

*Title 7, Texas Administrative Code*  
*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*

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

The commission adopts the amendments to §85.309 without changes to the proposed text as published in the September 1, 2023, issue of the *Texas Register* (48 TexReg 4737).

The commission received no official comments on the proposed amendments.

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 adopted 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 went into effect on September 1, 2023.

The amendments to §85.309 implement SB 422's statutory changes for pawnshop employees licensed by the OCCC. Amendments to §85.309(d) 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 implement SB 422's amendments to Texas Occupations Code, §55.005(a). Amendments throughout

§85.309(e) 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 implement SB 422's amendments to Texas Occupations Code, §55.0041.

The rule amendments are adopted 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 adopted 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 adoption 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.

### **Certification**

The agency certifies that legal counsel has reviewed the adoption and found it to be a valid exercise of the agency's legal authority.

Issued in Austin, Texas on October 27, 2023.

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