

## **BILL ANALYSIS**

Senate Research Center

S.B. 869  
By: West  
State Affairs  
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As Filed

### **DIGEST**

Currently, the Texas Pawnshop Act (TPA) provides for the regulation and licensing of pawnshops, as well as pawnshop employees. In 1991, the legislature amended the TPA to require new pawnshops in the 11 largest counties to demonstrate public need in order to obtain a license. This requirement was in direct response to citizen input and local government request to slow down and spread out the pawnshop growth in various communities.

The consumer credit commissioner is required to conduct a public hearing before issuing a pawnshop license. The TPA does not provide for public notification of pawnshop license applications. This bill establishes procedures for the granting of licenses and provides for public notification of an application for a pawnshop license.

### **PURPOSE**

As proposed, S.B. 869 establishes procedures for the granting of pawnshop licenses and provides for public notification of an application for a pawnshop license.

### **RULEMAKING AUTHORITY**

Rulemaking authority is granted to the consumer credit commissioner in SECTION 1 (Sec. 4D, Article 5069-51.01 et seq., V.T.C.S.) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Article 5069-51.01 et seq., V.T.C.S. (Texas Pawnshop Act), by adding Sections 4A, 4B, 4C, and 4D, as follows:

Sec. 4A. APPLICANT TO PUBLISH NOTICE. Requires each applicant for a pawnshop license for a location in a certain county to give notice of the application by publication at the applicant's own expense in two consecutive issues of a certain type of newspaper. Requires the applicant to publish the notice in a newspaper of general circulation published in the county in which the applicant's business is to be conducted under certain circumstances. Requires the applicant to publish the notice in a newspaper of general circulation published in an adjacent county and circulated in the county in which the applicant's business is to be conducted in certain circumstances. Requires the notice to be printed in 10-point bold-faced type and to include certain information.

Sec. 4B. NOTICE BY SIGN. Requires an applicant for a pawnshop license for a location not previously licensed is located in a certain county to prominently post an outdoor sign at the proposed location that displays certain information. Sets forth the requirements for the sign. Prohibits the consumer credit commissioner (commissioner) from denying a license application for failure to post the notice required by this section under certain conditions.

Sec. 4C. NOTICE TO PUBLIC OFFICIALS. Requires the commissioner to give notice of each pawnshop license application made for a license in a certain county to certain public officials.

Sec. 4D. RULES. Authorizes the commissioner to adopt rules as necessary to enforce

Sections 4A and 4B of this Act.

SECTION 2. Amends Section 5, Article 5069-51.05, V.T.C.S., by amending Subsection (a) and adding Subsection (h) as follows:

(a) Requires the commissioner to give any person, including a pawnshop licensee, who would be affected by the granting of the proposed application an opportunity to perform certain functions.

(h) Requires the commissioner to consider the public safety, health, and welfare of the community that would be affected by the granting of the license when determining whether to grant an application for a pawnshop license.

SECTION 3. Effective date: September 1, 1997.

Makes application of this Act prospective.

SECTION 4. Emergency clause.