

By: Representative Fleming

To: Banking and Financial
Services; Appropriations

HOUSE BILL NO. 590

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, 2006.

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, 2005, and end on July 1, 2006. 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, 2006.

105 **SECTION 3.** This act shall take effect and be in force from
106 and after July 1, 2005.