

Title 7. Banking and Securities
Part 5. Office of Consumer Credit Commissioner
Chapter 85. Pawnshops and Crafted Precious Metal Dealers
Subchapter B. Rules for Crafted Precious Metal Dealers

The Finance Commission of Texas (commission) adopts amendments to §85.1011 (relating to Fees) in 7 TAC, Chapter 85, concerning Pawnshops and Crafted Precious Metal Dealers.

The commission adopts the amendments to §85.1011 without changes to the proposed text as published in the December 31, 2021, issue of the *Texas Register* (46 TexReg 9139).

The commission received no written comments on the proposal.

The rules in 7 TAC Chapter 85, Subchapter B govern crafted precious metal dealers. In general, the purpose of the rule changes to 7 TAC §85.1011 is to implement SB 1132 (2021) by adjusting annual registration fees for crafted precious metal dealers.

The OCCC distributed an early precomment draft of proposed changes to interested stakeholders for review, and then held a stakeholder webinar regarding the rule changes. The OCCC received no informal precomments on the rule text draft.

The Texas Legislature passed SB 1132 in the 2021 legislative session. SB 1132 amended Texas Occupations Code, Chapter 1956, Subchapter B by adding new Section 1956.06131, which authorizes the OCCC to examine the places of business of crafted precious metal dealers, and requires the OCCC to examine at least 10 dealers each calendar year. SB 1132 also amended Texas Occupations Code, §1956.0612(c), to specify

that the OCCC shall prescribe a registration processing fee in an amount necessary to cover the costs of administering Chapter 1956, Subchapter B. The OCCC is responsible for the costs of its operations. Under Texas Finance Code, §16.002 and §16.003, the OCCC is a self-directed, semi-independent agency, and may set fees in amounts necessary for the purpose of carrying out its functions.

The amendments to §85.1011 implement SB 1132 by adjusting annual registration fees for crafted precious metal dealers. An amendment to subsection (a) increases the annual registration fee for permanent locations from \$50 to \$70. An amendment to subsection (b) increases the annual registration fee for temporary locations from \$25 to \$40.

The OCCC believes that a \$20 increase to registration fees will enable the OCCC to cover the additional costs resulting from examinations of crafted precious metal dealers, as required by SB 1132. The OCCC currently employs financial examiners who examine licensed nondepository financial institutions throughout Texas. To implement SB 1132, some of these examiners will receive training on requirements for crafted precious metal dealers, and will spend a portion of their time traveling and examining dealers. Based on its previous experience in conducting financial examinations, the OCCC anticipates that the new examinations will result in approximately \$19,950 of additional costs for the first year, and approximately \$11,970 of additional costs for subsequent years. Based on an average total

number of crafted precious metal dealer registrations of 600, the OCCC anticipates that the \$20 increase will provide \$12,000 of revenue per year to cover the cost of the examination program.

The rule changes are adopted under Texas Occupations Code, §1956.0611, which authorizes the commission to adopt rules to implement and enforce Texas Occupations Code, Chapter 1956, Subchapter B. In addition, Texas Occupations Code, §1956.0612(c) (as amended by SB 1132) authorizes the OCCC to prescribe a registration fee in an amount necessary to cover the costs of administering Texas Occupations Code, Chapter 1956, Subchapter B. Texas Finance Code, §16.003(c) authorizes the OCCC to set fees as necessary to carry out its functions.

The statutory provisions affected by the adoption are contained in Texas Occupations Code, Chapter 1956, Subchapter B.

Chapter 85. Pawnshops and Crafted Precious Metal Dealers

Subchapter B. Rules for Crafted Precious Metal Dealers

Division 1. Registration Procedures

§85.1011. Fees

(a) Fee for permanent registered locations. In connection with a new application or an annual renewal, a crafted precious metal dealer must pay a \$70 [~~\$50~~] fee for each permanent registered location.

(b) Fee for temporary locations. In connection with a new application for a temporary location, a crafted precious metal

dealer must pay a \$45 [~~\$25~~] fee for each temporary location.

(c) Amendments to permanent registered location. In order to amend a registration by changing the assumed name of the registrant or relocating a permanent registered location, a crafted precious metal dealer must pay a \$25 fee.

(d) Amendments to temporary location. In order to amend a registration by relocating a temporary location, a crafted precious metal dealer must pay a fee of \$25 for each amended location.

(e) Fees nonrefundable, nontransferable, and not prorated. All fees paid relating to a crafted precious metal dealer's registration with the OCCC are nonrefundable and nontransferable. All fees are fixed and will not be prorated based on the date of the dealer's application.

(f) Nonsufficient funds fee. As provided by Texas Business and Commerce Code, §3.506, the OCCC may charge a fee for nonsufficient funds if an applicant provides a payment device that is dishonored.

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 February 18, 2022.

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