

By: Representative Fleming

To: Banking and Financial  
Services

## HOUSE BILL NO. 517

1 AN ACT TO CREATE A TASK FORCE TO STUDY THE EFFECTS OF THE  
2 MISSISSIPPI PAWNSHOP ACT; TO PROVIDE FOR THE MEMBERSHIP OF THE  
3 TASK FORCE; TO AUTHORIZE PER DIEM AND REIMBURSEMENT FOR MILEAGE  
4 AND EXPENSES; TO REQUIRE A REPORT TO THE LEGISLATURE; TO AMEND  
5 SECTION 75-67-321, MISSISSIPPI CODE OF 1972, TO IMPOSE A ONE-YEAR  
6 MORATORIUM ON THE ISSUANCE OF PAWNBROKER LICENSES; TO ALLOW  
7 MUNICIPALITIES TO DENY PERMITS IN CERTAIN CENSUS TRACT AREAS; AND  
8 FOR RELATED PURPOSES.

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

10 **SECTION 1.** (1) There is created a task force to study the  
11 effects of the Mississippi Pawnshop Act, Section 75-67-301, et  
12 seq. The task force shall consist of the following members:

13 (a) The Attorney General;

14 (b) One (1) member of the Mississippi House of  
15 Representatives, appointed by the Speaker;

16 (c) One (1) member of the Mississippi State Senate,  
17 appointed by the Lt. Governor;

18 (d) Two (2) members who are law enforcement officers,  
19 appointed by the Governor; and

20 (e) Two (2) pawnbrokers appointed by the Mississippi  
21 Pawnbrokers Association.

22 (2) The task force shall meet and conduct business monthly  
23 and all meetings shall be open to the public with opportunities  
24 for public comment provided on a regular basis. Notice of all  
25 meetings shall be given as provided in the Open Meetings Act.

26 (3) Members of the task force shall be compensated at the  
27 per diem rate authorized by Section 25-3-69 and shall be  
28 reimbursed in accordance with Section 25-3-41 for mileage and  
29 actual expenses incurred in the performance of their duties.

30 Members may be paid from any funds made available to the task  
31 force for that purpose.

32 (4) The task force shall report its findings and  
33 recommendations to the Legislature no later than January 1, 2005.

34 **SECTION 2.** Section 75-67-321, Mississippi Code of 1972, is  
35 amended as follows:

36 75-67-321. (1) A person may not engage in business as a  
37 pawnbroker or otherwise portray himself as a pawnbroker unless the  
38 person has a valid license authorizing engagement in the business.  
39 A separate license is required for each place of business under  
40 this article. The commissioner may issue more than one (1)  
41 license to a person if that person complies with this article for  
42 each license. A new license or application to transfer an  
43 existing license is required upon a change, directly or  
44 beneficially, in the ownership of any licensed pawnshop and an  
45 application shall be made to the commissioner in accordance with  
46 this article.

47 (2) When a licensee wishes to move a pawnshop to another  
48 location, the licensee shall give thirty (30) days prior written  
49 notice to the commissioner who shall amend the license  
50 accordingly.

51 (3) Each license shall remain in full force and effect until  
52 relinquished, suspended, revoked or expired. With each initial  
53 application for a license, the applicant shall pay the  
54 commissioner a license fee, which includes premiums for  
55 examinations, of Five Hundred Dollars (\$500.00), and on or before  
56 December 1 of each year thereafter, an annual renewal fee, which  
57 includes premiums for examinations, of Three Hundred Fifty Dollars  
58 (\$350.00). However, when more than one (1) license to an  
59 applicant is issued, the commissioner, for each subsequent  
60 license, may only impose a fee, which includes premiums for  
61 examinations, of Three Hundred Fifty Dollars (\$350.00) at the time  
62 of application, and an annual renewal fee, which includes premiums

63 for examinations, of Three Hundred Fifty Dollars (\$350.00) on or  
64 before December 1 of each year thereafter. If the annual fee  
65 remains unpaid thirty (30) days after December 1, the license  
66 shall thereupon expire, but not before December 31 of any year for  
67 which the annual fee has been paid. If any person engages in  
68 business as provided for in this article without paying the  
69 license fee provided for in this article commencing business or  
70 before the expiration of the person's current license, as the case  
71 may be, then the person shall be liable for the full amount of the  
72 license fee, plus a penalty in an amount not to exceed Twenty-five  
73 Dollars (\$25.00) for each day that the person has engaged in such  
74 business without a license or after the expiration of a license.  
75 All licensing fees and penalties authorized in this section shall  
76 be paid into the Consumer Finance Fund of the Department of  
77 Banking and Consumer Finance.

78 (4) Notwithstanding other provisions of this article, the  
79 commissioner may issue a temporary license authorizing the  
80 operator of a pawnshop on the receipt of an application to  
81 transfer a license from one person to another or on the receipt of  
82 an application for a license involving principals and owners that  
83 are substantially identical to those of an existing licensed  
84 pawnshop. The temporary license is effective until the permanent  
85 license is issued or denied.

86 (5) Notwithstanding other provisions of this article,  
87 neither a new license nor an application to transfer an existing  
88 license shall be required upon any change, directly or  
89 beneficially, in the ownership of any licensed pawnshop  
90 incorporated under the laws of this state or any other state so  
91 long as the licensee continues to operate as a corporation doing a  
92 pawnshop business under the license. The commissioner may,  
93 however, require the licensee to provide such information as he  
94 deems reasonable and appropriate concerning the officer and  
95 directors of the corporation and persons owning in excess of

96 twenty-five percent (25%) of the outstanding shares of the  
97 corporation.

98 (6) There is hereby imposed a one-year moratorium on the  
99 issuance of licenses under this chapter. The moratorium shall  
100 begin on July 1, 2004, and end on July 1, 2005. During the  
101 moratorium period municipalities are authorized to deny permits to  
102 open pawn shops in census tract areas that exceed fifty-five  
103 percent (55%) African-American population. This subsection shall  
104 stand repealed on July 1, 2005.

105 **SECTION 3.** This act shall take effect and be in force from  
106 and after July 1, 2004.