

NOTICE OF PRECOMMENT DRAFT
Pawnshop Employee Military Licensing Rule Amendments
July 11, 2025

The Office of Consumer Credit Commissioner (OCCC) has prepared a precomment draft of rule amendments to Title 7, Section 85.309 of the Texas Administrative Code, relating to military licensing for pawnshop employees. The OCCC plans to present the amendments for proposal at the Texas Finance Commission's August 15 meeting.

Summary of Rule Amendments

The precomment draft's rule amendments would implement changes for military service members, military spouses, and veterans under HB 5629 and SB 1818, which the Texas Legislature passed in 2025. The amendments include the following changes to Section 85.309:

- **Clarification of "in good standing":** An amendment to Section 85.309(b) clarifies that the term "in good standing" has the meaning provided by Section 55.0042 of the Texas Occupations Code (a new statutory section added by HB 5629).
- **Expedited license procedure:** Amendments to Section 85.309(d) specify the expedited licensing procedure under Sections 55.004 and 55.005 of the Occupations Code, as amended by HB 5629 and SB 1818. This includes HB 5629's technical changes and SB 1818's changes related to provisional licenses.
- **Recognizing out-of-state licenses:** Amendments to Section 85.309(e) specify the recognition of out-of-state under Section 55.0041 of the Occupations Code, as amended by HB 5629 and SB 1818. This includes HB 5629's technical changes and SB 1818's changes related to provisional licenses.

Submission of Informal Precomments

Informal precomments on the draft rules may be submitted by email to rule.comments@occc.texas.gov, or by mail to Matthew Nance, General Counsel, Office of Consumer Credit Commissioner, 2601 North Lamar Blvd., Austin, Texas 78705.

Precomments submitted to the OCCC are generally public. Please redact all confidential information before submitting precomments to the OCCC.

Informal precomments on the OCCC's July 11 precomment draft must be received by 5:00 p.m. on July 28, 2025.

**OCCC Pawnshop Employee Military Licensing Rule Amendments
Implementing HB 5629 & SB 1818 (2025)**

7/11/2025 Precomment Draft

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

§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.~~

(1) The terms "military service member," "military spouse," and "military veteran" have the meanings provided by Texas Occupations Code, §55.001.

(2) The term "in good standing" has the meaning provided by Texas Occupations Code, §55.0042.

(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 under ~~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 application and issue a license to the applicant, if the applicant:]~~

(1) The expedited license procedure in this subsection applies to a qualifying applicant who is a military service member, military veteran, or military spouse, if the applicant: [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]

(A) holds a current license in good standing in another state as a pawnshop employee;
or

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

(2) After the OCCC receives a complete license application from a qualifying applicant under Texas Occupations Code, §55.004 and this subsection, the OCCC will promptly issue a provisional license to the applicant or issue the license for which the applicant applies. A provisional license expires on the earlier of: [held a pawnshop employee license in Texas within the five years preceding the application date.]

(A) the date the OCCC approves or denies the application; or

(B) the 180th day after the date the provisional license is issued.

(3) Not later than the 10th day after the OCCC receives a complete license application from a qualifying applicant under Texas Occupations Code, §55.004 and this subsection, the OCCC will process the application and either:

(A) approve the license application and issue a license to the applicant; or

(B) if the applicant does not meet the eligibility requirements for a pawnshop employee license under Texas Finance Code, Chapter 371, deny the license application or send a notice of intent to deny the application.

(e) Recognition of out-of-state license [Authorization] for military service member or [members and] military spouse [spouses] under Texas Occupations Code, §55.0041.

(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 holds a current license issued by another state that is similar in scope of practice to the Texas pawnshop employee license and is in good standing with that state's licensing authority [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 state [jurisdiction] where the member or [military] spouse is licensed and how the license can be verified. If the member or spouse does not obtain a pawnshop employee license in Texas, then the member or spouse is limited to the time period described by Texas Occupations Code, §55.0041(d)-(d-1).

(3) After the OCCC receives the information required by Texas Occupations Code, §55.0041(b) from a qualifying applicant, the OCCC will promptly send a notification under subsection (e)(4) of this section or issue a provisional license to the applicant. A provisional license expires on the earlier of:

(A) the date the OCCC sends a notification under subsection (e)(4) of this section;
or

(B) the 180th day after the date the provisional license is issued.

(4) Not later than the 10th business day after the date the OCCC receives the information required by Texas Occupations Code, §55.0041(b) from a qualifying applicant, the OCCC will notify the applicant that:

(A) the OCCC recognizes the applicant's out-of-state license;

(B) the application is incomplete; or

(C) the OCCC is unable to recognize the applicant's out-of-state license because the OCCC does not issue a license similar in scope of practice to the applicant's license.

(5) [(3)] For purposes of this section and Texas Occupations Code, §55.0041, the OCCC will determine whether another state's license is similar in scope of practice to the Texas pawnshop employee license [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 state [jurisdiction], as well as the application review process in the other state [jurisdiction]. The OCCC will verify a license issued in another state [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.