

Am. Sub. H.B. 166  
As Passed by the Senate  
COMCD3

\_\_\_\_\_ moved to amend as follows:

In line 20 of the title, after "991.02," insert "1321.73,  
1349.43," 1  
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In line 70 of the title, after "4705.10," insert "4712.02," 3

In line 73 of the title, after "4723.44," insert "4727.03,  
4728.03," 4  
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In line 151 of the title, after "940.37," insert "1181.23," 6

In line 236, after "991.02," insert "1321.73, 1349.43," 7

In line 273, after "4705.10," insert "4712.02," 8

In line 275, after "4723.44," insert "4727.03, 4728.03," 9

In line 332, after "940.37," insert "1181.23," 10

After line 15714, insert: 11

"Sec. 1181.23. (A) The superintendent of financial 12  
institutions may require persons licensed or registered by the 13  
division of financial institutions to participate in a multistate 14  
licensing system. 15

(B)(1) If the superintendent requires use of a multistate 16  
licensing system, the superintendent may establish, by rule, 17  
regulation, or order, requirements as necessary to enable 18

information required by existing statutes providing for licensing or registration to be submitted to the superintendent through the multistate licensing system.

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(2) The superintendent shall not adopt a requirement in conflict with a provision of the Revised Code, but may add to existing requirements with regard to all of the following:

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(a) The manner of obtaining required criminal history records, civil or administrative records, or credit history records;

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(b) The payment of fees required for the use of the multistate licensing system;

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(c) The setting or resetting as necessary of renewal or reporting dates;

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(d) The amending of or surrendering of a license or registration.

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(C) Any person engaged in activity that requires licensure or registration pursuant to this section shall utilize the multistate licensing system for the application for, renewal of, amendment to, or surrender of a license or registration, as well as for any other activity as the superintendent may require. Such a person shall pay all applicable charges to utilize the multistate licensing system.

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(D) The superintendent is authorized to establish relationships or contacts with the multistate licensing system or other entities designated by the multistate licensing system to collect and maintain records and process transaction fees or other fees related to licensees and registrants.

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(E) Any confidentiality or privilege arising under federal or state law with respect to any information or material provided to

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the multistate licensing system shall continue to apply to the information or material after the information or material is provided to the multistate licensing system. The information and material so provided may be released to any state or federal regulatory official with applicable oversight authority without the loss of confidentiality or privilege protections provided by federal law or the law of any state.

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(F) The superintendent may use the documents, materials, or other information made available to the superintendent through the multistate licensing system in furtherance of any action brought by the superintendent.

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**Sec. 1321.73.** (A) No person shall engage in the business of entering into or otherwise acquiring premium finance agreements in the state without first having obtained a license as a premium finance company from the division of financial institutions.

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(B) The annual license fee shall be determined by the superintendent of financial institutions pursuant to section 1321.20 of the Revised Code. Licenses may be renewed from year to year as of the first day of July of each year, or annually on a different date established by the superintendent pursuant to section 1181.23 of the Revised Code, upon payment of the fee.

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(C) The person to whom the license or the renewal thereof is issued shall file sworn answers, subject to the penalties of perjury, to such interrogatories as the division requires. The division may, at any time, require the applicant to fully disclose the identity of all stockholders, partners, officers, and employees, and it may, at its discretion, refuse to issue or renew a license in the name of any firm, partnership, or corporation if it is not satisfied that any officer, employee, stockholder, or

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partner thereof, who may materially influence the applicant's 77  
 conduct, meets the standards provided by sections 1321.71 to 78  
 1321.83 of the Revised Code. 79

(D) Each applicant shall execute and file with the division 80  
 proof that the applicant has a net worth of at least fifty 81  
 thousand dollars, as determined in accordance with generally 82  
 accepted accounting principles. The proof is subject to the 83  
 approval of the division. 84

**Sec. 1349.43.** (A) As used in this section, "loan officer," 85  
 "mortgage broker," and "nonbank mortgage lender" have the same 86  
 meanings as in section 1345.01 of the Revised Code. 87

(B) The department of commerce shall establish and maintain 88  
 an electronic database accessible through the internet that 89  
 contains information on all of the following: 90

(1) The enforcement actions taken by the superintendent of 91  
 financial institutions for each violation of or failure to comply 92  
 with any provision of Chapter 1322. of the Revised Code, upon 93  
 final disposition of the action; 94

(2) The enforcement actions taken by the attorney general 95  
 under Chapter 1345. of the Revised Code against loan officers, 96  
 mortgage brokers, and nonbank mortgage lenders, upon final 97  
 disposition of each action; 98

(3) All judgments by courts of this state, concerning which 99  
 appellate remedies have been exhausted or lost by the expiration 100  
 of the time for appeal, finding either of the following: 101

(a) A violation of any provision of Chapter 1322. of the 102  
 Revised Code; 103

(b) That specific acts or practices by a loan officer, 104

mortgage broker, or nonbank mortgage lender violate section 105  
 1345.02, 1345.03, or 1345.031 of the Revised Code. 106

(C) The attorney general shall notify the department of all 107  
 enforcement actions and judgments described in divisions (B)(2) 108  
 and (3)(b) of this section. 109

(D) The department may adopt rules in accordance with Chapter 110  
 119. of the Revised Code that are necessary to implement this 111  
 section. 112

(E) The electronic database maintained by the department in 113  
 accordance with this section shall not include information that, 114  
 pursuant to section 1322.36 of the Revised Code, is confidential. 115

(F) The department may use the multistate licensing system 116  
authorized in section 1181.23 of the Revised Code to fulfill its 117  
obligations under this section." 118

After line 48130, insert: 119

"**Sec. 4712.02.** (A) A credit services organization shall file 120  
 a registration application with, and receive a certificate of 121  
 registration from, the division of financial institutions before 122  
 conducting business in this state. The registration application 123  
 shall be accompanied by a one-hundred-dollar fee and shall contain 124  
 all of the following information: 125

(1) The name and address of the credit services organization; 126

(2) The name and address of any person that directly or 127  
 indirectly owns or controls ten per cent or more of the 128  
 outstanding shares of stock in the organization; 129

(3) Either of the following: 130

(a) A full and complete disclosure of any litigation 131

commenced against the organization or unresolved complaint that  
relates to the operation of the organization and that is filed  
with the attorney general, the secretary of state, or any other  
governmental authority of the United States, this state, or any  
other state of the United States;

(b) A notarized statement stating that no litigation has been  
commenced and no unresolved complaint relating to the operation of  
the organization has been filed with the attorney general, the  
secretary of state, or any other governmental authority of the  
United States, this state, or any other state of the United  
States.

(4) Any other information required at any time by the  
division.

(B)(1) Except as otherwise provided in division (B)(2) of  
this section, each credit services organization shall notify the  
division in writing within thirty days after the date of a change  
in the information required by division (A) of this section.

(2) Each organization shall notify the division in writing no  
later than thirty days prior to any change in the information  
required by division (A)(1) or (2) of this section and shall  
receive approval from the division before making any such change.

(C)(1) A credit services organization shall attach both of  
the following to the registration application submitted pursuant  
to division (A) of this section:

(a) A copy of the contract that the organization intends to  
execute with its customers;

(b) Evidence of the bond required under section 4712.06 of  
the Revised Code.

(2) Any modification made to the contract described in

division (C)(1)(a) of this section shall be filed with the 161  
division prior to its use by the organization. 162

(D) Each credit services organization registering under this 163  
section shall maintain a copy of the registration application in 164  
its files. The organization shall allow a buyer to inspect the 165  
registration application upon request. 166

(E) Each nonresident credit services organization registering 167  
under this section shall designate and maintain a resident of this 168  
state as the organization's statutory agent for purposes of 169  
receipt of service of process. 170

(F) If, in order to issue a certificate of registration to a 171  
credit services organization, investigation by the division 172  
outside this state is necessary, the division may require the 173  
organization to advance sufficient funds to pay the actual 174  
expenses of the investigation. 175

(G) Each credit services organization registering under this 176  
section shall use no more than one fictitious or trade name. 177

(H)(1) A certificate of registration issued by the division 178  
pursuant to this section shall expire annually on the thirtieth 179  
day of April, or annually on a different date established by the 180  
superintendent pursuant to section 1181.23 of the Revised Code. 181

(2) A credit services organization may renew its certificate 182  
of registration by filing with the division a renewal application 183  
accompanied by a one-hundred-dollar renewal fee. 184

(I) All money collected by the division pursuant to this 185  
section shall be deposited by it in the state treasury to the 186  
credit of the consumer finance fund. 187

(J)(1) No credit services organization shall fail to comply 188  
with division (A) of this section. 189

(2) No credit services organization shall fail to comply with 190  
 division (B), (D), (E), (F), or (G) of this section." 191

After line 49616, insert: 192

"**Sec. 4727.03.** (A) As used in this section, "experience and 193  
 fitness in the capacity involved" means that the applicant for a 194  
 pawnbroker's license demonstrates sufficient financial 195  
 responsibility, reputation, and experience in the pawnbroker 196  
 business, or in a related business, to act as a pawnbroker in 197  
 compliance with this chapter. "Experience and fitness in the 198  
 capacity involved" shall be determined by: 199

(1) Prior or current ownership or management of, or 200  
 employment in, a pawnshop; 201

(2) Demonstration to the satisfaction of the superintendent 202  
 of financial institutions of a thorough working knowledge of all 203  
 pawnbroker laws and rules as they relate to the actual operation 204  
 of a pawnshop. 205

A demonstration shall include a demonstration of an ability 206  
 to properly complete forms, knowledge of how to properly calculate 207  
 interest and storage charges, and knowledge of legal notice and 208  
 forfeiture procedures. The final determination of whether an 209  
 applicant's demonstration is adequate rests with the 210  
 superintendent. 211

(3) A submission by the applicant and any stockholders, 212  
 owners, managers, directors, or officers of the pawnshop, and 213  
 employees of the applicant to a police record check; and 214

(4) Liquid assets in a minimum amount of one hundred 215  
 twenty-five thousand dollars at the time of applying for initial 216  
 licensure and demonstration of the ability to maintain the liquid 217

assets at a minimum amount of seventy-five thousand dollars for 218  
the duration of holding a valid pawnbroker's license. If an 219  
applicant holds a pawnbroker's license at the time of application 220  
or is applying for more than one license, this requirement shall 221  
be met separately for each license. 222

(B) The superintendent may grant a license to act as a 223  
pawnbroker to any person of good character and having experience 224  
and fitness in the capacity involved to engage in the business of 225  
pawnbroking upon the payment to the superintendent of a license 226  
fee determined by the superintendent pursuant to section 1321.20 227  
of the Revised Code. A license is not transferable or assignable. 228

(C) The superintendent may consider an application withdrawn 229  
and may retain the investigation fee required under division (D) 230  
of this section if both of the following are true: 231

(1) An application for a license does not contain all of the 232  
information required under division (B) of this section. 233

(2) The information is not submitted to the superintendent 234  
within ninety days after the superintendent requests the 235  
information from the applicant in writing. 236

(D) The superintendent shall require an applicant for a 237  
pawnbroker's license to pay to the superintendent a nonrefundable 238  
initial investigation fee of two hundred dollars, which is for the 239  
exclusive use of the state. 240

(E)(1) Except as otherwise provided in division (E)(2) of 241  
this section, a pawnbroker's license issued by the superintendent 242  
expires on the thirtieth day of June next following the date of 243  
its issuance, or on a different date set by the superintendent 244  
pursuant to section 1181.23 of the Revised Code, and may be 245  
renewed annually ~~by the thirtieth day of June~~ in accordance with 246

the standard renewal procedure set forth in Chapter 4745. of the 247  
 Revised Code. Fifty per cent of the annual license fee shall be 248  
 for the use of the state, and fifty per cent shall be paid by the 249  
 state to the municipal corporation, or if outside the limits of 250  
 any municipal corporation, to the county, in which the office of 251  
 the licensee is located. All such fees payable to municipal 252  
 corporations or counties shall be paid annually. 253

(2) A pawnbroker's license issued or renewed by the 254  
 superintendent on or after January 1, 2006, expires on the 255  
 thirtieth day of June in the even-numbered year next following the 256  
 date of its issuance or renewal, as applicable, and may be renewed 257  
 biennially by the thirtieth day of June in accordance with the 258  
 standard renewal procedure set forth in Chapter 4745. of the 259  
 Revised Code. Fifty per cent of the biennial license fee shall be 260  
 for the use of the state, and fifty per cent shall be paid by the 261  
 state to the municipal corporation, or if outside the limits of 262  
 any municipal corporation, to the county, in which the office of 263  
 the licensee is located. All such fees payable to municipal 264  
 corporations or counties shall be paid biennially. If deemed 265  
necessary for participation, the superintendent may reset the 266  
renewal date and require annual registration pursuant to section 267  
1181.23 of the Revised Code. 268

(F) The fee for renewal of a license shall be equivalent to 269  
 the fee for an initial license established by the superintendent 270  
 pursuant to section 1321.20 of the Revised Code. Any licensee who 271  
 wishes to renew the pawnbroker's license but who fails to do so on 272  
 or before the date the license expires shall reapply for licensure 273  
 in the same manner and pursuant to the same requirements as for 274  
 initial licensure, unless the licensee pays to the superintendent 275  
 on or before the thirty-first day of August of the year the 276  
 license expires, a late renewal penalty of one hundred dollars in 277

addition to the regular renewal fee. Any licensee who fails to  
renew the license on or before the date the license expires is  
prohibited from acting as a pawnbroker until the license is  
renewed or a new license is issued under this section. Any  
licensee who renews a license between the first day of July and  
the thirty-first day of August of the year the license expires is  
not relieved from complying with this division. The superintendent  
may refuse to issue to or renew the license of any licensee who  
violates this division.

(G) No license shall be granted to any person not a resident  
of or the principal office of which is not located in the  
municipal corporation or county designated in such license unless  
that applicant, in writing and in due form approved by and filed  
with the superintendent, first appoints an agent, a resident of  
the state, and city or county where the office is to be located,  
upon whom all judicial and other process, or legal notice,  
directed to the applicant may be served. In case of the death,  
removal from the state, or any legal disability or any  
disqualification of any such agent, service of such process or  
notice may be made upon the superintendent.

The superintendent may, upon notice to the licensee and  
reasonable opportunity to be heard, suspend or revoke any license  
or assess a penalty against the licensee if the licensee, or the  
licensee's officers, agents, or employees, has violated this  
chapter. Any penalty shall be appropriate to the violation but in  
no case shall the penalty be less than two hundred nor more than  
two thousand dollars. Whenever, for any cause, a license is  
suspended or revoked, the superintendent shall not issue another  
license to the licensee nor to the legal spouse of the licensee,  
nor to any business entity of which the licensee is an officer or  
member or partner, nor to any person employed by the licensee,

until the expiration of at least two years from the date of 309  
 revocation or suspension of the license. The superintendent shall 310  
 deposit all penalties allocated pursuant to this section into the 311  
 state treasury to the credit of the consumer finance fund. 312

Any proceedings for the revocation or suspension of a license 313  
 or to assess a penalty against a licensee are subject to Chapter 314  
 119. of the Revised Code. 315

(H) If a licensee surrenders or chooses not to renew the 316  
 pawnbroker's license, the licensee shall notify the superintendent 317  
 thirty days prior to the date on which the licensee intends to 318  
 close the licensee's business as a pawnbroker. Prior to the date, 319  
 the licensee shall do either of the following with respect to all 320  
 active loans: 321

(1) Dispose of an active loan by selling the loan to another 322  
 person holding a valid pawnbroker's license issued under this 323  
 section; 324

(2) Reduce the rate of interest on pledged articles held as 325  
 security for a loan to eight per cent per annum or less effective 326  
 on the date that the pawnbroker's license is no longer valid. 327

**Sec. 4728.03.** (A) As used in this section, "experience and 328  
 fitness in the capacity involved" means that the applicant for a 329  
 precious metals dealer's license has had sufficient financial 330  
 responsibility, reputation, and experience in the business of 331  
 precious metals dealer, or a related business, to act as a 332  
 precious metals dealer in compliance with this chapter. 333

(B)(1) The division of financial institutions in the 334  
 department of commerce may grant a precious metals dealer's 335  
 license to any person of good character, having experience and 336  
 fitness in the capacity involved, who demonstrates a net worth of 337

at least ten thousand dollars and the ability to maintain that net  
worth during the licensure period. The superintendent of financial  
institutions shall compute the applicant's net worth according to  
generally accepted accounting principles.

(2) In place of the demonstration of net worth required by  
division (B)(1) of this section, an applicant may obtain a surety  
bond issued by a surety company authorized to do business in this  
state if all of the following conditions are met:

(a) A copy of the surety bond is filed with the division;

(b) The bond is in favor of any person, and of the state for  
the benefit of any person, injured by any violation of this  
chapter;

(c) The bond is in the amount of not less than ten thousand  
dollars.

(3) Before granting a license under this division, the  
division shall determine that the applicant meets the requirements  
of division (B)(1) or (2) of this section.

(C) The division shall require an applicant for a precious  
metals dealer's license to pay to the division a nonrefundable,  
initial investigation fee of two hundred dollars which shall be  
for the exclusive use of the state. The license fee for a precious  
metals dealer's license and the renewal fee shall be determined by  
the superintendent, provided that the fee may not exceed three  
hundred dollars. A license issued by the division shall expire on  
the last day of June next following the date of its issuance or  
annually on a different date set by the superintendent pursuant to  
section 1181.23 of the Revised Code. Fifty per cent of license  
fees shall be for the use of the state, and fifty per cent shall  
be paid to the municipal corporation, or if outside the limits of

any municipal corporation, to the county in which the office of 367  
the licensee is located. All portions of license fees payable to 368  
municipal corporations or counties shall be paid as they accrue, 369  
by the treasurer of state, on vouchers issued by the director of 370  
budget and management. 371

(D) Every such license shall be renewed annually by the last 372  
day of June, or annually on a different date set by the 373  
superintendent pursuant to section 1181.23 of the Revised Code, 374  
according to the standard renewal procedure of Chapter 4745. of 375  
the Revised Code. No license shall be granted to any person not a 376  
resident of or the principal office of which is not located in the 377  
municipal corporation or county designated in such license, 378  
unless, and until such applicant shall, in writing and in due 379  
form, to be first approved by and filed with the division, appoint 380  
an agent, a resident of the state, and city or county where the 381  
office is to be located, upon whom all judicial and other process, 382  
or legal notice, directed to the applicant may be served; and in 383  
case of the death, removal from the state, or any legal disability 384  
or any disqualification of any agent, service of process or notice 385  
may be made upon the superintendent. 386

(E) The division may, pursuant to Chapter 119. of the Revised 387  
Code, upon notice to the licensee and after giving the licensee 388  
reasonable opportunity to be heard, revoke or suspend any license, 389  
if the licensee or the licensee's officers, agents, or employees 390  
violate this chapter. Whenever, for any cause, the license is 391  
revoked or suspended, the division shall not issue another license 392  
to the licensee nor to the husband or wife of the licensee, nor to 393  
any copartnership or corporation of which the licensee is an 394  
officer, nor to any person employed by the licensee, until the 395  
expiration of at least one year from the date of revocation of the 396  
license. 397

(F) In conducting an investigation to determine whether an applicant satisfies the requirements for licensure under this section, the superintendent may request that the superintendent of the bureau of criminal identification and investigation investigate and determine whether the bureau has procured any information pursuant to section 109.57 of the Revised Code pertaining to the applicant.

If the superintendent of financial institutions determines that conducting an investigation to determine whether an applicant satisfies the requirements for licensure under this section will require procuring information outside the state, then, in addition to the fee established under division (C) of this section, the superintendent may require the applicant to pay any of the actual expenses incurred by the division to conduct such an investigation, provided that the superintendent shall assess the applicant a total no greater than one thousand dollars for such expenses. The superintendent may require the applicant to pay in advance of the investigation, sufficient funds to cover the estimated cost of the actual expenses. If the superintendent requires the applicant to pay investigation expenses, the superintendent shall provide to the applicant an itemized statement of the actual expenses incurred by the division to conduct the investigation.

(G)(1) Except as otherwise provided in division (G)(2) of this section a precious metals dealer licensed under this section shall maintain a net worth of at least ten thousand dollars, computed as required under division (B)(1) of this section, for as long as the licensee holds a valid precious metals dealer's license issued pursuant to this section.

(2) A licensee who obtains a surety bond under division

(B)(2) of this section is exempt from the requirement of division 428  
 (G)(1) of this section, but shall maintain the bond for at least 429  
 two years after the date on which the licensee ceases to conduct 430  
 business in this state." 431

In line 82826, after "991.02," insert "1321.73, 1349.43," 432

In line 82863, after "4705.10," insert "4712.02," 433

In line 82865, after "4723.44," insert "4727.03, 4728.03," 434

The motion was \_\_\_\_\_ agreed to.

SYNOPSIS

**Multistate licensing** 435

**R.C. 1181.23, 1321.73, 1349.43, 4712.02, 4727.03, and 4728.03** 436

Restores the Executive and House version of the bill that: 437

Authorizes the Superintendent of Financial Institutions 438  
 within the Department of Commerce to participate in a multistate 439  
 licensing system for all license or registration types overseen by 440  
 the Superintendent. 441

Authorizes the Superintendent to adopt rules to facilitate 442  
 participation in the multistate licensing system. Allows those 443  
 rules to add to, but not contradict current licensing requirements 444  
 with regard to: 445

-- Criminal history records; civil or administrative records; 446  
 or credit history records; 447

-- The payment of fees; 448

-- Renewal or reporting dates. 449