

By: Representative Aguirre

To: Banking and Financial Services

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 1030

1 AN ACT TO CREATE A NEW SECTION OF LAW IN THE MOTOR VEHICLE
2 SALES FINANCE LAW TO CLARIFY THAT EMPLOYEES OF A STATE LICENSEE
3 MAY WORK FROM HOME OR OTHER REMOTE LOCATION SUBJECT TO CERTAIN
4 CONDITIONS; TO REQUIRE A LICENSEE THAT ALLOWS ITS EMPLOYEES TO
5 WORK FROM HOME OR ANOTHER REMOTE LOCATION SELECTED BY THE EMPLOYEE
6 TO PAY A SPECIAL EXAMINATION FEE; TO PROVIDE THAT LICENSEES THAT
7 DO NOT ALLOW REMOTE WORK ARE NOT REQUIRED TO PAY SUCH SPECIAL
8 EXAMINATION FEE; TO AMEND SECTION 63-19-15, MISSISSIPPI CODE OF
9 1972, TO EXEMPT THE LICENSEE FROM INDICATION ON THE LICENSE THE
10 LOCATIONS FROM WHICH EMPLOYEES ARE WORKING REMOTELY; TO AMEND
11 SECTION 63-19-27, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE
12 COMMISSIONER TO CHARGE THE LICENSEE FEES FOR SPECIAL EXAMINATIONS
13 BASED ON THE AVERAGE DAILY COST OF ALL EXAMINERS IN THE DEPARTMENT
14 OF BANKING AND CONSUMER FINANCE; TO BRING FORWARD SECTIONS
15 63-19-7, 63-19-11, 63-19-19 AND 63-19-23, MISSISSIPPI CODE OF
16 1972, FOR PURPOSES OF POSSIBLE AMENDMENTS; AND FOR RELATED
17 PURPOSES.

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

19 **SECTION 1.** (1) Notwithstanding any other law to the
20 contrary, nothing in this chapter shall be interpreted to
21 interfere with employees of a licensee, licensed under this
22 Chapter 19, Title 63, Mississippi Code of 1972, working from home
23 or another remote location selected by the employee, provided that
24 the licensee:



25 (a) Ensures all in-person customer interactions will
26 not be conducted at home or other remote location through
27 videoconference or teleconference mechanisms, and will not
28 designate the home or other remote location to consumers or
29 customers as a business location;

30 (b) Maintains appropriate safeguards for licensee and
31 consumer data, information and records, including the use of
32 secure virtual private networks where appropriate;

33 (c) Employs appropriate risk-based monitoring and
34 oversight processes of work performed from home or other remote
35 location, and maintains records of the same;

36 (d) Ensures consumer information and records, in their
37 tangible form or kept on portable electronic storage devices, are
38 not maintained at home or other remote location;

39 (e) Ensures consumer and licensee information and
40 records remain accessible and available for regulatory oversight
41 and exams; and

42 (f) Provides appropriate employee training to keep all
43 conversations about, and with, consumers conducted from home or
44 other remote location confidential, as if conducted from a
45 commercial location, and to ensure remote employees work in an
46 environment conducive and appropriate to that privacy.

47 (g) Designate a separate area dedicated solely to
48 conducting the business of a sales finance licensee.



49 (2) The provisions of this sections shall not be applicable
50 to any bank, trust company, private banker, industrial bank or
51 investment company authorized to do business in this state, and
52 which routinely engages in the practice of financing the sales of
53 motor vehicles, exempted from licensure under Section 63-19-7.

54 **SECTION 2.** To offset the costs of supervision and
55 administration, as provided in Section 1 of this act, a licensee
56 that allows its employees to work from home or another remote
57 location selected by the employee must pay a special examination
58 fee. Such fee shall be in addition to the regular examination fee
59 as provided for in Section 63-19-27. Licensees that do not allow
60 remote work are not required to pay such special examination fee.

61 **SECTION 3.** Section 63-19-15, Mississippi Code of 1972, is
62 amended as follows:

63 63-19-15. Each license shall specify the location of the
64 office and must be conspicuously displayed there. No such
65 specification of office location shall be required to identify the
66 remote location of employees of the licensee who are working from
67 home or another location outside of the office designated on the
68 license.

69 **SECTION 4.** Section 63-19-27, Mississippi Code of 1972, is
70 amended as follows:

71 63-19-27. (1) The commissioner may charge the licensee an
72 examination fee in an amount not less than Three Hundred Dollars
73 (\$300.00) nor more than Six Hundred Dollars (\$600.00) for each



74 office or location within the State of Mississippi, plus any
75 actual expenses incurred while examining the licensee's records or
76 books that are located outside the State of Mississippi. However,
77 in no event shall a licensee be examined more than once in a
78 two-year period unless for cause shown based upon consumer
79 complaint and/or other exigent reasons as determined by the
80 commissioner. All expense fees paid to the commissioner for
81 examinations conducted under this subsection shall be deposited by
82 the commissioner in the State Treasury in a special and separate
83 fund to be known as the "Consumer Finance Fund."

84 (2) When any special examination is conducted and so
85 denominated by the commissioner, he or she shall charge the
86 licensee so examined the cost based on the average daily cost of
87 all examiners of the department plus actual and necessary
88 expenses. The fees for any special examination conducted under
89 this subsection shall be deposited by the commissioner into the
90 Department of Banking and Consumer Finance's Maintenance Fund and
91 may be expended for any purpose authorized for that fund.

92 **SECTION 5.** Section 63-19-7, Mississippi Code of 1972, is
93 brought forward as follows:

94 63-19-7. No person shall engage in the business of a sales
95 finance company in this state without a license therefor as
96 provided in this chapter. However, no bank, trust company,
97 private banker, industrial bank or investment company authorized
98 to do business in this state shall be required to obtain a license



99 under this chapter. They shall, however, comply with all of the
100 other provisions of this chapter.

101 **SECTION 6.** Section 63-19-11, Mississippi Code of 1972, is
102 brought forward as follows:

103 63-19-11. With each initial application for a license, the
104 applicant shall pay to the commissioner at the time of making the
105 application a license fee of Seven Hundred Fifty Dollars
106 (\$750.00), and for renewal applications, an annual renewal fee of
107 Four Hundred Seventy-five Dollars (\$475.00) for each calendar year
108 for each place of business so operated.

109 **SECTION 7.** Section 63-19-19, Mississippi Code of 1972, is
110 brought forward as follows:

111 63-19-19. If a licensee is a firm, association or
112 corporation, it shall be sufficient cause for the suspension or
113 revocation of a license that any officer, director or trustee of a
114 licensed firm, association or corporation, or any member of a
115 licensed partnership, has so acted or failed to act as would be
116 cause for suspending or revoking a license to such party as an
117 individual. Each licensee shall be responsible for the acts of
118 any or all of his employees while acting as his agent, if such
119 licensee after actual knowledge of said acts retained the
120 benefits, proceeds, profits or advantages accruing from said acts
121 or otherwise ratified said acts.

122 **SECTION 8.** Section 63-19-23, Mississippi Code of 1972, is
123 brought forward as follows:



124 63-19-23. The administrator shall, at intermittent periods,
125 make such investigations and examinations of any licensee or other
126 person as he deems necessary to determine compliance with this
127 chapter. For such purpose he may examine the books, accounts,
128 records and other documents or matters of any licensee or other
129 person. He shall have the power to compel the production of all
130 relevant books, records and other documents and materials relative
131 to an examination or investigation. Such investigations and
132 examinations shall not be made more often than once during a year
133 unless the administrator has reason to believe the licensee is not
134 complying with the provisions of this chapter.

135 **SECTION 9.** Section 1 of this act shall be codified in
136 Chapter 19, Title 63, Mississippi Code of 1972.

137 **SECTION 10.** This act shall take effect and be in force from
138 and after its passage.

