

By: Representative Clarke

To: Banking and Financial Services

HOUSE BILL NO. 1052

1 AN ACT TO AMEND SECTION 75-67-419, MISSISSIPPI CODE OF 1972,
2 TO PROHIBIT TITLE PLEDGE LENDERS FROM HAVING AN OFFICE LOCATED
3 WITHIN A 5 MILE RADIUS OF A POSTSECONDARY INSTITUTION; TO AMEND
4 SECTION 75-67-505, MISSISSIPPI CODE OF 1972, TO PROHIBIT CHECK
5 CASHING BUSINESSES FROM HAVING AN OFFICE LOCATED WITHIN A 5 MILE
6 RADIUS OF A POSTSECONDARY INSTITUTION; AND FOR RELATED PURPOSES.

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

8 **SECTION 1.** Section 75-67-419, Mississippi Code of 1972, is
9 amended as follows:

10 75-67-419. (1) A person may not engage in business as a
11 title pledge lender or otherwise portray himself as a title pledge
12 lender unless the person has a valid license authorizing
13 engagement in the business. A separate license is required for
14 each place of business under this article. The commissioner may
15 issue more than one (1) license to a person if that person
16 complies with this article for each license. A new license or
17 application to transfer an existing license is required upon a
18 change, directly or beneficially, in the ownership of any licensed
19 title pledge office and an application shall be made to the
20 commissioner in accordance with this article.



21 (2) When a licensee wishes to move a title pledge office to
22 another location, the licensee shall give thirty (30) days prior
23 written notice to the commissioner who shall amend the license
24 accordingly.

25 (3) Each license shall remain in full force and effect until
26 relinquished, suspended, revoked or expired. With each initial
27 application for a license, the applicant shall pay the
28 commissioner at the time of making the application a license fee
29 of Seven Hundred Fifty Dollars (\$750.00), and on or before June 1
30 of each year thereafter, an annual renewal fee of Four Hundred
31 Seventy-five Dollars (\$475.00). If the annual fee remains unpaid
32 thirty (30) days after June 1, the license shall thereupon expire,
33 but not before June 30 of any year for which the annual fee has
34 been paid. If any person engages in business as provided for in
35 this article without paying the license fee provided for in this
36 article before commencing business or before the expiration of
37 such person's current license, as the case may be, then the person
38 shall be liable for the full amount of the license fee, plus a
39 penalty in an amount not to exceed Twenty-five Dollars (\$25.00)
40 for each day that the person has engaged in the business without a
41 license or after the expiration of a license. All licensing fees
42 and penalties shall be paid into the Consumer Finance Fund of the
43 Department of Banking and Consumer Finance.

44 (4) Notwithstanding other provisions of this article, the
45 commissioner may issue a temporary license authorizing the



46 operation of a title pledge office on the receipt of an
47 application to transfer a license from one person to another or on
48 the receipt of an application for a license involving principals
49 and owners that are substantially identical to those of an
50 existing licensed title pledge office. The temporary license is
51 effective until the permanent license is issued or denied.

52 (5) Notwithstanding other provisions of this article,
53 neither a new license nor an application to transfer an existing
54 license shall be required upon any change, directly or
55 beneficially, in the ownership of any licensed title pledge office
56 incorporated under the laws of this state or any other state so
57 long as the licensee continues to operate as a corporation doing a
58 title pledge business under the license. The commissioner may,
59 however, require the licensee to provide such information as he
60 deems reasonable and appropriate concerning the officer and
61 directors of the corporation and persons owning in excess of
62 twenty-five percent (25%) of the outstanding shares of the
63 corporation.

64 (6) Beginning on June 1, 2016, no title pledge office may be
65 located within a five (5) mile radius of any public or private
66 postsecondary institution campus. Any licenses existing before
67 that date shall not be renewed if the business is in violation of
68 this subsection.

69 **SECTION 2.** Section 75-67-505, Mississippi Code of 1972, is
70 amended as follows:



71 75-67-505. (1) (a) A person may not engage in business as
72 a check casher or otherwise portray himself as a check casher
73 unless the person has a valid license authorizing engagement in
74 the business. Any transaction that would be subject to this
75 article that is made by a person who does not have a valid license
76 under this article shall be null and void. A separate license is
77 required for each place of business under this article and each
78 business must be independent of, and not a part of, any other
79 business operation. A check cashing business shall not be a part
80 of, or located at the same business address with, a pawnshop,
81 title pledge office and small loan company.

82 (b) A check cashing business shall (i) have a
83 definitive United States Postal address and E911 address; (ii)
84 comply with local zoning requirements; (iii) have a minimum of one
85 hundred (100) square feet with walls from floor to ceiling
86 separating the operation from any other businesses; (iv) have an
87 outside entrance, but may be located in an area that has a common
88 lobby shared by other businesses as long as the customers do not
89 enter the check cashing business through another business; (v)
90 have proper signage; and (vi) maintain separate books and records.
91 Any licensee who does not cash any delayed deposit checks as
92 authorized under Section 75-67-519 shall not be subject to the
93 requirements of subparagraphs (i), (iii) and (iv) of this
94 paragraph.



95 (c) A licensed check casher may sell, at the same
96 location as his check cashing business, the following items and
97 services: money orders; income tax preparation service; copy
98 service; wire transfer service; notary service; pagers; pager
99 service; prepaid cellular service; debit card; prepaid telephone
100 cards; prepaid telephone service; and operate a processing center
101 where utility bills, credit card payments and other payments are
102 collected from the general public and governmental and private
103 payments are distributed. In the event a licensee accepts wire
104 transfers in the form of a direct deposit of a payroll check or
105 other similar types of deposit, the licensee shall not encumber
106 any transferred funds against a deferred deposit agreement or any
107 delinquent deferred deposit agreement with such customer. The
108 commissioner may authorize additional functions in addition to
109 those provided in this subsection that may be performed as part of
110 a check cashing business.

111 (d) The commissioner may issue more than one (1)
112 license to a person if that person complies with this article for
113 each license. A new license is required upon a change, directly
114 or beneficially, in the ownership of any licensed check casher
115 business and an application shall be made to the commissioner in
116 accordance with this article.

117 (2) When a licensee wishes to move a check casher business
118 to another location, the licensee shall give thirty (30) days'



119 prior written notice to the commissioner who shall amend the
120 license accordingly.

121 (3) Each license shall remain in full force and effect until
122 relinquished, suspended, revoked or expired. With each initial
123 application for a license, the applicant shall pay the
124 commissioner at the time of making the application a license fee
125 of Seven Hundred Fifty Dollars (\$750.00), and on or before
126 September 1 of each year thereafter, an annual renewal fee of Four
127 Hundred Seventy-five Dollars (\$475.00). If the annual renewal fee
128 remains unpaid twenty-nine (29) days after September 1, the
129 license shall thereupon expire, but not before the thirtieth day
130 of September of any year for which the annual fee has been paid.
131 If any licensee fails to pay the annual renewal fee before the
132 thirtieth day of September of any year for which the renewal fee
133 is due, then the licensee shall be liable for the full amount of
134 the license fee, plus a penalty in an amount not to exceed
135 Twenty-five Dollars (\$25.00) for each day that the licensee has
136 engaged in business after September 30. All licensing fees and
137 penalties shall be paid into the Consumer Finance Fund of the
138 Department of Banking and Consumer Finance.

139 (4) Notwithstanding other provisions of this article, the
140 commissioner may issue a temporary license authorizing the
141 operator of a check casher business on the receipt of an
142 application for a license involving principals and owners that are
143 substantially identical to those of an existing licensed check



144 cashier. The temporary license is effective until the permanent
145 license is issued or denied.

146 (5) Beginning on September 1, 2016, no check cashing
147 business may be located within a five (5) mile radius of any
148 public or private postsecondary institution campus. Any licenses
149 existing before that date shall not be renewed if the business is
150 in violation of this subsection.

151 **SECTION 3.** This act shall take effect and be in force from
152 and after its passage.

