking or suspending the license
824 for any of the causes enumerated in this chapter, after a hearing
825 as provided in Section 81-21-7, the commissioner may subject such
826 company to a penalty not to exceed Five Hundred Dollars (\$500.00)

827 for each offense when the commissioner finds that the public
828 interest would not be harmed by the continued operation of the
829 company. The amount of any such penalty shall be paid by such
830 company to the commissioner for deposit into the special fund in
831 the State Treasury designated as the "Consumer Finance Fund." At
832 any hearing provided by this chapter, the commissioner shall have
833 authority to administer oaths to witnesses. Anyone testifying
834 falsely, after having been administered such oath, shall be
835 subject to the penalty of perjury.

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

844 SECTION 30. The following section shall be codified as a
845 separate code section within Chapter 21 of Title 81, Mississippi
846 Code of 1972:

847 81-21-___. The commissioner, or his duly authorized
848 representative, for the purpose of discovering violations of this
849 chapter and for the purpose of determining whether persons are
850 subject to the provisions of this chapter, is hereby authorized to
851 examine persons licensed under this chapter and persons reasonably
852 suspected by the commissioner of conducting business which
853 requires a license under this chapter, including all relevant
854 books, records and papers employed by such persons in the
855 transaction of their business, and to summon witnesses and examine
856 them under oath concerning matters relating to the business of
857 such persons, or such other matters as may be relevant to the
858 discovery of violations of this chapter, including without
859 limitation the conduct of business without a license as required

860 under this chapter.

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