

By: Representative Clarke

To: Banking and Financial Services

HOUSE BILL NO. 530

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 (1) person to another  
48 or on the receipt of an application for a license involving  
49 principals and owners that are substantially identical to those of  
50 an existing licensed title pledge office. The temporary license  
51 is 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, 2018, 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, but shall authorize the offering of  
111 credit availability transactions as provided in Sections 75-67-601  
112 through 75-67-637.

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



119           (2) When a licensee wishes to move a check casher business  
120 to another location, the licensee shall give thirty (30) days'  
121 prior written notice to the commissioner who shall amend the  
122 license accordingly.

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

141           (4) Notwithstanding other provisions of this article, the  
142 commissioner may issue a temporary license authorizing the  
143 operator of a check casher business on the receipt of an



144 application for a license involving principals and owners that are  
145 substantially identical to those of an existing licensed check  
146 cashier. The temporary license is effective until the permanent  
147 license is issued or denied.

148 (5) Beginning on September 1, 2018, no check cashing  
149 business may be located within a five (5) mile radius of any  
150 public or private postsecondary institution campus. Any licenses  
151 existing before that date shall not be renewed if the business is  
152 in violation of this subsection.

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

