

A BILL
TO BE ENTITLED
AN ACT

To provide for the licensing and regulation of title pawn lenders; to authorize the Supervisor of the Bureau of Loans of the State Banking Department to promulgate rules pertaining to the licensing and examination of title pawn lenders.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This Act may be cited as the "Alabama Title Pledge Act."

Section 2. The following words and phrases shall have the following meanings:

(a) "Appropriate law enforcement agency" means the sheriff of each county in which the title pledge lender maintains an office, or the police chief of the municipality or law enforcement officers of the Department of Public Safety in which the title pledge lender maintains an office.

(b) "Attorney General" means the Attorney General of the State of Alabama.

(c) "Supervisor" means the Supervisor of the Bureau of Loans of the State Banking Department.

(d) "Identification" means a government issued photographic identification.

(e) "Person" means an individual, partnership, corporation, joint venture, trust, association or other legal entity.

(f) "Pledged property" means any personal property certificate of title that is deposited with a title pledge lender in the course of the title pledge lender's business and is the subject of a title pledge agreement.

(g) "Pledgor" means the person to whom the property is titled.

(h) "Title pledge agreement" means a thirty-day written agreement whereby a title pledge lender agrees to make a loan of money to a pledgor, and the pledgor agrees to give the title pledge lender a security interest in unencumbered titled personal property owned by the pledgor. The pledgor shall agree that the title pledge lender keep possession of the certificate of title. The pledgor shall have the right to redeem the certificate of title by repaying the loan of money in full and by complying with the title pledge agreement. When the certificate of title is redeemed, the title pledge lender shall release the security interest in the titled personal property and return the personal property certificate of title to the pledgor. The title pledge agreement shall provide that upon failure by the pledgor to redeem the certificate of title at the end of the original thirty-day agreement period, or at the end of any extension(s) thereof, the title pledge lender shall be allowed to take possession of the titled personal property. The title pledge agreement shall contain a power of attorney which authorizes the title pledge lender to transfer title to the pledged property from the pledgor to the title pledge lender upon failure to redeem the pledged property on or before the maturity date of the title pledge agreement, or any extension thereof. The title pledge lender shall take physical possession of the certificate of title for the entire length of the title pledge agreement, but shall not be required to take physical possession of the titled personal property at any time. A title pledge lender may only take unencumbered certificates of title for pledge, but may encumber the title as part of the title pledge transaction by perfecting its security interest in the titled property.

(i) "Title pledge lender" means any person engaged in the business of making title pledge agreements with pledgors; provided, however, that the following are exempt from the definition of "title pledge lender" and from the provisions of this chapter: any bank

which is regulated by the State Banking Department, the Comptroller of the Currency of the United States, the Federal Deposit Insurance Corporation, the Board of Governors of the Federal Reserve System or any other federal or state authority and all affiliates of such bank, any state or federally chartered credit union and any finance company subject to licensing and regulation by the State Banking Department.

(j) "Title pledge office" means the location at which, or premises in which, a title pledge lender regularly conducts business. No business other than title pledge business shall be conducted at a title pledge office without the prior written approval of the Supervisor.

(k) "Title pledge service charge" means a charge for investigating the title, appraising the titled personal property to which the pledged property relates, documenting and closing the title pledge agreement transaction, making required reports to appropriate law enforcement officials, and for all of the services provided by the title pledge lender.

(l) "Title pledge transaction form" means the instrument on which a title pledge lender records title pledge agreements pursuant to this chapter.

(m) "Titled personal property" means any personal property the ownership of which is evidenced and delineated by a state-issued certificate of title, except manufactured housing.

(n) "Records" or "documents" means any item in hard copy or produced in a format of storage commonly described as electronic, imaged, magnetic, microphotographic or otherwise, and any reproduction so made shall have the same force and effect as the original thereof and be admitted in evidence equally with the original.

Section 3. At the time the title pledge lender enters into each title pledge agreement, the title pledge lender shall complete a consecutively numbered title pledge transaction form for such transaction, and the pledgor shall sign the completed form. The Supervisor shall approve the design and format of the title pledge transaction form, which shall elicit the information required under this section. In completing the title pledge transaction form, the title pledge lender shall record the following information, which shall be typed or written indelibly and legibly in English:

(a) The make, model and year of the titled personal property to which the pledged property relates.

(b) The vehicle identification number, or other comparable identification number, along with the license plate number, if applicable, of the titled personal property to which the pledged property relates.

(c) The name, address, date of birth, physical description, Social Security number of the pledgor and one (1) photo identification.

(d) The date of the transaction.

(e) The identification number and the type of identification (including the issuing agency) accepted from the pledgor.

(f) The amount of money advanced or principal, which shall be designated as the "amount financed."

(g) The maturity date of the title pledge agreement, which shall be thirty (30) days after the date of the transaction.

(h) The total title pledge service charge payable on the maturity date, designated as the "finance charge."

(i) The total amount (amount financed plus finance charge) which must be paid to redeem the pledged property on the maturity date, designated as the "total of payments."

(j) The annual percentage rate, computed in accordance with the regulations adopted by the Federal Reserve Board pursuant to the Federal Truth-in-Lending Act.

Section 4. (1) The following information shall also be printed on all title pledge transaction forms:

(a) The name and address of the title pledge office.

(b) The following statements:

(i) The pledgor is not obligated to redeem the pledged certificate of title;

(ii) If the pledgor does not redeem the pledged certificate of title on or before the maturity date of the title pledge agreement, the title pledge lender may take possession of the titled personal property to which the certificate of title relates;

(iii) If the pledgor does not redeem the pledged property within thirty (30) days after the maturity date by paying all outstanding principal and title pledge service charges then the pledgor forfeits all right, title and interest in the titled personal property to the title pledge lender, who shall thereby acquire an absolute right of title and ownership to the titled personal property; and

(iv) If this title pledge transaction form is lost, destroyed or stolen, the pledgor shall immediately advise the issuing title pledge lender.

(c) The statement that "The pledgor represents and warrants that the titled personal property to which the pledged property relates is not stolen, it has no liens or encumbrances against it, and the pledgor has the right to enter into this transaction."

(d) Immediately above the signature of the pledgor or seller, the statement that "I,

the pledgor declare under penalty of perjury that I have read the foregoing document and that, to the best of my knowledge and belief, the facts contained in it are true and correct."

(e) A blank line for the signature of the pledgor.

(2) At the time of the transaction, the title pledge lender shall deliver to the pledgor a copy of the completed title pledge transaction form.

Section 5. (a) The pledgor shall sign a statement verifying that the pledgor is the rightful owner of the pledged property and is entitled to pledge it. The pledgor shall receive an exact copy of the title pledge agreement which shall be signed by the title pledge lender or any employee of the title pledge lender.

(b) The title pledge lender shall maintain a record of all transactions of pledged property on the premises for a period of two (2) years. Upon request a title pledge lender shall provide to the appropriate law enforcement agency a complete record of all transactions. These records shall be a correct copy of the entries made of the title pledge transaction.

(c) The title pledge lender shall maintain records that contain a complete payment history of each pledgor evidencing all principal payments, service charge and/or other charges. Those records also shall reflect any unpaid principal balance as well as a payoff balance that includes the accrued service charges.

Section 6. (1) A pledgor shall have no obligation to redeem pledged property or make any payment on a title pledge transaction. Upon the pledgor's failure to redeem the pledged property on or before the maturity date of the title pledge agreement or any extension or continuation thereof, the title pledge lender has the right to take possession

of the titled personal property. In taking possession, the title pledge lender or his agent may proceed without judicial process if this can be done without breach of the peace; or, if necessary, may proceed by action to obtain judicial process.

(2) If, within thirty (30) days after the maturity date, the pledgor redeems the pledged property by paying all outstanding principal and applicable service charges, the pledgor shall be given possession of the titled personal property and the pledged property without further delay.

(3) If the pledgor fails to redeem the pledged property during the thirty-day period provided in subsection (2) of this section, then the pledgor shall thereby forfeit all right, title and interest in and to the titled personal property and the pledged property to the title pledge lender who shall thereby acquire an absolute right of title and ownership to the titled personal property. The title pledge lender shall then have the sole right and authority to sell or dispose of the titled personal property.

(4) Notwithstanding anything in the preceding subsections of this section, the pledgor shall have three (3) business days after the title pledge lender has taken possession of the titled personal property to redeem the property by paying the amount of the unpaid principal balance, the delinquent service charge and the actual cost of the repossession. The cost of repossession shall include reasonable towing charges, storage charges paid to a third party and repairs made to the property to render it operable.

(5) If the property is sold after the three-business-day period, the title pledge lender shall return to the pledgor eighty-five percent (85%) of the amount received from the sale less the amount of the unpaid principal balance, the delinquent service charge, the actual cost of the repossession and a sales fee of One Hundred Dollars (\$100.00).

However, any titled personal property that is reasonably deemed to be salvage by the title pledge lender may be sold or otherwise disposed of three business days after taking possession.

Section 7. (1) A title pledge lender may contract for and receive a title pledge service charge in lieu of interest or other charges for all services, expenses, cost and losses of every nature not to exceed twenty-five percent (25%) per month of the principal amount advanced in the title pledge transaction.

(2) Any interest, charge or fees contracted for or received, directly or indirectly, in excess of the amount permitted under subsection (1) of this section shall be uncollectible and the title pledge transaction shall be void. The title pledge service charge allowed under subsection (1) of this section shall be deemed earned, due and owing as of the date of the title pledge transaction and a like sum shall be deemed earned, due and owing on the thirty-first day from the date of the transaction and on every thirtieth day thereafter.

(3) By agreement of the parties, the maturity date of the title pledge transaction may be extended or continued for thirty-day periods, provided that the service charges as specified in subsection (1) are not exceeded for any extensions. All extensions or continuations of the title pledge transaction shall be evidenced in writing. No accrued interest or service charge shall be capitalized or added to the original principal of the title pledge transaction during any extension or continuation. Beginning with the first extension or continuation and at each successive extension or continuation thereafter, the pledgor shall be required to reduce the principal amount financed by at least ten percent (10%) of the original principal amount of the title pledge transaction. Notwithstanding

any provision in this chapter to the contrary, if the pledgor fails to pay at least ten percent (10%) of the original principal amount at any such extension or continuation, the title pledge lender may, at its option, either (a) declare the outstanding principal and any service charges to be immediately due and payable, or (b) allow the transaction to be extended or continued, provided that the title pledge lender shall reduce the principal amount of the loan by ten percent (10%) of the original principal amount solely for the purposes of calculating its service charge. This reduction in principal shall continue to be owing by the pledgor in accordance with the title pledge transaction, but that amount shall not be entitled to accrue interest or service charges thereafter.

(4) Any additional payment of funds on the same pledged property must be evidenced by a separate title pledge agreement. A title pledge lender shall not advance funds to a pledgor to pay off an existing title pledge agreement.

Section 8. A title pledge lender, or any agent or employee of such title pledge lender, shall not:

(a) Falsify or intentionally fail to make an entry of any material matter in a title pledge lender transaction form.

(b) Refuse to allow the Supervisor, the appropriate law enforcement official, state attorney general, or any of their designated representatives having appropriate jurisdiction, to inspect completed title pledge transaction forms or pledged property during the ordinary hours of the title pledge lender's business or other times acceptable to both parties.

(c) Enter into a title pledge agreement with a person under the age of nineteen (19) years.

(d) Make any agreement requiring or allowing the personal liability of a pledgor or the waiver of any of the provisions of this chapter.

(e) Knowingly enter into a title pledge agreement with any person who is under the influence of drugs or alcohol when such condition is visible or apparent, or with any person using a name other than his own name or the registered name of his business.

(f) Enter into a title pledge agreement in which the amount financed in consideration of the pledge of any single certificate of title exceeds Two Thousand Five Hundred Dollars (\$2,500.00).

(g) Fail to exercise reasonable care in the safekeeping of pledged property or of titled personal property repossessed pursuant to this chapter.

(h) Fail to return pledged property or repossessed or forfeited titled personal property to a pledgor, with any and all of the title pledge lender's liens on the property properly released, upon payment of the full amount due the title pledge lender, unless the property has been seized or impounded by an authorized law enforcement agency, taken into custody by a court, or otherwise disposed of by court order.

(i) Refuse or fail to return all personal items, contained in the vehicle at the time of repossession and not considered part of the vehicle, to the pledgor.

(j) Sell or otherwise charge for insurance in connection with a title pledge agreement, including motor club memberships.

Section 9. (1) Any person presenting identification and presenting the pledgor's copy of the title pledge transaction form to the title pledge lender is presumed to be entitled to redeem the pledged property described in the title pledge lender transaction form; provided, however, that if the title pledge lender determines that the person is not

the original pledgor, the title pledge lender is not required to allow the redemption of the pledged property by such person. The person redeeming the pledged property must sign the pledgor's copy of the title pledge transaction form, which the title pledge lender may retain to evidence such person's receipt of the pledged property. If the person redeeming the pledged property is not the original pledgor, that person must show photo identification to the title pledge lender, and the title pledge lender shall record the person's name and address on the title pledge transaction form retained by the title pledge lender. The title pledge lender shall not be liable to the original pledgor for having allowed the redemption of the pledged property by another person pursuant to this subsection (1).

(2) If the pledgor's copy of the title pledge transaction form is lost, destroyed or stolen, the pledgor must notify the title pledge lender in writing by certified or registered mail, return receipt requested, or in person evidenced by a signed receipt, and receipt of this notice shall invalidate such title pledge transaction form if the pledged property has not previously been redeemed. Before delivering the pledged property or issuing a new title pledge transaction form, the title pledge lender shall require the pledgor to make a written statement of the loss, destruction or theft of the pledgor's copy of the title pledge transaction form. The title pledge lender shall record on the written statement the type of identification and the identification number accepted from the pledgor, the date the statement is given and the number of the title pledge transaction form lost, destroyed or stolen. The statement shall be signed by the title pledge lender or the title pledge office employee who accepts the statement from the pledgor. A title pledge lender is entitled to a fee not to exceed Five Dollars (\$5.00) in connection with each such lost, destroyed or

stolen title pledge transaction form and the taking of a properly prepared written statement.

(3) No sales tax shall be deemed due or collectible in connection with the redemption of pledged property under this chapter.

Section 10. (1) A person may not engage in business as a title pledge lender or otherwise portray himself as a title pledge lender unless the person has a valid license authorizing engagement in the business. A separate license is required for each place of business under this chapter. The Supervisor may issue more than one (1) license to a person if that person complies with this chapter for each license. A new license or application to transfer an existing license is required upon a change, directly or beneficially, in the ownership of any licensed title pledge office and an application shall be made to the Supervisor in accordance with this chapter.

(2) When a licensee wishes to move a title pledge office to another location, the licensee shall give thirty (30) days prior written notice to the Supervisor who shall amend the license accordingly.

(3) Each license shall remain in full force and effect until relinquished, suspended, revoked or expired. With each initial application for a license, the applicant shall pay the Supervisor at the time of making the application a license fee of Six Hundred Dollars (\$600.00), and on or before December 1 of each year thereafter, an annual renewal fee of Five Hundred Dollars (\$500.00). If the annual fee remains unpaid thirty (31) days after December 1, the license shall thereupon expire. If any person engages in business as provided for in this chapter without paying the license fee provided for in this chapter before commencing business or before the expiration of such

person's current license, as the case may be, then the person shall be liable for the full amount of the license fee, plus a penalty in an amount not to exceed Twenty-five Dollars (\$25.00) for each day that the person has engaged in the business without a license or after the expiration of a license. All licensing fees and penalties shall be paid into the special fund of the State Banking Department.

Section 11. (1) To be eligible for a title pledge lender license, an applicant shall:

(a) Operate lawfully and fairly within the purposes of this chapter;

(b) Not have been convicted of a felony in the last ten (10) years or be acting as a beneficial owner for someone who has been convicted of a felony in the last ten (10) years;

(c) File with the Supervisor a bond with good security in the penal sum of Fifty Thousand Dollars (\$50,000.00) for each location at which the applicant proposes to engage in the business of title pledge lending, but in no event shall the aggregate amount of the bond for all locations per applicant exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) and no more than Fifty Thousand Dollars (\$50,000.00) shall be payable or recoverable on the bond for each location; the bond shall be payable to the State of Alabama for the faithful performance by the licensee of the duties and obligations pertaining to the business so licensed and the prompt payment of any judgment which may be recovered against the licensee on account of damages or other claim arising directly or collaterally from any violation of the provisions of this chapter; the bond shall not be valid until it is approved by the Supervisor; the applicant may file, in lieu thereof, cash, a certificate of deposit, or government bonds in the amount of Twenty-five Thousand Dollars (\$25,000.00) for each location at which the applicant proposes to

engage in the business of title pledge lending, but in no event shall the aggregate amount of the cash, certificate of deposit or government bonds for all locations per applicant exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) and no more than Twenty-five Thousand Dollars (\$25,000.00) shall be payable or recoverable on the cash, certificate of deposit or government bonds for each location; the deposit of the cash, certificate of deposit or government bonds shall be filed with the Supervisor and is subject to the same terms and conditions as are provided for in the surety bond required herein; any interest or earnings on such deposits are payable to the depositor.

(d) File with the Supervisor an application accompanied by a set of fingerprints for each owner and officer from any local law enforcement agency, and the initial license fee required in this chapter. In order to determine the applicant's suitability for license, the Supervisor may forward the fingerprints to the appropriate state agency and forwarded by that agency to the FBI for a national criminal history record check.

(2) Upon the filing of an application in a form prescribed by the Supervisor, accompanied by the fee and documents required in this chapter, the department shall investigate to ascertain whether the qualifications prescribed by this chapter have been satisfied. If the Supervisor finds that the qualifications have been satisfied and, if he approves the documents so filed by the applicant, a license shall be issued to the applicant to engage in the business of title pledge lending in this state.

(3) Complete and file with the Supervisor an annual renewal application accompanied by the renewal fee required in this chapter.

(4) The license shall be kept conspicuously posted in the place of business of the licensee.

Section 12. (1) The Supervisor may, after notice and hearing, suspend or revoke any license if it finds that:

(a) The licensee, either knowingly, or without the exercise of due care to prevent the same, has violated any provision of this chapter;

(b) Any fact or condition exists which, if it had existed or had been known to exist at the time of the original application for the license, clearly would have justified the Supervisor in refusing the license;

(c) The licensee has aided, abetted or conspired with an individual or person to circumvent or violate the requirements of this chapter;

(d) The licensee, or a legal or beneficial owner of the license, has been convicted of a crime that the Supervisor finds directly relates to the duties and responsibilities of the occupation of title pledge lender.

(2) The Supervisor may conditionally license or place on probation a person whose license has been suspended or may reprimand a licensee for a violation of this chapter.

(3) A hearing shall be held on written notice given at least 20 days prior to the date of the hearing.

(4) Any licensee may surrender any license by delivering it to the Supervisor with written notice of its surrender, but such surrender shall not affect the licensee's civil or criminal liability for acts committed prior thereto.

(5) No revocation, suspension or surrender of any license shall impair or affect the obligation of any pre-existing lawful contract between the licensee and any pledgor. Any title pledge transaction made without a license is void.

(6) The Supervisor may reinstate suspended licenses or issue new licenses to a person whose license or licenses have been revoked if no fact or condition then exists that clearly would have justified the Supervisor in refusing originally to issue a license under this chapter.

(7) The appropriate local law enforcement agency shall be notified of any licensee who has his license suspended or revoked as provided by this chapter.

(8) The Supervisor shall enforce the provisions of this section.

Section 13. (1) An application for a new title pledge office license, the transfer of an existing title pledge office license or the approval of a change in the ownership of a licensed title pledge office shall be under oath and shall state the full name and place of residence of the applicant, the place where the business is to be conducted and other relevant information required by the Superintendent. If the applicant is a partnership, the application shall state the full name of each partner. If the applicant is a corporation, the application shall state the full name and address of each officer, shareholder and director.

(2) Notwithstanding the provisions of this section, the application need not state the full name and address of each shareholder, if the applicant is owned directly or beneficially by a person which as an issuer has a class of securities registered pursuant to Section 12 of the Securities Exchange Act of 1934 or is an issuer of securities which is required to file reports with the Securities and Exchange Commission pursuant to Section 15(d) of the Securities Exchange Act, provided that such person files with the commissioner such information, documents and reports as are required by the provision of the Securities Exchange Act to be filed by such issuer with the Securities and Exchange Commission.

Section 14. (1) No pledged property can be confiscated by local law enforcement without the following actions having been accomplished:

(a) A police report being made in a timely manner and

(b) A warrant sworn out for the person who pledged the property to the title pledge lender.

(2) Pledged property can be put on a one-time seven-day hold by the authorized law enforcement authorities. This request for a seven-day hold shall be made in writing by the authorized law enforcement authorities.

(3) Confiscated pledged property shall be returned to the title pledge lender by the law enforcement authorities as soon as possible when determined that the pledged property has no rightful owner.

Section 15. Any person who engages in the business of operating a title pledge office without first securing a license prescribed by this chapter shall be guilty of a misdemeanor and, upon conviction thereof, shall be punishable by a fine not in excess of One Thousand Dollars (\$1,000.00) or by confinement in the county jail for not more than one (1) year, or both.

Section 16. (1) In addition to any other penalty which may be applicable, any licensee or employee who willfully violates any provision of this chapter, or who willfully makes a false entry in any record specifically required by this chapter, shall be guilty of a misdemeanor and, upon conviction thereof, shall be punishable by a fine not in excess of One Thousand Dollars (\$1,000.00) per violation or false entry.

(2) (a) In addition to any other penalty which may be applicable, any licensee or employee who fails to make a record of a title pledge transaction and subsequently sells

or disposes of the pledged property from such transaction shall be punished as follows:

(i) For a first offense, the licensee or employee shall be guilty of a misdemeanor and upon conviction thereof, shall be punishable by a fine not in excess of One Thousand Dollars (\$1,000.00) or by imprisonment in the county jail for not more than one (1) year, or both fine and imprisonment;

(ii) For a second offense, the licensee or employee shall be guilty of a felony and, upon conviction thereof, shall be punishable by a fine not in excess of Five Thousand Dollars (\$5,000.00) or by imprisonment in the custody of the State Department of Corrections for a term not less than one (1) year nor more than five (5) years, or by both fine and imprisonment.

(b) Any licensee convicted in the manner provided in this subsection (2) shall forfeit the surety bond or deposit required and the amount of the bond or deposit shall be credited to the budget of the state or local agency, which directly participated in the prosecution of the licensee, for the specific purpose of increasing law enforcement resources for that specific state or local agency. Any proceeds of a forfeited bond or deposit shall be used to augment existing state and local law enforcement budgets and not to supplant them.

(3) Compliance with the criminal provisions of this chapter shall be enforced by the appropriate law enforcement agency who may exercise for that purpose any authority conferred upon the agency by law.

(4) When the Supervisor has reasonable cause to believe that a person is violating any provision of this chapter, the Supervisor, in addition to and without prejudice to the authority provided elsewhere in this chapter, may enter an order requiring the person to

cease and desist from the violation. The Supervisor may sue in any circuit court of the state having jurisdiction and venue to enjoin the person from engaging in or continuing the violation or from doing any act in furtherance of the violation. In such an action, the court may enter an order or judgment awarding a preliminary or permanent injunction.

(5) The Supervisor may, after notice and hearing, impose a civil penalty against any licensee if the licensee or employee is adjudged by the Supervisor to be in violation of the provisions of this chapter. Such civil penalty shall not exceed Five Hundred Dollars (\$500.00) per violation and shall be deposited into the special fund of the State Banking Department.

Section 17. If any pledged property from a title pledge transaction is found to be stolen and is returned to the rightful owner by law enforcement authorities and if the licensee who accepted such pledged property has complied with all of the duties and responsibilities as specified in this chapter during such transaction, then the rightful owner of such pledged property shall be liable to the licensee for the amount financed if the rightful owner fails to prosecute or cooperate in the criminal prosecution related to such title loan transaction. It shall also be the responsibility of the licensee to assist or cooperate in the criminal prosecution related to such title pledge transaction. If the identity of a person who pledged stolen goods can be determined, the district attorney may prosecute such person for any applicable criminal violations.

Section 18. (1) The Supervisor shall develop and provide any necessary forms to carry out the provisions of this chapter.

(2) The department may adopt reasonable administrative regulations, not inconsistent with law, for the enforcement of this chapter.

(3) To assure compliance with the provision of this chapter, the department may examine the books and records of any licensee without notice during normal business hours. As cost of examination, the licensee shall pay the Supervisor an examination fee as provided by Section 5-2A-24 which shall be collected and paid to the special fund provided and used in the supervision and examination of licensees.

Section 19. Title pledge lenders in operation as of the effective date of this chapter shall have until January 1, 2013 to apply for a license under this chapter.

Section 20. Municipalities in this state may enact ordinances which are in compliance with, but not more restrictive than, the provisions of this chapter. Any existing or future order, ordinance or regulation which conflicts with this provision shall be null and void.

Section 21. The provisions of this chapter are severable. If any part of this chapter is declared invalid or unconstitutional, such declaration shall not affect the parts which remain.

Section 22. A licensee shall not advertise, display or publish, or permit to be advertised, displayed or published, in any manner whatsoever, any statement or representation that is false, misleading or deceptive.

Section 23. The Supervisor, or his duly authorized representative, for the purpose of discovering violations of this chapter and for the purpose of determining whether persons are subject to the provisions of this chapter, may examine persons licensed under this chapter and persons reasonably suspected by the Supervisor of conducting business that requires a license under this chapter, including all relevant books, records and papers employed by those persons in the transaction of their business, and may summon

witnesses and examine them under oath concerning matters relating to the business of those persons, or such other matters as may be relevant to the discovery of violations of this chapter, including without limitation the conduct of business without a license as required under this chapter.

Section 24. (1) A licensee under this chapter shall have no liability for any act or practice done or omitted in conformity with (a) any rule, regulation or written interpretation of the Supervisor, or (b) any rule, regulation, interpretation or any opinion of any other state or federal agency or any opinion of the Attorney General, notwithstanding that after such act or omission has occurred the rule, regulation, interpretation, approval or opinion is amended, rescinded, or determined by judicial or other authority to be invalid for any reason. |