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,"
In line 70 of the title, after "4705.10," insert "4712.02,"
In line 73 of the title, after "4723.44," insert "4727.03, 4728.03,"
In line 151 of the title, after "940.37," insert "1181.23,"
In line 236, after "991.02," insert "1321.73, 1349.43,"
In line 273, after "4705.10," insert "4712.02,"
In line 275, after "4723.44," insert "4727.03, 4728.03,"
In line 332, after "940.37," insert "1181.23,"

After line 15714, insert:

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

(B)(1) If the superintendent requires use of a multistate licensing system, the superintendent may establish, by rule, regulation, or order, requirements as necessary to enable
information required by existing statutes providing for licensing or registration to be submitted to the superintendent through the multistate licensing system.

(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:

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

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

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

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

(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.

(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.

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

(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.

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.

(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.

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

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

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

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

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

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

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

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

(b) That specific acts or practices by a loan officer,
mortgage broker, or nonbank mortgage lender violate section 1345.02, 1345.03, or 1345.031 of the Revised Code.

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

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

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

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

After line 48130, insert:

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

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

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

(3) Either of the following:

(a) A full and complete disclosure of any litigation
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 division prior to its use by the organization.

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

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

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

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

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

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

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

(J)(1) No credit services organization shall fail to comply with division (A) of this section.
(2) No credit services organization shall fail to comply with division (B), (D), (E), (F), or (G) of this section."

After line 49616, insert:

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

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

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

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

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

(4) Liquid assets in a minimum amount of one hundred twenty-five thousand dollars at the time of applying for initial licensure and demonstration of the ability to maintain the liquid
assets at a minimum amount of seventy-five thousand dollars for
the duration of holding a valid pawnbroker's license. If an
applicant holds a pawnbroker's license at the time of application
or is applying for more than one license, this requirement shall
be met separately for each license.

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

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

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

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

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

(E)(1) Except as otherwise provided in division (E)(2) of
this section, a pawnbroker's license issued by the superintendent
expires on the thirtieth day of June next following the date of
its issuance, or on a different date set by the superintendent
pursuant to section 1181.23 of the Revised Code, and may be
renewed annually by the thirtieth day of June in accordance with
the standard renewal procedure set forth in Chapter 4745. of the Revised Code. Fifty per cent of the annual license fee shall be for the use of the state, and fifty per cent shall be paid by the state to the municipal corporation, or if outside the limits of any municipal corporation, to the county, in which the office of the licensee is located. All such fees payable to municipal corporations or counties shall be paid annually.

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

(F) The fee for renewal of a license shall be equivalent to the fee for an initial license established by the superintendent pursuant to section 1321.20 of the Revised Code. Any licensee who wishes to renew the pawnbroker's license but who fails to do so on or before the date the license expires shall reapply for licensure in the same manner and pursuant to the same requirements as for initial licensure, unless the licensee pays to the superintendent on or before the thirty-first day of August of the year the license expires, a late renewal penalty of one hundred dollars in
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 revocation or suspension of the license. The superintendent shall deposit all penalties allocated pursuant to this section into the state treasury to the credit of the consumer finance fund.

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

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

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

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

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

(B)(1) The division of financial institutions in the department of commerce may grant a precious metals dealer's license to any person of good character, having experience and fitness in the capacity involved, who demonstrates a net worth of
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 the licensee is located. All portions of license fees payable to municipal corporations or counties shall be paid as they accrue, by the treasurer of state, on vouchers issued by the director of budget and management.

(D) Every such license shall be renewed annually by the last day of June, or annually on a different date set by the superintendent pursuant to section 1181.23 of the Revised Code, according to the standard renewal procedure of Chapter 4745. of the Revised Code. 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, and until such applicant shall, in writing and in due form, to be first approved by and filed with the division, appoint 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; and in case of the death, removal from the state, or any legal disability or any disqualification of any agent, service of process or notice may be made upon the superintendent.

(E) The division may, pursuant to Chapter 119. of the Revised Code, upon notice to the licensee and after giving the licensee reasonable opportunity to be heard, revoke or suspend any license, if the licensee or the licensee's officers, agents, or employees violate this chapter. Whenever, for any cause, the license is revoked or suspended, the division shall not issue another license to the licensee nor to the husband or wife of the licensee, nor to any copartnership or corporation of which the licensee is an officer, nor to any person employed by the licensee, until the expiration of at least one year from the date of revocation of the license.
(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 (G)(1) of this section, but shall maintain the bond for at least two years after the date on which the licensee ceases to conduct business in this state.

In line 82826, after "991.02," insert "1321.73, 1349.43,"
In line 82863, after "4705.10," insert "4712.02,"
In line 82865, after "4723.44," insert "4727.03, 4728.03,"

The motion was _________ agreed to.

SYNOPSIS

**Multistate licensing**

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

Restores the Executive and House version of the bill that:

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

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

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

-- The payment of fees;

-- Renewal or reporting dates.