

Adopted	Rejected
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COMMITTEE REPORT

YES:	13
NO:	0

MR. SPEAKER:

Your Committee on Financial Institutions, to which was referred House Bill 1081, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:

- 1 Page 12, delete lines 38 through 42.
- 2 Delete page 13.
- 3 Page 14, delete lines 1 through 14.
- 4 Page 26, delete lines 23 through 31.
- 5 Page 34, delete lines 38 through 42.
- 6 Page 35, delete lines 1 through 17.
- 7 Page 35, line 21, delete "The" and insert "**After a lessor has filed**
- 8 **an initial or a subsequent notification under section 1 of this**
- 9 **chapter, the**".
- 10 Page 35, line 27, after "reorganization;" insert "**or**".
- 11 Page 35, line 31, delete "; or" and insert ".".
- 12 Page 35, delete lines 32 through 35, begin a new paragraph and
- 13 insert:
- 14 "SECTION 17. IC 24-7-8-5 IS ADDED TO THE INDIANA CODE
- 15 AS A **NEW SECTION** TO READ AS FOLLOWS [EFFECTIVE JULY
- 16 1, 2013]: **Sec. 5. Before appointing or hiring any director, executive**

1 **officer, or Indiana store manager, a lessor must perform a criminal**
 2 **background check on the candidate and retain, until the**
 3 **department's next examination of the lessor is completed, records**
 4 **of the background check in the lessor's files."**

5 Page 40, line 9, after "(C)" insert **"except as otherwise permitted**
 6 **under section 9(a) of this chapter,"**.

7 Page 43, line 33, delete "IC 28-1-29-9;" and insert **"section 9 of this**
 8 **chapter;"**.

9 Page 44, line 5, after "director," insert **"an application submitted**
 10 **to the department under this section must include"**.

11 Page 45, line 5, delete "one hundred" and insert **"fifty"**.

12 Page 45, line 5, delete "\$100,000," and insert **"(\$50,000),"**.

13 Page 45, line 26, delete "one hundred" and insert **"fifty"**.

14 Page 45, line 26, delete "\$100,000;" and insert **"(\$50,000);"**.

15 Page 45, line 27, delete "monthly" and insert **"of the highest daily"**.

16 Page 45, line 28, after "residents" insert **"for each month"**.

17 Page 45, line 29, delete "." and insert **", not to exceed one hundred**
 18 **thousand dollars (\$100,000)."**

19 Page 55, line 33, after "of" strike "a" and insert **"an Indiana"**.

20 Page 55, line 35, after "." insert **"However, as an alternative to**
 21 **maintaining a separate trust account specifically for the benefit of**
 22 **the licensee's Indiana contract debtors, a licensee may submit a**
 23 **request to the director for approval to maintain a trust account**
 24 **that holds both money paid to the licensee by or on behalf of**
 25 **Indiana contract debtors and money paid to the licensee by or on**
 26 **behalf of contract debtors who do not reside in Indiana. The**
 27 **request must include documentation of the licensee's account**
 28 **reconciliation procedures sufficient to demonstrate to the director**
 29 **that the licensee will be able to:**

30 **(1) comply with the reconciliation requirements set forth in**
 31 **subsection (e) with respect to each Indiana contract debtor**
 32 **whose money is held in the account; and**

33 **(2) accurately determine the appropriate surety bond level**
 34 **under section 6(d) of this chapter at the time of each renewal**
 35 **of the licensee's license under this chapter.**

36 **Upon approval by the director of a request described in this**
 37 **subsection, the licensee shall maintain the documentation described**
 38 **in subdivisions (1) and (2) for review by department examiners**

- 1 **during the course of the department's routine examinations under**
 2 **this chapter."**
- 3 Page 55, line 36, after "day" strike "the" and insert "**that**".
- 4 Page 55, line 36, delete "a" and insert "**an Indiana**".
- 5 Page 55, line 37, delete "trust the" and insert "**the trust**".
- 6 Page 55, line 38, strike "for the benefit of the contract debtor."
- 7 Page 55, line 39, after "services." insert "**required under this**
 8 **section."**
- 9 Page 56, line 7, after "remittances" insert ", **less fees and costs,**".
- 10 Page 56, line 8, strike "less fees and costs,".
- 11 Page 56, delete lines 14 through 18, begin a new line block indented
 12 and insert:
- 13 "(4) Retain **for charges** in the ~~contract debtor's~~ trust account ~~for~~
 14 ~~charges,~~ **required under this section** an amount less than or
 15 equal to the sum of one (1) month's ~~fee fees for the licensee's~~
 16 **Indiana contract debtors whose money is held in the account,**
 17 as permitted by section 8.3(c)(2) of this chapter, plus ~~the a~~
 18 close-out fee, as permitted by section ~~8.3(e)~~ **8.3(d)** of this chapter,
 19 **for each of the licensee's Indiana contract debtors whose**
 20 **money is held in the account,** unless a greater amount is
 21 approved in writing by the department."
- 22 Page 56, line 31, after "to" insert "**at least**".
- 23 Page 56, line 32, strike "contract debtor's account." and insert
 24 "**individual account maintained for each Indiana contract debtor**
 25 **whose money is held in the trust account."**
- 26 Page 56, delete lines 33 through 42, begin a new paragraph and
 27 insert:
- 28 "(e) ~~If a licensee has established a trust account under subsection~~
 29 ~~(a);~~ The licensee shall reconcile the trust account **required under this**
 30 **section** at least every thirty (30) days after receipt of the bank
 31 statement. The reconciliation must compare the cash balance in the
 32 trust account **for all the licensee's Indiana contract debtors whose**
 33 **money is held in the account** with the sum of the balances in each **of**
 34 **those Indiana** contract debtor's ~~account:~~ **individual accounts.** If the
 35 licensee or the licensee's designee has more than one (1) trust account
 36 **under this section,** each trust account must be individually reconciled.
 37 **If the cash balance held in a trust account for the benefit of the**
 38 **licensee's Indiana contract debtors reflects a shortage when**

1 compared with the sum of the balances in each of those Indiana
 2 contract debtor's individual accounts, the licensee shall
 3 immediately provide written notice to the department of that fact
 4 and of any remedial action taken by the licensee. If the cash
 5 balance held in a trust account for the benefit of the licensee's
 6 Indiana contract debtors reflects a surplus when compared with
 7 the sum of the balances in each of those Indiana contract debtor's
 8 individual accounts, the licensee shall attempt to remedy the
 9 surplus and shall retain, for review by department examiners,
 10 documentation of the actions taken."

11 Page 57, delete lines 1 through 2.

12 Page 57, line 14, after "shall" insert ",",

13 Page 57, line 14, strike "promptly" and insert "**not later than fifteen**
 14 **(15) days after the effective date of the termination of the**
 15 **agreement or the date on which it becomes apparent to the licensee**
 16 **that the plan has failed, as applicable,".**

17 Page 57, delete lines 23 through 28, begin a new paragraph and
 18 insert:

19 **"(i) Before adding or replacing any signatory on the trust**
 20 **account required under this section, the licensee shall:**

21 **(1) ensure that the new signatory is qualified based on a**
 22 **background check consistent with section 3(c) of this chapter;**
 23 **and**

24 **(2) maintain, for review by department examiners,**
 25 **documentation of the background check conducted."**

26 Page 60, delete lines 32 through 40.

27 Page 61, line 14, after "No" insert "(a)".

28 Page 61, between lines 27 and 28, begin a new paragraph and insert:

29 **"(b) A pawnbroking transaction occurs in Indiana and is subject**
 30 **to the licensing requirements of this chapter and all other**
 31 **requirements of this chapter if a consumer who is a resident of**
 32 **Indiana enters into the pawnbroking transaction with a**
 33 **pawnbroker, or a person acting on behalf of the pawnbroker, that**
 34 **is located:**

35 **(1) in Indiana; or**

36 **(2) outside Indiana if the pawnbroker or person acting on**
 37 **behalf of the pawnbroker has advertised or solicited**
 38 **pawnbroking in Indiana by any means, including by mail,**

1 **brochure, telephone, print, radio, television, the Internet, or**
2 **electronic means.**

3 **A pawnbroking transaction does not occur in Indiana if a**
4 **consumer who is a resident of Indiana enters into the pawnbroking**
5 **transaction at a pawnbroker's place of business in another state."**

6 Page 79, line 23, strike "Except as provided in subsection (d),".

7 Page 79, line 23, delete "a" and insert "A".

8 Re-number all SECTIONS consecutively.

(Reference is to HB 1081 as introduced.)

and when so amended that said bill do pass.

Representative Burton