

manner if the individual establishes to the satisfaction of the Commissioner that ~~he or she [the individual]~~ failed to timely renew the license because the individual was serving as a military service member. A military service member who fails to timely renew his or her originator license must seek reinstatement of the license within the time period prescribed by Tex. Fin. Code §157.016; otherwise, the individual must obtain a new license, including complying with the requirements and procedures then in existence for obtaining an original license.

(d) Expedited Review and Processing [~~License Procedure~~]. [~~As provided by~~] Tex. Occ. Code [~~§§55.004 and~~] §55.005[~~;~~] provides that a military service member, military veteran, or military spouse is entitled to expedited review and processing of his or her application for an originator license. A military service member, military veteran, or military spouse seeking expedited review of his or her application must, after applying for the license in NMLS, make a written request for expedited review using the form prescribed by the Commissioner and posted on the Department's website (sml.texas.gov), including providing the supporting documentation specified by the form, to enable the Department to verify the individual's status as a military service member, military veteran, or military spouse. The [~~the~~] Department, on or before 30 days after the date it receives a complete application and request for expedited review from a qualifying applicant who is a military service member, military veteran, or military spouse, will process the [a license] application [as soon as practicable] and, provided the applicant is otherwise eligible to receive the license, issue a license to the [a qualifying] applicant [~~who is a military service member, military veteran, or military spouse~~], if the applicant:

(1) is licensed as an originator in another jurisdiction with substantially equivalent licensing requirements [~~holds a current license in another jurisdiction as a residential mortgage loan originator in accordance with the S.A.F.E. Mortgage Licensing Act, 12 U.S.C. §§5101-5117~~]; or

(2) was licensed as an originator [~~held a residential mortgage loan originator license~~] in Texas within the 5 [five] years preceding the date of the application.

(e) Temporary Authority for Military Service Member or Military Spouse. Tex. Occ. Code §55.0041 provides that a military service member or military spouse may engage in a business or occupation for which a license is required without obtaining the applicable license if the member or spouse is currently licensed in good standing in another jurisdiction with substantially equivalent [~~similar~~] licensing requirements. However, federal law imposes specific, comprehensive requirements governing when and under what circumstances an individual licensed [~~sanctioned~~] to act as an originator in another jurisdiction may act under temporary authority in this state (12 U.S.C. §5117 (relating to Employment Transition of Loan Originators)). Tex. Occ. Code §55.0041(c) further requires that a military service member or military spouse "comply with all other laws and regulations applicable to the business or occupation." As a result, a military service member or military spouse seeking to avail himself or herself of the temporary authority conferred by Tex. Occ. Code §55.0041 must apply for and seek temporary authority in accordance with Tex. Fin. Code §180.0511 and §81.102 of this title (relating to Temporary Authority).

(f) Substantial Equivalency. For purposes of this section and Tex. Occ. Code §55.004, an originator [~~a residential mortgage loan originator~~] license issued in another jurisdiction is substantially equivalent to a Texas [~~residential mortgage loan~~] originator license if it is issued in accordance with the requirements of the S.A.F.E. Mortgage Licensing Act, 12 U.S.C. §§5501-5117. The Department will verify a license issued in another jurisdiction through NMLS.

(g) Credit for Military Experience. As provided by Tex. Occ. Code §55.007, with respect to an applicant who is a military service member or military veteran, the Department will credit verified military service, training, or education toward the requirements for an originator license by considering the service, training, or education as part of the applicant's employment history. The following items cannot be substituted for military service, training, or education:

(1) the pre-licensing examination, as provided by Tex. Fin. Code §180.057;

(2) the required pre-licensing education [~~training~~] and coursework, as provided by Tex. Fin. Code §180.056 and §81.104 of this title (relating to Required Education); and

(3) continuing education [~~training~~] and coursework, as provided by Tex. Fin. Code §180.060 and §81.104 of this title [~~(relating to Required Education)~~].

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Department of Savings and Mortgage Lending

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For further information, please call: (512) 475-1535



PART 5. OFFICE OF CONSUMER CREDIT COMMISSIONER

CHAPTER 85. PAWNSHOPS AND CRAFTED PRECIOUS METAL DEALERS

SUBCHAPTER A. RULES OF OPERATION FOR PAWNSHOPS

DIVISION 3. PAWNSHOP EMPLOYEE LICENSE

7 TAC §85.309

The Finance Commission of Texas (commission) proposes amendments to §85.309 (relating to Military Licensing) in 7 TAC Chapter 85, Subchapter A, concerning Rules of Operation for Pawnshops.

The rules in 7 TAC Chapter 85, Subchapter A govern pawnshops and pawnshop employees licensed by the Office of Consumer Credit Commissioner (OCCC) under Texas Finance Code, Chapter 371. In general, the purpose of the proposed rule changes is to specify pawnshop employee licensing requirements for military service members, military veterans, and military spouses, in accordance with Chapter 55 of the Texas Occupations Code, as amended by SB 422 (2023).

The OCCC distributed an early precomment draft of proposed changes to interested stakeholders for review, and then held a stakeholder meeting and webinar regarding the rule changes. The OCCC did not receive any informal precomments on the rule text draft.

Chapter 55 of the Texas Occupations Code describes licensing requirements for military service members, military veterans, and military spouses. Chapter 55 applies to licenses that "must be obtained by an individual to engage in a particular business." Tex. Occ. Code §55.001(3). Chapter 55 includes an expedited license application procedure for certain previously licensed individuals, and authorizes certain individuals licensed in other jurisdictions to engage in licensed occupations in Texas. SB 422, which the Texas Legislature passed in 2023, amends various provisions in Chapter 55. Specifically, SB 422 amends Texas Occupations Code, §55.0041 to extend recognition of licenses in other jurisdictions to military service members, and to specify a 30-day period for an agency to verify that a qualifying military service member or spouse is licensed in good standing with another jurisdiction. SB 422 also amends Texas Occupations Code, §55.005 to specify that agencies will review certain license applications from qualifying military service members, veterans, and spouses within 30 days after the agency received a complete application. SB 422 has been signed by the governor and will be effective September 1, 2023.

Proposed amendments to §85.309 would implement SB 422's statutory amendments for pawnshop employees licensed by the OCCC. Proposed amendments to §85.309(d) would specify that the OCCC will process a pawnshop employee license application no later than 30 days after receiving a complete license application from a qualifying applicant who is a military service member, military veteran, or military spouse. These changes would implement SB 422's amendments to Texas Occupations Code, §55.005(a). Proposed amendments throughout §85.309(e) would specify that the authorization to engage in business in Texas applies to military service members, and that the OCCC will send a request for records to the appropriate licensing authority no later than the 30th day after the military service member or military spouse submits required information. These changes would implement SB 422's amendments to Texas Occupations Code, §55.0041.

Mirand Diamond, Director of Licensing, Finance and Human Resources, has determined that for the first five-year period the proposed rule changes are in effect, there will be no fiscal implications for state or local government as a result of administering the rule changes.

Huffman Lewis, Director of Consumer Protection, has determined that for each year of the first five years the proposed amendments are in effect, the public benefit anticipated as a result of the changes will be that the commission's rules will ensure that the OCCC can effectively administer military licensing requirements under Texas Occupations Code, Chapter 55.

The OCCC does not anticipate economic costs to persons who are required to comply with the rule changes as proposed.

The OCCC is not aware of any adverse economic effect on small businesses, micro-businesses, or rural communities resulting from this proposal. But in order to obtain more complete information concerning the economic effect of these rule changes, the OCCC invites comments from interested stakeholders and the public on any economic impacts on small businesses, as well as any alternative methods of achieving the purpose of the proposal while minimizing adverse impacts on small businesses, micro-businesses, and rural communities.

During the first five years the proposed rule changes will be in effect, the rules will not create or eliminate a government program. Implementation of the rule changes will not require the

creation of new employee positions or the elimination of existing employee positions. Implementation of the rule changes will not require an increase or decrease in future legislative appropriations to the OCCC, because the OCCC is a self-directed, semi-independent agency that does not receive legislative appropriations. The proposal does not require an increase or decrease in fees paid to the OCCC. The proposal would not create a new regulation. The proposal would expand current §85.309 in accordance with SB 422. The proposal would not limit or repeal an existing regulation. The proposed rule changes do not increase or decrease the number of individuals subject to the rule's applicability. The agency does not anticipate that the proposed rule changes will have an effect on the state's economy.

Comments on the proposal may be submitted in writing to Matthew Nance, General Counsel, Office of Consumer Credit Commissioner, 2601 North Lamar Boulevard, Austin, Texas 78705 or by email to rule.comments@occc.texas.gov. To be considered, a written comment must be received on or before the 30th day after the date the proposal is published in the *Texas Register*. After the 30th day after the proposal is published in the *Texas Register*, no further written comments will be considered or accepted by the commission.

The rule amendments are proposed under Texas Occupations Code, §55.004 and §55.0041 (as amended by SB 422), which authorize a state agency to adopt rules implementing requirements of Chapter 55 of the Texas Occupations Code. The rule amendments are also proposed under Texas Finance Code, §371.006, which authorizes the commission to adopt rules to enforce Texas Finance Code, Chapter 371. In addition, Texas Finance Code, §11.304 authorizes the commission to adopt rules necessary to supervise the OCCC and ensure compliance with Texas Finance Code, Chapter 14 and Title 4.

The statutory provisions affected by the proposal are contained in Texas Occupations Code, Chapter 55 and Texas Finance Code, Chapter 371.

§85.309. Military Licensing.

(a) Purpose and scope. The purpose of this section is to specify pawnshop employee licensing requirements for military service members, military veterans, and military spouses, in accordance with Texas Occupations Code, Chapter 55. This section applies only to employees of pawnbrokers that participate in the pawnshop employee license program.

(b) Definitions. In this section, the terms "military service member," "military spouse," and "military veteran" have the meanings provided by Texas Occupations Code, §55.001.

(c) Late renewal. As provided by Texas Occupations Code, §55.002, an individual is exempt from any increased fee or other penalty for failing to renew a pawnshop employee in a timely manner, if the individual establishes to the satisfaction of the OCCC that the individual failed to renew the license in a timely manner because the individual was serving as a military service member.

(d) Expedited license procedure. As provided by Texas Occupations Code, §55.004 and §55.005, no later than the 30th day after the OCCC receives a complete pawnshop employee license application from a qualifying applicant who is a military service member, military veteran, or military spouse, the OCCC will process the [a license] application [as soon as practicable] and issue a license to the [a qualifying] applicant [who is a military service member, military veteran, or military spouse], if the applicant:

(1) holds a current license in another jurisdiction that has licensing requirements that are substantially equivalent to the requirements for a pawnshop employee license in Texas; or

(2) held a pawnshop employee license in Texas within the five years preceding the application date.

(e) Authorization for military service members and military spouses [spouse].

(1) As provided by Texas Occupations Code, §55.0041, a military service member or military spouse may engage in business as a pawnshop employee if the member or spouse is currently licensed in good standing in another jurisdiction that has licensing requirements that are substantially equivalent to the requirements for a pawnshop employee license in Texas.

(2) Before engaging in business in Texas, the military service member or military spouse must comply with the notification requirements described by Texas Occupations Code, §55.0041(b), and must notify the OCCC of the jurisdiction where the military spouse is licensed and how the license can be verified. If the member or [military] spouse does not obtain a pawnshop employee license in Texas, then the member or [military] spouse is limited to the time period described by Texas Occupations Code, §55.0041(d)-(d-1) [§55.0041(d)].

(3) For purposes of this section and Texas Occupations Code, §55.0041, the OCCC will determine whether the other jurisdiction's licensing requirements are substantially similar to Texas's by reviewing the applicable legal requirements that a license holder must comply with in the other jurisdiction, as well as the application review process in the other jurisdiction. The OCCC will verify a license issued in another jurisdiction by requesting records from the appropriate licensing authority. The OCCC will send a request for records to the appropriate licensing authority no later than the 30th day after the military service member or military spouse submits the information required by Texas Occupations Code, §55.0041(b)(1)-(2).

(f) Credit toward licensing requirements. As provided by Texas Occupations Code, §55.007, with respect to an applicant who is a military service member or military veteran, the OCCC will credit verified military service, training, or education toward the licensing requirements for a pawnshop employee license, by considering the service, training, or education as part of the applicant's employment history.

The agency certifies that legal counsel has reviewed the proposal and found it to be within the state agency's legal authority to adopt.

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Matthew Nance

General Counsel

Office of Consumer Credit Commissioner

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For further information, please call: (512) 936-7660



TITLE 13. CULTURAL RESOURCES

PART 1. TEXAS STATE LIBRARY AND ARCHIVES COMMISSION

CHAPTER 3. STATE PUBLICATIONS DEPOSITORY PROGRAM

13 TAC §§3.1 - 3.3, 3.7

The Texas State Library and Archives Commission (commission) proposes amendments to §3.1, Definitions; §3.2, Standard Requirements for State Publications in All Formats; and §3.7, State Publications Contact Person; and new §3.3, Standard Deposit and Reporting Requirements for State Publications in All Formats.

BACKGROUND. Section 441.104 of the Government Code establishes the commission's duties under the State Publications Depository Program (program), under which the commission acquires, organizes, retains, and provides access to state publications. Under section 441.103 of the Government Code, state agencies are required to designate one or more staff persons as agency publications liaisons, who are required to maintain a record of the agency's state publications. State agencies must furnish copies of their state publications to the commission in the number specified by commission rules.

The commission recently concluded its quadrennial review of 13 TAC Chapter 3 as required by Government Code, §2001.039. While the commission found that the reasons for initially adopting the rules continue to exist, the commission did note the need for multiple amendments to update and improve the rules. The proposed amendments and new section are necessary to streamline, simplify, update, and clarify the existing rules.

ANALYSIS OF PROPOSED AMENDMENTS AND NEW SECTION. Multiple proposed amendments to §3.1 improve existing definitions and delete unnecessary definitions. The definition of "Texas State Library and Archives Commission" is proposed to be deleted and moved, with minor modifications, to the definition of "Commission." The definitions for "depository library," "state agency," and "state publication" are amended to refer to the existing statutory definitions. The following definitions are proposed for deletion, as they are not necessary, either because the terms are not used within the chapter or, when used, they are clearly defined as necessary, or because the terms have commonly accepted definitions that do not require any additional specificity within the rules: "depository publication," "electronic external storage devices," "internet connection," "on-line," "print publication," "report," "Texas Records and Information Locator (TRAIL)," "Uniform Resource Locators," and "website." A proposed amendment to the definition of "physical format" simplifies the definition to mean a transportable medium in which analog or digital information is published, such as print, microform, magnetic disk, or optical disk. An amendment to the definition of "internet publication" updates the term to "online publication." An amendment adds a new defined term, "removable electronic media," to replace the deleted term "electronic external storage devices." Other amendments make minor grammar and punctuation corrections and renumber the definitions as appropriate.

Proposed amendments to §3.2 clarify and improve the rule language and delete unnecessary language. A proposed amendment in subsection (a) corrects the references to the commission's rules regarding exemptions. Subsection (b) is proposed for deletion as it merely restates a statutory requirement and is therefore not necessary in the rule. Subsection (f) is proposed for deletion as the archival code "A" was removed from the archival state publications series on the State Records Retention Schedule to clarify that those publications are not transferred to the