

House Bill No. 7153

An act relating to financial entities and transactions; amending s. 494.001, F.S.; defining the term “control person”; amending s. 494.0011, F.S.; authorizing the Financial Services Commission to require electronic submission of forms, documents, or fees; providing a limitation; authorizing the commission to adopt rules accommodating a technological or financial hardship; requiring that a grant or denial of a license be in accordance with ch. 120, F.S.; amending s. 494.0016, F.S.; authorizing the commission to prescribe requirements for destroying books, accounts, records, and documents; amending s. 494.0029, F.S.; requiring that certain entities who offer or conduct mortgage business training obtain a permit; providing requirements and procedures for obtaining a permit; specifying that permits are not transferable or assignable; providing for expiration and recertification of permits; authorizing permit fees; requiring that curriculum, training, and training materials be available for inspection; requiring electronic notification to the office of persons who have successfully completed certain education requirements; requiring the commission to adopt rules; amending s. 494.00295, F.S.; revising professional education provisions to apply to continuing education; providing requirements; waiving such requirements for license renewals for certain persons under certain circumstances; amending s. 494.003, F.S.; revising the list of entities exempt from certain mortgage broker licensure requirements; amending s. 494.0031, F.S.; requiring licensure of mortgage brokerage businesses; revising requirements and procedures for issuing licenses; providing duties and authority of the commission and office; providing duties of the Department of Law Enforcement; specifying that certain licenses are not transferable or assignable; revising the grounds on which a license may be denied; deleting certain provisions relating to cancellation and reinstatement of licenses; amending s. 494.0032, F.S.; requiring renewal of branch office licenses with renewal of mortgage brokerage business licenses; amending s. 494.0033, F.S.; revising mortgage broker licensure requirements and procedures; authorizing the commission to prescribe additional testing fees; authorizing the commission to waive certain examination requirements under specified circumstances; providing duties and authority of the commission and office; providing duties of the Department of Law Enforcement; deleting provisions relating to cancellation and reinstatement of licenses; amending s. 494.0036, F.S.; revising mortgage brokerage business branch office licensure requirements and procedures; deleting a requirement for displaying licenses; amending s. 494.0039, F.S.; deleting mortgage brokerage business change of address reporting and license display requirements; amending s. 494.004, F.S.; revising mortgage broker licensee requirements; providing requirements for acquiring a controlling interest in a licensee; providing a definition; providing duties and authority of the commission; authorizing the office to bring an administrative action under certain circumstances; amending s.

494.0041, F.S.; specifying additional grounds for taking disciplinary action; amending s. 494.006, F.S.; revising the list of entities exempt from mortgage lender licensure requirements; amending s. 494.0061, F.S.; requiring the licensure of mortgage lenders; revising mortgage lender license requirements and procedures; providing duties and authority of the commission and office; providing duties of the Department of Law Enforcement; providing for commission rules; revising provisions governing grounds for imposing discipline; deleting certain provisions relating to cancellation and reinstatement of licenses; authorizing the commission to prescribe additional testing fees; revising provisions governing principal representatives; amending s. 494.0062, F.S.; requiring licensure of correspondent mortgage lenders; revising correspondent mortgage lender license requirements and procedures; providing duties and authority of the commission and office; providing duties of the Department of Law Enforcement; providing educational requirements for principal representatives; revising grounds for disciplinary action; deleting certain provisions relating to cancellation and reinstatement of licenses; authorizing the commission to prescribe additional testing fees; providing for commission rules; amending s. 494.0064, F.S.; revising mortgage lender branch office licensee professional continuing education requirements; amending s. 494.0065, F.S.; revising saving clause requirements and procedures; revising the duties and authority of the office and commission; providing duties of the Department of Law Enforcement; providing for commission rules; providing requirements for education and testing for certain principal representatives and for transfer applications; authorizing the commission to prescribe additional testing fees; revising provisions governing the denial of transfers; providing personal representative designation requirements; amending s. 494.0066, F.S.; revising branch office licensure requirements; providing for commission rules; amending s. 494.0067, F.S.; deleting a license display requirement; providing information reporting requirements; providing requirements for acquiring a controlling interest in a licensee; providing a definition; providing duties and authority of the commission; authorizing the office to bring an administrative action under certain circumstances; revising professional continuing education requirements; amending s. 494.0072, F.S.; providing additional grounds for taking disciplinary action; amending s. 494.00721, F.S.; conforming cross-references; amending s. 501.137, F.S.; providing mortgage lender liability for attorney's fees and costs for certain violations; amending s. 516.01, F.S.; defining the term "control person"; amending s. 516.03, F.S.; revising requirements and procedures for issuing consumer finance loan licenses; specifying certain fees as nonrefundable; authorizing the commission to adopt rules; revising certain fee requirements; providing for technological or financial hardship exemptions under certain circumstances; amending s. 516.031, F.S.; increasing a reimbursement charge for certain investigation costs; amending s. 516.05, F.S.; revising investigation procedures; deleting provisions relating to certain fees for licenses that have been denied; providing licensee information reporting re-

quirements; providing requirements for acquiring a controlling interest in a licensee; providing a definition; providing duties and authority of the commission and office; providing for commission rules; authorizing the office to bring an administrative action under certain circumstances; deleting provisions authorizing the office to grant temporary licenses; amending s. 516.07, F.S.; providing an additional ground for taking disciplinary action; repealing s. 516.08, F.S., relating to requirements for posting a license; amending s. 516.12, F.S.; authorizing the commission to adopt rules specifying the minimum information to be shown in a licensee's books, accounts, records, and documents and the requirements for destroying a licensee's books, accounts, records, and documents; amending s. 516.19, F.S.; correcting cross-references; amending s. 517.021, F.S.; redefining the term "branch office"; authorizing the commission to adopt rules; amending s. 517.051, F.S.; revising required accounting principles; amending s. 517.061, F.S.; revising a provision governing exempt transactions; amending s. 517.081, F.S.; revising required accounting principles; amending s. 517.12, F.S.; revising requirements and procedures for registration of dealers, associated persons, investment advisers, and branch offices; revising duties and authority of the commission and office; providing for commission rules; providing duties of the Department of Law Enforcement; revising requirements, procedures, and exemptions relating to activities of Canadian dealers and associated persons; providing for certain fees; providing that certain fees are nonrefundable; providing for the collection of fees; amending s. 517.131, F.S.; revising criteria under which recovery can be made from the Securities Guaranty Fund; authorizing the commission to adopt rules; amending s. 517.141, F.S.; revising requirements for claimant reimbursements to the fund; authorizing the commission to adopt rules; amending s. 517.161, F.S.; revising a ground for a registration adverse action; providing an additional ground; amending ss. 520.02, 520.31, and 520.61, F.S.; defining the term "control person"; amending ss. 520.03, 520.32, 520.52, and 520.63, F.S.; revising requirements and procedures for licensing motor vehicle retail installment sellers, retail installment transaction retail sellers, sales finance companies, and home improvement finance sellers; revising duties and authority of the commission and office; specifying certain fees as nonrefundable; amending s. 520.994, F.S.; revising commission authority to adopt rules to include electronic submissions; providing for accommodating a technological or financial hardship; amending s. 520.995, F.S.; providing an additional ground for taking disciplinary action; revising a provision applying disciplinary actions to certain persons; amending s. 520.997, F.S.; revising commission authority to adopt rules relating to a licensee's books, accounts, records, and documents; creating s. 520.999, F.S.; providing additional requirements of licensees in sales and finance; authorizing the office to bring an administrative action under certain circumstances; authorizing the commission to adopt rules; amending s. 537.009, F.S., relating to the Florida Title Loan Act; revising provisions relating to a licensee's books, accounts, records, and documents; amending

s. 559.9232, F.S.; correcting cross-references; amending s. 560.105, F.S., relating to the Money Transmitters' Code; authorizing the commission to adopt rules for electronic submission of money transmitter licensee forms, documents, or fees; providing for exemptions due to technological or financial hardship; amending s. 560.114, F.S.; providing an additional ground for taking disciplinary action; amending s. 560.121, F.S.; authorizing the commission to adopt rules relating to a licensee's books, accounts, records, and documents; amending s. 560.126, F.S.; revising information reporting requirements; providing requirements for acquiring a controlling interest; authorizing the office to bring an administrative action under certain circumstances; authorizing the commission to adopt rules; amending s. 560.127, F.S.; revising criteria for determining control over a money transmitter; deleting provisions regulating the acquisition or purchase of a money transmitter; amending s. 560.205, F.S.; revising requirements and procedures for registering money transmitters; revising duties of the commission and office; providing duties of the Department of Law Enforcement; amending s. 560.207, F.S.; revising requirements and procedures for renewing a registration; authorizing the commission to adopt rules; providing that specified fees are nonrefundable; providing conditions for reinstating a registration; providing an additional fee; providing for expiration of registration; amending s. 560.210, F.S.; revising required accounting principles; amending s. 560.211, F.S.; revising certain recordkeeping requirements; amending s. 560.305, F.S., relating to the Check Cashing and Foreign Currency Exchange Act; revising requirements and procedures for registration; amending s. 560.306, F.S.; revising fingerprinting requirements and procedures; providing duties of the office and Department of Law Enforcement; amending s. 560.308, F.S.; revising requirements for renewal of registration; providing for expiration of registration; providing that specified fees are nonrefundable; providing conditions for reinstatement of a registration; amending s. 560.310, F.S.; revising certain recordkeeping requirements; amending s. 560.403, F.S.; revising requirements for registration renewal notices of intent; providing that specified fees are nonrefundable; providing conditions for reinstatement of a notice of intent; amending s. 655.935, F.S.; authorizing the search of a safe-deposit box co-leased by a decedent; providing construction; amending s. 655.936, F.S.; providing for the delivery of a safe-deposit box to a court-appointed personal representative; amending s. 655.937, F.S.; revising provisions for access to safe-deposit boxes; providing a penalty; amending s. 679.705, F.S.; extending the effective date of a financing statement filed under previous law; amending s. 733.6065, F.S.; revising provisions relating to the initial opening of certain safe-deposit boxes; providing an appropriation; providing effective dates.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Present subsections (9) through (30) of section 494.001, Florida Statutes, are redesignated as subsections (10) through (31), respectively, and a new subsection (9) is added to that section to read:

494.001 Definitions.—As used in ss. 494.001-494.0077, the term:

(9) “Control person” means an individual, partnership, corporation, trust, or other organization that possesses the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise. A person is presumed to control a company if, with respect to a particular company, that person:

(a) Is a director, general partner, or officer exercising executive responsibility or having similar status or functions;

(b) Directly or indirectly may vote 10 percent or more of a class of voting securities or sell or direct the sale of 10 percent or more of a class of voting securities; or

(c) In the case of a partnership, may receive upon dissolution or has contributed 10 percent or more of the capital.

Section 2. Subsection (2) of section 494.0011, Florida Statutes, is amended, and subsection (6) is added to that section, to read:

494.0011 Powers and duties of the commission and office.—

(2) The commission ~~may~~ has authority to adopt rules pursuant to ss. 120.536(1) and 120.54 to implement ss. 494.001-494.0077. The commission may adopt rules requiring to allow electronic submission of any forms, documents, or fees required by this act if such rules reasonably accommodate technological or financial hardship. The commission may prescribe by rule requirements and procedures for obtaining an exemption due to a technological or financial hardship. The commission may also adopt rules to accept certification of compliance with requirements of this act in lieu of requiring submission of documents.

(6) The grant or denial of any license under this chapter must be in accordance with s. 120.60.

Section 3. Subsection (4) of section 494.0016, Florida Statutes, is amended to read:

494.0016 Books, accounts, and records; maintenance; examinations by the office.—

(4) The commission may prescribe by rule the minimum information to be shown in the books, accounts, records, and documents of licensees so that such records will enable the office to determine the licensee’s compliance with ss. 494.001-494.0077. In addition, the commission may prescribe by rule requirements for the destruction of books, accounts, records, and documents retained by the licensee after completion of the time period specified in subsection (3).

Section 4. Section 494.0029, Florida Statutes, is amended to read:

494.0029 Mortgage business schools.—

(1)(a) Each person, school, or institution, except accredited colleges, universities, community colleges, and career centers in this state, which offers or conducts mortgage business training for the purpose of meeting professional continuing education requirements or as a condition precedent to licensure as a mortgage broker, ~~mortgage~~ or lender, or a correspondent mortgage lender must ~~shall~~ obtain a permit from the office to operate as a mortgage business school before offering or conducting mortgage business training and must abide by the regulations imposed upon such person, school, or institution by this chapter and rules adopted pursuant to this chapter. The commission may require by rule that each applicant for a mortgage business school permit provide any information reasonably necessary to determine the applicant's eligibility. Each person, school, or institution that applies for a permit under this section must do so on forms adopted by the commission by rule ~~The commission shall, by rule, recertify the permits annually with initial and renewal permit fees that do not exceed \$500 plus the cost of accreditation.~~

(b) An application is considered received for purposes of s. 120.60 upon receipt of a completed application form as prescribed by commission rule, a nonrefundable application fee of \$500, the cost of accreditation as defined by commission rule, and any other fee prescribed by law.

(c) A permit issued under this section is not transferable or assignable.

(d) Each permitted mortgage business school shall report, on a form prescribed by the commission, any change in the information contained in the initial application form or any amendment to such form not later than 30 days after the change is effective.

(e) A permit issued under this section expires on September 30th of each year. The office shall recertify a permit annually upon submission of information the commission requires by rule, together with a nonrefundable permit fee of \$500, and the cost of accreditation as defined by commission rule, which shall be for the annual period beginning October 1 of each year.

~~(2) All such schools shall maintain curriculum and training materials necessary to determine the school's compliance with this chapter and rules adopted pursuant to this chapter. Any school that offers or conducts mortgage business training shall at all times maintain an operation of training, materials, and curriculum which is open to review by the office to determine compliance and competency as a mortgage business school.~~

(2)(3)(a) It is unlawful for any such person, school, or institution to offer or conduct mortgage business courses, regardless of the number of pupils, without first procuring a permit or to guarantee that the pupils will pass any mortgage business examination given on behalf of the office or to represent that the issuance of a permit is any recommendation or endorsement of the person, school, or institution to which it is issued or of any course of instruction given thereunder. Any person who violates this paragraph commits a misdemeanor of the second degree, punishable as provided in s. 775.082 or s. 775.083.

(b) The location of classes and the frequency of class meetings shall be in the discretion of the school offering the courses, if such courses conform to this chapter and related rules adopted by the commission.

(c) A mortgage business school may not use advertising of any nature which is false, inaccurate, misleading, or exaggerated. Publicity and advertising of a mortgage business school, or of its representative, shall be based upon relevant facts and supported by evidence establishing their truth.

(d) A representative of a mortgage business school subject to the provisions of this chapter may not promise or guarantee employment or placement of any pupil or prospective pupil, using information, training, or skill purported to be provided or otherwise enhanced by a course or school as inducement to enroll in the school, unless such person offers the pupil or prospective pupil a bona fide contract of employment.

(e) A school shall advertise only as a school and under the permitted name of such school as recognized by the office.

(f) Reference may not be made in any publication or communication medium as to a pass/fail ratio on mortgage business examinations by any school permitted by the office.

(3) Each person, school, or institution that is required to be permitted as a mortgage business school under this section shall maintain and make available for the office's review, inspection, and observation any training, curriculum, and training materials necessary for the office to determine compliance with this chapter and the rules adopted under this chapter. All documents prescribed by commission rule must be submitted with the initial application or recertification.

(4) Each person, school, or institution that is required to be permitted as a mortgage business school under this section must provide electronic notification to the office, in a manner prescribed by commission rule, of any pupils who have successfully completed the 24-hour prelicensure classroom instruction for mortgage brokers and principal representatives and any pupils who have completed the 14-hour professional continuing education for mortgage brokers.

Section 5. Section 494.00295, Florida Statutes, is amended to read:

494.00295 Professional continuing education.—

(1) Mortgage brokers, and the principal representatives and loan originators of a mortgage lender, correspondent mortgage lender, or mortgage lender pursuant to s. 494.0065, must successfully complete at least 14 hours of professional continuing education covering primary and subordinate mortgage financing transactions and the provisions of this chapter during the 2-year period immediately preceding the renewal deadline for a mortgage broker, mortgage lender, correspondent mortgage lender, or mortgage lender pursuant to s. 494.0065. At the time of license renewal, a licensee must certify to the office that the professional continuing education requirements of this section have been met. Licensees shall maintain records docu-

~~menting compliance with this subsection for a period of 4 years. The requirements for professional continuing education are waived for the license renewal of a mortgage broker for the biennial license period immediately following the period in which the person became licensed as a mortgage broker. The requirements for professional continuing education for a principal representative are waived for the license renewal of a mortgage lender, correspondent mortgage lender, or mortgage lender pursuant to s. 494.0065 for the biennial license period immediately following the period in which the principal representative completed the 24 hours of classroom education and passed a written test in order to qualify to be a principal representative. Each mortgage broker, mortgage lender, and correspondent mortgage lender must certify to the office at the time of renewal that during the 2 years prior to an application for license renewal, all mortgage brokers and the principal representative, loan originators, and associates of a mortgage lender or correspondent mortgage lender have successfully completed at least 14 hours of professional education programs covering primary and subordinate mortgage financing transactions and the provisions of this chapter. Licensees shall maintain records documenting compliance with this subsection for a period of 4 years.~~

(2) Professional continuing education programs must contribute directly to the professional competency of the participants, may only be offered by permitted mortgage business schools or entities specifically exempted from permitting as mortgage business schools, and may include electronically transmitted or distance education courses.

(3) The commission shall adopt rules necessary to administer this section, including rules governing qualifying hours for professional continuing education programs and standards for electronically transmitted or distance education courses, including course completion requirements.

Section 6. Paragraphs (b) and (c) of subsection (1) and paragraph (e) of subsection (2) of section 494.003, Florida Statutes, are amended to read:

494.003 Exemptions.—

(1) None of the following persons is subject to the requirements of ss. 494.003-494.0043:

(b) A state or federal chartered bank, ~~bank holding company~~, trust company, savings and loan association, savings bank ~~or~~, credit union, bank holding company regulated under the laws of any state or the United States, or consumer finance company licensed pursuant to chapter 516.

(c) A wholly owned bank holding company subsidiary or a wholly owned savings and loan association holding company subsidiary formed and regulated under the laws of any state or the United States that is approved or certified by the Department of Housing and Urban Development, the Veterans Administration, the Government National Mortgage Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation.

(2) None of the following persons is required to be licensed under ss. 494.003-494.0043:

(e) A wholly owned subsidiary of a state or federal chartered bank or savings and loan association the sole activity of which is to distribute the lending programs of such state or federal chartered bank or savings and loan association to persons who arrange loans for, or make loans to, borrowers.

Section 7. Section 494.0031, Florida Statutes, is amended to read:

494.0031 Licensure as a mortgage brokerage business.—

(1) Each person who acts as a mortgage brokerage business must be licensed under this section unless otherwise exempt from licensure.

(2)(1) Each initial application for a mortgage brokerage business license must be in the form prescribed by rule of the commission. The commission may require each applicant to provide any information reasonably necessary to determine the applicant's eligibility for licensure. The office shall issue a mortgage brokerage business license to each person who:

(a) Has submitted a completed application form and a nonrefundable application fee of \$425. An application is considered received for purposes of s. 120.60 upon receipt of a completed application form as prescribed by commission rule, a nonrefundable application fee of \$425, and any other fee prescribed by law.; and

(b) Has a qualified principal broker pursuant to s. 494.0035.

(c)(2) Has provided a complete set of fingerprints as the commission may require by rule for that each officer, director, control person, member, partner, or joint venturer of the applicant and each ultimate equitable owner of a 10-percent or greater interest in the mortgage brokerage business. A fingerprint card submitted to the office must be submit a complete set of fingerprints taken by an authorized law enforcement agency officer. The office shall submit the fingerprints to the Department of Law Enforcement for state processing and the Department of Law Enforcement shall forward the fingerprints to the Federal Bureau of Investigation for federal processing. The cost of the fingerprint processing may be borne by the office, the employer, or the person subject to the background check. The Department of Law Enforcement shall submit an invoice to the office for the fingerprints received each month. The office shall screen the background results to determine if the applicant meets licensure requirements.

(d) Has provided information that the commission requires by rule concerning any designated principal mortgage broker; any officer, director, control person, member, partner, or joint venturer of the applicant; or any individual who is the ultimate equitable owner of a 10-percent or greater interest in the mortgage brokerage business. The commission may require information about any such applicant or person, including, but not limited to, his or her full name or other names by which he or she may have been known, age, social security number, qualifications, educational and business history, and disciplinary and criminal history.

(3) Notwithstanding the provisions of subsection (2) (1), it is a ground for denial of licensure if the ~~applicant; designated principal mortgage broker; any officer, director, control person, member, partner, or joint venturer of the applicant; any natural person owning a 10-percent or greater interest in the mortgage brokerage business; or any individual natural person who is the ultimate equitable owner of a 10-percent or greater interest in the mortgage brokerage business has committed any violation specified in ss. 494.001-494.0077 or has pending against him or her in any jurisdiction any criminal prosecution or administrative enforcement action that, in any jurisdiction, which involves fraud, dishonest dealing, or any other act of moral turpitude.~~

(4) A mortgage brokerage business or branch office license may be canceled if it was issued through mistake or inadvertence of the office. A notice of cancellation must be issued by the office within 90 days after the issuance of the license. A notice of cancellation ~~is~~ shall be effective upon receipt. The notice of cancellation ~~must~~ shall provide the applicant with notification of the right to request a hearing within 21 days after the applicant's receipt of the notice of cancellation. A license ~~must~~ shall be reinstated if the applicant can demonstrate that the requirements for obtaining the license ~~under pursuant to this chapter have been satisfied.~~

(5) ~~If an initial mortgage brokerage business or branch office license has been issued but the check upon which the license is based is returned due to insufficient funds, the license shall be deemed canceled. A license deemed canceled pursuant to this subsection shall be reinstated if the office receives a certified check for the appropriate amount within 30 days after the date the check was returned due to insufficient funds.~~

Section 8. Subsection (1) of section 494.0032, Florida Statutes, is amended to read:

494.0032 Renewal of mortgage brokerage business license or branch office license.—

(1) The office shall renew a mortgage brokerage business license upon receipt of a completed renewal form and payment of a nonrefundable renewal fee of \$375. Each licensee shall pay at the time of renewal a nonrefundable renewal fee of \$225 for the renewal of each branch office license. The license for a branch office must be renewed in conjunction with the renewal of the mortgage brokerage business license.

Section 9. Subsections (1), (2), and (7) of section 494.0033, Florida Statutes, are amended to read:

494.0033 Mortgage broker's license.—

(1) Each natural person who acts as a mortgage broker for a mortgage brokerage business ~~or acts as an associate for a mortgage lender or correspondent mortgage lender~~ must be licensed ~~under pursuant to this section.~~ To act as a mortgage broker, an individual must be an associate of a mortgage brokerage business, a mortgage lender, or a correspondent mortgage lender. A mortgage broker ~~may not be is prohibited from being an associate~~

of more than one mortgage brokerage business, mortgage lender, or correspondent mortgage lender.

(2) Each initial application for a mortgage broker's license must be in the form prescribed by rule of the commission. The commission may require each applicant to provide any information reasonably necessary to make a determination of the applicant's eligibility for licensure. The office shall issue an initial license to any natural person who:

(a) Is at least 18 years of age.;

(b) Has passed a written test adopted and administered by the office, or has passed an electronic test adopted and administered by the office or a third party approved by the office, which is designed to determine competency in primary and subordinate mortgage financing transactions as well as to test knowledge of ss. 494.001-494.0077 and the rules adopted pursuant thereto. The commission may prescribe by rule an additional fee that may not exceed \$100 for the electronic version of the mortgage broker test. The commission may waive by rule the examination requirement for any person who has passed a test approved by the Conference of State Bank Supervisors, the American Association of Residential Mortgage Regulators, or the United States Department of Housing and Urban Development if the test covers primary and subordinate mortgage financing transactions.;

(c) Has submitted a completed application and a nonrefundable application fee of \$200. An application is considered received for purposes of s. 120.60 upon receipt of a completed application form as prescribed by commission rule, a nonrefundable application fee of \$200, and any other fee prescribed by law. The commission may set by rule an additional fee for a retake of the examination; and

(d) Has filed a complete set of fingerprints, taken by an authorized law enforcement officer, for submission by the office to the Department of Law Enforcement or the Federal Bureau of Investigation for processing. A fingerprint card submitted to the office must be taken by an authorized law enforcement agency. The office shall submit the fingerprints to the Department of Law Enforcement for state processing and the Department of Law Enforcement shall forward the fingerprints to the Federal Bureau of Investigation for federal processing. The cost of the fingerprint processing may be borne by the office, the employer, or the person subject to the background check. The Department of Law Enforcement shall submit an invoice to the office for the fingerprints received each month. The office shall screen the background results to determine if the applicant meets licensure requirements.

The commission may require by rule information concerning any such applicant or person, including, but not limited to, his or her full name and any other names by which he or she may have been known, age, social security number, qualifications and educational and business history, and disciplinary and criminal history.

(7) ~~If an initial mortgage broker license has been issued but the check upon which the license is based is returned due to insufficient funds, the~~

license shall be deemed canceled. A license deemed canceled pursuant to this subsection shall be reinstated if the office receives a certified check for the appropriate amount within 30 days after the date the check was returned due to insufficient funds.

Section 10. Subsections (2) and (3) of section 494.0036, Florida Statutes, are amended to read:

494.0036 Mortgage brokerage business branch offices.—

(2) The office shall issue a mortgage brokerage business branch office license to a mortgage brokerage business licensee after the office determines that the licensee has submitted upon receipt of a completed application for a branch office in a form as prescribed by commission rule and payment of an initial nonrefundable branch office license fee of \$225. Branch office licenses must be renewed in conjunction with the renewal of the mortgage brokerage business license. The branch office license shall be issued in the name of the mortgage brokerage business that maintains the branch office. An application is considered received for purposes of s. 120.60 upon receipt of a completed application form as prescribed by commission rule, a nonrefundable application fee of \$225, and any other fee prescribed by law.

~~(3) Each branch office must prominently display the license issued for such branch office. Each person licensed as a mortgage broker must prominently display his or her license in the office where such person acts as a mortgage broker.~~

Section 11. Section 494.0039, Florida Statutes, is amended to read:

494.0039 Principal place of business requirements.—

(1) Each mortgage brokerage business licensee shall maintain and transact business from a principal place of business.

~~(2) A licensee under ss. 494.003-494.0043 shall report any change of address of the principal place of business or any branch office within 15 days after the change.~~

~~(3) Each mortgage brokerage business must prominently display its license at the principal place of business. Each licensed mortgage broker must prominently display his or her license in the office where such person acts as a mortgage broker.~~

Section 12. Section 494.004, Florida Statutes, is amended to read:

494.004 Requirements of licensees.—

(1) Each licensee under ss. 494.003-494.0043 shall report, in writing, any conviction of, or plea of nolo contendere to, regardless of adjudication, any crime or administrative violation that involves fraud, dishonest dealing, or any other act of moral turpitude, in any jurisdiction, by the licensee or any natural person named in s. 494.0031(2)(d)(3), not later than 30 days after the date of conviction, entry of a plea of nolo contendere, or final administrative action.

(2) Each licensee under ss. 494.003-494.0043 shall report, in a form prescribed by rule of the commission, any conviction of, or plea of nolo contendere to, regardless of whether adjudication is withheld, any felony committed by the licensee or any natural person named in s. 494.0031(2)(d)(3), not later than 30 days after the date of conviction or the date the plea of nolo contendere is entered.

(3) Each licensee under ss. 494.003-494.0043 shall report any action in bankruptcy, voluntary or involuntary, to the office not later than 7 business days after the action is instituted.

(4) Each licensee under ss. 494.003-494.0043 shall report on a form prescribed by rule of the commission any change to the information contained in any initial application form or any amendment to the application any change in the form of business organization or any change of a person named, pursuant to s. 494.0031(3), to the office in writing not later than 30 days after the change is effective.

(5) A license issued under ss. 494.003-494.0043 is not transferable or assignable.

(6) Each licensee under ss. 494.003-494.0043 shall report any change in the principal broker, partners, officers, members, joint venturers, directors, control persons of any licensee, or any individual who is the ultimate equitable owner of a 10-percent or greater interest in the licensee, or any change in the form of business organization, by written amendment in the form and at the time the commission specifies by rule.

(a) In any case in which a person or a group of persons, directly or indirectly or acting by or through one or more persons, proposes to purchase or acquire a controlling interest in a licensee, such person or group shall submit an initial application for licensure as a mortgage brokerage business before such purchase or acquisition and at the time and in the form the commission prescribes by rule.

(b) As used in this subsection, the term "controlling interest" means possession of the power to direct or cause the direction of the management or policies of a company whether through ownership of securities, by contract, or otherwise. Any person who directly or indirectly has the right to vote 25 percent or more of the voting securities of a company or is entitled to 25 percent or more of the company's profits is presumed to possess a controlling interest.

(c) Any addition of a partner, officer, member, joint venturer, director, control person, or ultimate equitable owner of the applicant who does not have a controlling interest and who has not previously complied with the provisions of s. 494.0031(2)(c) and (d) is subject to such provisions unless required to file an initial application in accordance with paragraph (a). If the office finds that the licensee does not continue to meet licensure requirements, the office may bring an administrative action in accordance with s. 494.0041 to enforce the provisions of this chapter.

(d) The commission shall adopt rules pursuant to ss. 120.536(1) and 120.54 providing for the waiver of the application required by this subsection if the person or group of persons proposing to purchase or acquire a controlling interest in a licensee has previously complied with the provisions of s. 494.0031(2)(c) and (d) with respect to the same legal entity or is currently licensed by the office under this chapter.

(7)(6) On or before April 30, 2000, each mortgage brokerage business shall file an initial report stating the name, social security number, date of birth, mortgage broker license number, date of hire and, if applicable, date of termination for each person who was an associate of the mortgage brokerage business during the immediate preceding quarter. Thereafter, a mortgage brokerage business shall file a quarterly report only if a person became an associate or ceased to be an associate of the mortgage brokerage business during the immediate preceding quarter. Such report shall be filed within 30 days after the last day of each calendar quarter and shall contain the name, social security number, date of birth, mortgage broker license number, date of hire and, if applicable, the date of termination of each person who became or ceased to be an associate of the mortgage brokerage business during the immediate preceding quarter. The commission shall prescribe, by rule, the procedures for filing reports required by this subsection.

Section 13. Paragraphs (s), (t), and (u) are added to subsection (2) of section 494.0041, Florida Statutes, and subsection (3) of that section is amended, to read:

494.0041 Administrative penalties and fines; license violations.—

(2) Each of the following acts constitutes a ground for which the disciplinary actions specified in subsection (1) may be taken:

(s) Payment to the office for a license or permit with a check or electronic transmission of funds that is dishonored by the applicant's or licensee's financial institution.

(t) Having a final judgment entered against the applicant or licensee in a civil action upon grounds of fraud, embezzlement, misrepresentation, or deceit.

(u)1. Having been the subject of any decision, finding, injunction, suspension, prohibition, revocation, denial, judgment, or administrative order by any court of competent jurisdiction, administrative law judge, state or federal agency, national securities exchange, national commodities exchange, national option exchange, national securities association, national commodities association, or national option association involving a violation of any federal or state securities or commodities law or rule or regulation adopted under such law or involving a violation of any rule or regulation of any national securities, commodities, or options exchange or association.

2. Having been the subject of any injunction or adverse administrative order by a state or federal agency regulating banking, insurance, finance or small loan companies, real estate, mortgage brokers or lenders, money transmitters, or other related or similar industries.

(3) A mortgage brokerage business is subject to the disciplinary actions specified in subsection (1) for a violation of subsection (2) by any officer, member, director, control person, joint venturer, partner, ultimate equitable owner of a 10-percent or greater interest in the mortgage brokerage business, or associate mortgage broker of the licensee.

Section 14. Paragraphs (a) and (c) of subsection (1) and paragraph (a) of subsection (2) of section 494.006, Florida Statutes, are amended to read:

494.006 Exemptions.—

(1) None of the following persons are subject to the requirements of ss. 494.006-494.0077 in order to act as a mortgage lender or correspondent mortgage lender:

(a) A state or federal chartered bank, bank holding company, trust company, savings and loan association, savings bank or, credit union, bank holding company regulated under the laws of any state or the United States, or insurance company if the insurance company is duly licensed in this state.

(c) A wholly owned bank holding company subsidiary or a wholly owned savings and loan association holding company subsidiary that is formed and regulated under the laws of any state or the United States and that is approved or certified by the Department of Housing and Urban Development, the Veterans Administration, the Government National Mortgage Association, the Federal National Mortgage Association, or the Federal Home Loan Mortgage Corporation.

(2)(a) A natural person employed by a mortgage lender or correspondent mortgage lender licensed under ss. 494.001-494.0077 is exempt from the licensure requirements of ss. 494.001-494.0077 when acting within the scope of employment with the licensee.

Section 15. Section 494.0061, Florida Statutes, is amended to read:

494.0061 Mortgage lender's license requirements.—

(1) Each person who acts as a mortgage lender must be licensed under this section unless otherwise exempt from licensure.

(2)(1) Each initial application for a mortgage lender license must be in the form prescribed by rule of the commission. The commission or office may require each applicant for a mortgage lender license to provide any information reasonably necessary to make a determination of the applicant's eligibility for licensure. The office shall issue an initial mortgage lender license to any person that submits:

(a) A completed application form.;

(b) A nonrefundable application fee of \$575. An application is considered received for purposes of s. 120.60 upon receipt of a completed application form as prescribed by commission rule, a nonrefundable application fee of \$575, and any other fee prescribed by law.;

(c) Audited financial statements, which documents disclose that the applicant has a bona fide and verifiable net worth, pursuant to United States generally accepted accounting principles, of at least \$250,000, which must be continuously maintained as a condition of licensure.;

(d) A surety bond in the amount of \$10,000, payable to the state and conditioned upon compliance with ss. 494.001-494.0077, which inures to the office and which must be continuously maintained thereafter in full force.;

(e) Documentation that the applicant is duly incorporated, registered, or otherwise formed as a general partnership, limited partnership, limited liability company, or other lawful entity under the laws of this state or another state of the United States.;

~~and~~

(f) ~~For applications submitted after October 1, 2001,~~ Proof that the applicant's principal representative has completed 24 hours of classroom instruction in primary and subordinate financing transactions and in the provisions of this chapter and rules adopted under this chapter. This requirement is satisfied if the principal representative has continuously served in the capacity of a principal representative for a licensed entity under this chapter for at least 1 year and has not had a lapse in designation as a principal representative of more than 2 years before the date of the submission of the application or amendment in the case of a change in the principal representative. This requirement is also satisfied if the principal representative currently holds an active license as a mortgage broker in this state.

(g) A complete set of fingerprints as the commission requires by rule for the designated principal representative and each officer, director, control person, member, partner, or joint venturer of the applicant and ultimate equitable owner of a 10-percent or greater interest in the applicant. A fingerprint card submitted to the office must be taken by an authorized law enforcement agency. The office shall submit the fingerprints to the Department of Law Enforcement for state processing and the Department of Law Enforcement shall forward the fingerprints to the Federal Bureau of Investigation for federal processing. The cost for the fingerprint processing may be borne by the office, the employer, or the person subject to the background check. The Department of Law Enforcement shall submit an invoice to the office for the fingerprints received each month. The office shall screen the background results to determine if the applicant meets licensure requirements.

(h) Information the commission requires by rule concerning any designated principal representative; any officer, director, control person, member, partner, or joint venturer of the applicant or any person having the same or substantially similar status or performing substantially similar functions; or any natural person who is the ultimate equitable owner of a 10-percent or greater interest in the mortgage lender. The commission may require information concerning any such applicant or person, including, but not limited to, his or her full name and any other names by which he or she may have been known, social security number, age, qualifications and educational and business history, and disciplinary and criminal history.

~~(3)(2)~~ Notwithstanding the provisions of subsection ~~(2)~~ (1), it is a ground for denial of licensure if the applicant; designated principal representative; any principal officer, ~~or~~ director, control person, member, partner, or joint venturer of the applicant; ~~or~~ any natural person owning a 10-percent or greater interest in the applicant; or any natural person who is the ultimate equitable owner of a 10-percent or greater interest in the applicant has committed any violation specified in s. 494.0072, or has pending against her or him any criminal prosecution or administrative enforcement action, in any jurisdiction, which involves fraud, dishonest dealing, or any act of moral turpitude.

~~(3)~~ Each initial application for a mortgage lender's license must be in a form prescribed by the commission. The commission ~~or office~~ may require each applicant to provide any information reasonably necessary to make a determination of the applicant's eligibility for licensure. The commission ~~or office~~ may require that each officer, director, and ultimate equitable owner of a 10-percent or greater interest in the applicant submit a complete set of fingerprints taken by an authorized law enforcement officer.

(4) A person required to be licensed under ss. 494.006-494.0077, or an agent or employee thereof, is deemed to have consented to the venue of courts of competent jurisdiction in this state regarding any matter within the authority of ss. 494.001-494.0077 regardless of where an act or violation was committed.

(5) A license issued in accordance with ss. 494.006-494.0077 is not transferable or assignable.

(6) A mortgage lender or branch office license may be canceled if it was issued through mistake or inadvertence of the office. A notice of cancellation must be issued by the office within 90 days after the issuance of the license. A notice of cancellation shall be effective upon receipt. The notice of cancellation shall provide the applicant with notification of the right to request a hearing within 21 days after the applicant's receipt of the notice of cancellation. A license shall be reinstated if the applicant can demonstrate that the requirements for obtaining the license under pursuant to this chapter have been satisfied.

~~(7)~~ If an initial mortgage lender or branch office license has been issued but the check upon which the license is based is returned due to insufficient funds, the license shall be deemed canceled. A license deemed canceled pursuant to this subsection shall be reinstated if the office receives a certified check for the appropriate amount within 30 days after the date the check was returned due to insufficient funds.

~~(7)(8)~~ Each lender, regardless of the number of branches it operates, shall designate a principal representative who exercises control of the licensee's business and shall maintain a form prescribed by the commission designating the principal representative. If the form is not accurately maintained, the business is considered to be operated by each officer, director, or equitable owner of a 10-percent or greater interest in the business.

(8)(9) After October 1, 2001, An applicant's principal representative must pass a written test prescribed by the commission and administered by the office, or must pass an electronic test prescribed by the commission and administered by the office or a third party approved by the office, which covers primary and subordinate mortgage financing transactions and the provisions of this chapter and rules adopted under this chapter. The commission may set a fee by rule, which may not exceed \$100, for the electronic version of the mortgage broker test. The commission may waive by rule the examination requirement for any person who has passed a test approved by the Conference of State Bank Supervisors, the American Association of Residential Mortgage Regulators, or the United States Department of Housing and Urban Development if the test covers primary and subordinate mortgage financing transactions. This requirement is satisfied if the principal representative has continuously served in the capacity of a principal representative for a licensed entity under this chapter for at least 1 year and has not had a lapse in designation as a principal representative of more than 2 years before the date of the submission of the application or amendment in the case of a change in the principal representative. This requirement is also satisfied if the principal representative holds an active license as a mortgage broker in this state.

(9)(10) A lender shall notify the office of any change in the designation of its principal representative within 30 days after the change is effective. A new principal representative shall satisfy the name and address of any new principal representative and shall document that the person has completed the educational and testing requirements of this section within 90 days after being designated as upon the designation of a new principal representative. This requirement is satisfied if the principal representative has continuously served in the capacity of a principal representative for a licensed entity under this chapter for at least 1 year and has not had a lapse in designation as a principal representative of more than 2 years before the date of the submission of the application or amendment in the case of a change in the principal representative. This requirement is also satisfied if the principal representative holds an active license as a mortgage broker in this state.

Section 16. Section 494.0062, Florida Statutes, is amended to read:

494.0062 Correspondent mortgage lender's license requirements.—

(1) Each person who acts as a correspondent mortgage lender must be licensed under this section unless otherwise exempt from licensure.

(2)(4) Each initial application for a correspondent mortgage lender's license must be in the form prescribed by rule of the commission. The office may require each applicant to provide any information reasonably necessary to determine the applicant's eligibility for licensure. The office shall issue an initial correspondent mortgage lender license to any person who submits:

(a) A completed application form.;

(b) A nonrefundable application fee of \$500. An application is considered received for purposes of s. 120.60 upon receipt of a completed application

form as prescribed by commission rule, a nonrefundable application fee of \$500, and any other fee prescribed by law.;

(c) ~~Audited financial statements that, which~~ document that the applicant application has a bona fide and verifiable net worth pursuant to United States generally accepted accounting principles of \$25,000 or more, which must be continuously maintained as a condition of licensure.;

(d) A surety bond in the amount of \$10,000, payable to the State of Florida and conditioned upon compliance with ss. 494.001-494.0077, which inures to the office and which must be continuously maintained, thereafter, in full force.;

(e) Documentation that the applicant is duly incorporated, registered, or otherwise formed as a general partnership, limited partnership, limited liability company, or other lawful entity under the laws of this state or another state of the United States.;

~~and~~

(f) ~~For applications filed after October 1, 2001,~~ Proof that the applicant's principal representative has completed 24 hours of classroom instruction in primary and subordinate financing transactions and in the provisions of this chapter and rules enacted under this chapter. This requirement is satisfied if the principal representative has continuously served in the capacity of a principal representative for a licensed entity under this chapter for at least 1 year and has not had a lapse in designation as a principal representative of more than 2 years before the date of the submission of the application or amendment in the case of a change in the principal representative. This requirement is also satisfied if the principal representative holds an active license as a mortgage broker in this state.

(g) A complete set of fingerprints as the commission requires by rule for the designated principal representative and each officer, director, control person, member, partner, or joint venturer of the applicant and ultimate equitable owner of a 10-percent or greater interest in the applicant. A fingerprint card submitted to the office must be taken by an authorized law enforcement agency. The office shall submit the fingerprints to the Department of Law Enforcement for state processing and the Department of Law Enforcement shall forward the fingerprints to the Federal Bureau of Investigation for federal processing. The cost of the fingerprint processing may be borne by the office, the employer, or the person subject to the background check. The Department of Law Enforcement shall submit an invoice to the office for the fingerprints received each month. The office shall screen the background results to determine if the applicant meets licensure requirements.

(h) Information the commission requires by rule concerning any designated principal representative; any officer, director, control person, member, partner, or joint venturer of the applicant or any person having the same or substantially similar status or performing substantially similar functions; or any natural person who is the ultimate equitable owner of a 10-percent or greater interest in the correspondent mortgage lender. The office may require information concerning any such applicant or person, including, but not limited to, his or her full name and any other names by

which he or she may have been known, age, social security number, qualifications and educational and business history, and disciplinary and criminal history.

~~(3)~~⁽²⁾ Notwithstanding the provisions of subsection ~~(2)~~ ⁽¹⁾, it is a ground for denial of licensure if the applicant; any designated principal representative; any principal officer, or director, control person, member, partner, or joint venturer of the applicant; or any natural person who is the ultimate equitable owner of a 10-percent or greater interest in the applicant has committed any violation specified in s. 494.0072, or has pending against her or him any criminal prosecution or administrative enforcement action, in any jurisdiction, which involves fraud, dishonest dealing, or any act of moral turpitude.

~~(3) Each initial application for a correspondent mortgage lender's license must be in a form prescribed by the commission. The commission or office may require each applicant to provide any information reasonably necessary to make a determination of the applicant's eligibility for licensure. The commission or office may require that each officer, director, and ultimate equitable owner of a 10-percent or greater interest submit a complete set of fingerprints taken by an authorized law enforcement officer.~~

(4) Each license is valid for the remainder of the biennium in which the license is issued.

(5) A person licensed as a correspondent mortgage lender may make mortgage loans, but may not service a mortgage loan for more than 4 months after the date the mortgage loan was made or acquired by the correspondent mortgage lender.

(6) A licensee under ss. 494.006-494.0077, or an agent or employee thereof, is deemed to have consented to the venue of courts of competent jurisdiction in this state regarding any matter within the authority of ss. 494.001-494.0077 regardless of where an act or violation was committed.

(7) A correspondent mortgage lender is subject to the same requirements and restrictions as a licensed mortgage lender unless otherwise provided in this section.

(8) A license issued under this section is not transferable or assignable.

(9) A correspondent mortgage lender or branch office license may be canceled if it was issued through mistake or inadvertence of the office. A notice of cancellation must be issued by the office within 90 days after the issuance of the license. A notice of cancellation shall be effective upon receipt. The notice of cancellation shall provide the applicant with notification of the right to request a hearing within 21 days after the applicant's receipt of the notice of cancellation. A license shall be reinstated if the applicant can demonstrate that the requirements for obtaining the license pursuant to this chapter have been satisfied.

~~(10) If an initial correspondent mortgage lender or branch office license has been issued but the check upon which the license is based is returned~~

~~due to insufficient funds, the license shall be deemed canceled. A license deemed canceled pursuant to this subsection shall be reinstated if the office receives a certified check for the appropriate amount within 30 days after the date the check was returned due to insufficient funds.~~

~~(10)~~(11) Each correspondent lender shall designate a principal representative who exercises control over the business and shall maintain a form prescribed by the commission designating the principal representative. If the form is not accurately maintained, the business is considered to be operated by each officer, director, or equitable owner of a 10-percent or greater interest in the business.

~~(11)~~(12) ~~After October 1, 2001, An applicant's principal representative must pass a written test prescribed by the commission and administered by the office, or must pass an electronic test prescribed by the commission and administered by the office or a third party approved by the office, which covers primary and subordinate mortgage financing transactions and the provisions of this chapter and rules adopted under this chapter. The commission may waive by rule the examination requirement for any person who has passed a test approved by the Conference of State Bank Supervisors, the American Association of Residential Mortgage Regulators, or the United States Department of Housing and Urban Development if the test covers primary and subordinate mortgage financing transactions. The commission may set by rule a fee not to exceed \$100 for taking the examination. This requirement is satisfied if the principal representative has continuously served in the capacity of a principal representative for a licensed entity under this chapter for at least 1 year and has not had a lapse in designation as a principal representative of more than 2 years before the date of the submission of the application or amendment in the case of a change in the principal representative. This requirement is also satisfied if the principal representative holds an active license as a mortgage broker in this state.~~

~~(12)~~(13) A correspondent lender shall notify the office of any change in the designation of its principal representative within 30 days after the change is effective. A new principal representative shall satisfy the name and address of any new principal representative and shall document that such person has completed the educational and testing requirements of this section within 90 days after being designated as upon the lender's designation of a new principal representative. This requirement is satisfied if the principal representative has continuously served in the capacity of a principal representative for a licensed entity under this chapter for at least 1 year and has not had a lapse in designation as a principal representative of more than 2 years before the date of the submission of the application or amendment in the case of a change in the principal representative. This requirement is also satisfied if the principal representative holds an active license as a mortgage broker in this state.

Section 17. Paragraph (b) of subsection (1) and subsection (2) of section 494.0064, Florida Statutes, are amended to read:

494.0064 Renewal of mortgage lender's license; branch office license renewal.—

(1)

(b) A licensee shall also submit, as part of the renewal form, certification that during the preceding 2 years the licensee's principal representative ~~and, loan originators, and associates~~ have completed the professional continuing education requirements of s. 494.00295.

(2) The commission shall adopt rules establishing a procedure for the biennial renewal of mortgage lender's licenses, correspondent lender's licenses, and branch office ~~licenses permits~~. The commission may prescribe the form for renewal and may require an update of all information provided in the licensee's initial application.

Section 18. Section 494.0065, Florida Statutes, is amended to read:

494.0065 Saving clause.—

(1)(a) Any person in good standing who holds an active registration pursuant to former s. 494.039 or license pursuant to former s. 521.205, or any person who acted solely as a mortgage servicer on September 30, 1991, is eligible to apply to the office for a mortgage lender's license and is eligible for licensure if the applicant:

1. For at least 12 months during the period of October 1, 1989, through September 30, 1991, has engaged in the business of either acting as a seller or assignor of mortgage loans or as a servicer of mortgage loans, or both;

2. Has documented a minimum net worth of \$25,000 in audited financial statements; and

3. Has applied for licensure pursuant to this section by January 1, 1992, and paid an application fee of \$100.

(b) A licensee pursuant to paragraph (a) may operate a wholly owned subsidiary or affiliate for the purpose of servicing accounts if the subsidiary or affiliate is operational as of September 30, 1991. Such subsidiary or affiliate is not required to obtain a separate license, but is subject to all the requirements of a licensee under ss. 494.006-494.0077.

(2) A licensee issued a license pursuant to subsection (1) may renew its mortgage lending license if it documents a minimum net worth of \$25,000, according to United States generally accepted accounting principles, which must be continuously maintained as a condition to licensure. The office shall require an audited financial statement which documents such net worth.

(3) The commission may prescribe by rule forms and procedures for application for licensure, and amendment and withdrawal of application for licensure, or transfer, including any existing branch offices, in accordance with subsections (4) and (5), and for renewal of licensure of licensees under this section. The office may require each applicant to provide any information reasonably necessary to determine the applicant's eligibility for licensure. An application is considered received for purposes of s. 120.60 upon receipt of a completed application form as prescribed by commission rule, a nonrefundable application fee of \$500, and any other fee prescribed by law.

(4)(a) Notwithstanding ss. 494.0061(5) and 494.0067(2)(3), the ultimate equitable owner, as of the effective date of this act, of a mortgage lender licensed under this section may transfer, one time, at least 50 percent of the ownership, control, or power to vote any class of equity securities of such mortgage lender, except as provided in paragraph (b). For purposes of this subsection, satisfaction of the amount of the ownership transferred may be met in multiple transactions or in a single transaction.

(b) A person who is an ultimate equitable owner on the effective date of this act may transfer, at any time, at least 50 percent of the ownership, control, or power to vote any class of equity securities of such person to the person's spouse or child, and any such transferee may transfer, at any time, such ownership, control, or power to vote to a spouse or child of such transferee, in perpetuity.

(c) For any transfer application filed on or after October 1, 2006:

1. An applicant must provide proof that the applicant's principal representative has completed 24 hours of instruction in primary and subordinate financing transactions and in the provisions of this chapter and rules adopted under this chapter. This requirement is satisfied if the principal representative has continuously served in the capacity of a principal representative for a licensed entity under this chapter for at least 1 year and has not had a lapse in designation as a principal representative of more than 2 years before the date of the submission of the application or amendment in the case of a change in the principal representative. This requirement is also satisfied if the principal representative holds an active license as a mortgage broker in this state.

2. An applicant's principal representative must pass a written test prescribed by the commission and administered by the office, or must pass an electronic test prescribed by the commission and administered by the office or a third party approved by the office, which covers primary and subordinate mortgage financing transactions and the provisions of this chapter and rules adopted under this chapter. The commission may set by rule a fee not to exceed \$100 for the electronic version of the mortgage broker test. The commission may waive by rule the examination requirement for any person who has passed a test approved by the Conference of State Bank Supervisors, the American Association of Residential Mortgage Regulators, or the United States Department of Housing and Urban Development if the test covers primary and subordinate mortgage financing transactions. This requirement is satisfied if the principal representative has continuously served in the capacity of a principal representative for a licensed entity under this chapter for at least 1 year and has not had a lapse in designation as a principal representative of more than 2 years before the date of the submission of the application or amendment in the case of a change in the principal representative. This requirement is also satisfied if the principal representative holds an active license as a mortgage broker in this state.

(5) Each initial application for a transfer must be in the form prescribed by rule of the commission. The commission or office may require each applicant for any transfer to provide any information reasonably necessary to

make a determination of the applicant's eligibility for licensure. The office shall issue the transfer of licensure to any person who submits the following documentation at least 90 days prior to the anticipated transfer:

(a) A completed application form.

(b) A nonrefundable fee set by rule of the commission in the amount of \$500. An application is considered received for purposes of s. 120.60 upon receipt of a completed application form as prescribed by commission rule, a nonrefundable application fee of \$500, and any other fee prescribed by law.

(c) Audited financial statements that substantiate that the applicant has a bona fide and verifiable net worth, according to United States generally accepted accounting principles, of at least \$25,000, which must be continuously maintained as a condition of licensure.

(d) Documentation that the applicant is incorporated, registered, or otherwise formed as a general partnership, limited partnership, limited liability company, or other lawful entity under the laws of this state or another state of the United States.

(e) A complete set of fingerprints as the commission requires by rule for or office may require that each designated principal representative, officer, director, control person, member, partner, or joint venturer of the applicant and the ultimate equitable owner of a 10-percent or greater interest in the applicant. A fingerprint card submitted to the office must be submit a complete set of fingerprints taken by an authorized law enforcement agency officer. The office shall submit the fingerprints to the Department of Law Enforcement for state processing and the Department of Law Enforcement shall forward the fingerprints to the Federal Bureau of Investigation for federal processing. The cost of the fingerprint processing may be borne by the office, the employer, or the person subject to the background check. The Department of Law Enforcement shall submit an invoice to the office for the fingerprints received each month. The office shall screen the background results to determine if the applicant meets licensure requirements.

(f) Information that the commission requires by rule concerning any designated principal representative; any officer, director, control person, member, partner, or joint venturer of the applicant or any person having the same or substantially similar status or performing substantially similar functions; or any individual who is the ultimate equitable owner of a 10-percent or greater interest in the mortgage lender. The commission may require information concerning such applicant or person, including, but not limited to, his or her full name and any other names by which he or she may have been known, age, social security number, qualifications and educational and business history, and disciplinary and criminal history.

(6) Notwithstanding subsection (5), a transfer under subsection (4) may be denied if the applicant; designated principal representative; any principal officer, ~~or~~ director, control person, member, partner, or joint venturer of the applicant; or any natural person owning a 10-percent or greater interest in the applicant has committed any violation specified in s. 494.0072, or has entered a plea of nolo contendere, regardless of adjudication, or has an

action pending against the applicant in any criminal prosecution or administrative enforcement action, in any jurisdiction, which involves fraud, dishonest dealing, or any act of moral turpitude.

(7) A license issued in accordance with this section is not transferable or assignable except as provided in subsection (4).

(8) Each person applying for a transfer of any branch office pursuant to subsection (4) must comply with the requirements of s. 494.0066.

(9) Each mortgage lender shall designate a principal representative who exercises control over the business and shall keep the designation current on a form prescribed by commission rule designating the principal representative. If the information on the form is not kept current, the business is considered to be operated by each officer, director, or equitable owner of a 10-percent or greater interest in the business.

(10) A lender shall notify the office of any change in the designation of its principal representative within 30 days after the change is effective. A new principal representative must satisfy the educational and testing requirements of this section within 90 days after being designated as the new principal representative. This requirement is satisfied if the principal representative has continuously served in the capacity of a principal representative for a licensed entity under this chapter for at least 1 year and has not had a lapse in designation as a principal representative of more than 2 years before the date of the submission of the application or amendment in the case of a change in the principal representative. This requirement is also satisfied if the principal representative currently holds an active license as a mortgage broker in this state.

Section 19. Subsection (2) of section 494.0066, Florida Statutes, is amended to read:

494.0066 Branch offices.—

(2) The office shall issue a branch office license to a licensee licensed under ss. 494.006-494.0077 after the office determines that the licensee has submitted upon receipt of a completed branch office application form as prescribed by rule by the commission and an initial nonrefundable branch office license fee of \$325. The branch office application must include the name and license number of the licensee under ss. 494.006-494.0077, the name of the licensee's employee in charge of the branch office, and the address of the branch office. The branch office license shall be issued in the name of the licensee under ss. 494.006-494.0077 and must be renewed in conjunction with the license renewal.

Section 20. Section 494.0067, Florida Statutes, is amended to read:

494.0067 Requirements of licensees under ss. 494.006-494.0077.—

~~(1) Each license of a mortgage lender, correspondent mortgage lender, or branch office shall be prominently displayed in the office for which it is issued.~~

~~(1)(2)~~ Each licensee under ss. 494.006-494.0077 which makes mortgage loans on real estate in this state shall transact business from a principal place of business. Each principal place of business and each branch office shall be operated under the full charge, control, and supervision of the licensee under ss. 494.006-494.0077.

~~(2)(3)~~ A license issued under ss. 494.006-494.0077 is not transferable or assignable.

(3) Each licensee under ss. 494.006-494.0077 shall report, on a form prescribed by rule of the commission, any change in the information contained in any initial application form, or any amendment thereto, not later than 30 days after the change is effective.

(4) Each licensee under ss. 494.006-494.0077 shall report any changes in the partners, officers, members, joint venturers, directors, or control persons of any licensee or changes in the form of business organization by written amendment in such form and at such time that the commission specifies by rule.

(a) In any case in which a person or a group of persons, directly or indirectly or acting by or through one or more persons, proposes to purchase or acquire a controlling interest in a licensee, such person or group must submit an initial application for licensure as a mortgage lender or correspondent mortgage lender before such purchase or acquisition and at the time and in the form prescribed by the commission by rule.

(b) As used in this subsection, the term "controlling interest" means possession of the power to direct or cause the direction of the management or policies of a company whether through ownership of securities, by contract, or otherwise. Any person who directly or indirectly has the right to vote 25 percent or more of the voting securities of a company or who is entitled to 25 percent or more of the company's profits is presumed to possess a controlling interest.

(c) Any addition of a designated principal representative, partner, officer, member, joint venturer, director, or control person of the applicant who does not have a controlling interest and who has not previously complied with the provisions of s. 494.0061(2)(g) and (h), s. 494.0062(2)(g) and (h), or s. 494.0065(5)(e) and (f) shall be subject to such provisions unless required to file an initial application in accordance with paragraph (a). If the office determines that the licensee does not continue to meet licensure requirements, the office may bring administrative action in accordance with s. 494.0072 to enforce the provisions of this section.

(d) The commission shall adopt rules pursuant to ss. 120.536(1) and 120.54 providing for the waiver of the application required by this subsection if the person or group of persons proposing to purchase or acquire a controlling interest in a licensee has previously complied with the provisions of s. 494.0061(2)(g) and (h), s. 494.0062(2)(g) and (h), or s. 494.0065(5)(e) and (f) with the same legal entity or is currently licensed with the office under this chapter.

~~(4) The commission or office may require each licensee under ss. 494.006-494.0077 to report any change of address of the principal place of business, change of address of any branch office, or change of principal officer, director, or ultimate equitable owner of 10 percent or more of the licensed corporation to the office in a form prescribed by rule of the commission not later than 30 business days after the change is effective.~~

(5) Each licensee under ss. 494.006-494.0077 shall report in a form prescribed by rule by the commission any indictment, information, charge, conviction, plea of nolo contendere, or plea of guilty to any crime or administrative violation that involves fraud, dishonest dealing, or any other act of moral turpitude, in any jurisdiction, by the licensee under ss. 494.006-494.0077 or any principal officer, director, or ultimate equitable owner of 10 percent or more of the licensed corporation, not later than 30 business days after the indictment, information, charge, conviction, or final administrative action.

(6) Each licensee under ss. 494.006-494.0077 shall report any action in bankruptcy, voluntary or involuntary, to the office, not later than 7 business days after the action is instituted.

(7) Each licensee under ss. 494.006-494.0077 shall designate a registered agent in this state for service of process.

(8) Each licensee under ss. 494.006-494.0077 shall provide an applicant for a mortgage loan a good faith estimate of the costs the applicant can reasonably expect to pay in obtaining a mortgage loan. The good faith estimate of costs shall be mailed or delivered to the applicant within a reasonable time after the licensee receives a written loan application from the applicant. The estimate of costs may be provided to the applicant by a person other than the licensee making the loan. The commission may adopt rules that set forth the disclosure requirements of this section.

(9) On or before April 30, 2000, each mortgage lender or correspondent mortgage lender shall file an initial report stating the full legal name, residential address, social security number, date of birth, mortgage broker license number, date of hire, and, if applicable, date of termination for each person who acted as a loan originator or an associate of the mortgage lender or correspondent mortgage lender during the immediate preceding quarter. Thereafter, a mortgage lender or correspondent mortgage lender shall file a report only if a person became or ceased to be a loan originator or an associate of the mortgage lender or correspondent mortgage lender during the immediate preceding quarter. Such report shall be filed within 30 days after the last day of each calendar quarter and shall contain the full legal name, residential address, social security number, date of birth, date of hire and, if applicable, the mortgage broker license number and date of termination of each person who became or ceased to be a loan originator or an associate of the mortgage lender or correspondent mortgage lender during the immediate preceding quarter. The commission shall prescribe, by rule, the procedures for filing reports required by this subsection.

(10)(a) Each licensee shall require the principal representative and all loan originators ~~or associates~~ who perform services for the licensee to com-

plete 14 hours of professional continuing education during each biennial license period. The education shall cover primary and subordinate mortgage financing transactions and the provisions of this chapter and the rules adopted under this chapter.

(b) The licensee shall maintain records of such training for a period of 4 years, including records of the content of and hours designated for each program and the date and location of the program.

(c) Evidence of completion of such programs shall be included with the licensee's renewal application.

Section 21. Paragraphs (s), (t), and (u) are added to subsection (2) of section 494.0072, Florida Statutes, and subsection (3) of that section is amended, to read:

494.0072 Administrative penalties and fines; license violations.—

(2) Each of the following acts constitutes a ground for which the disciplinary actions specified in subsection (1) may be taken:

(s) Payment to the office for a license or permit with a check or electronic transmission of funds that is dishonored by the applicant's or licensee's financial institution.

(t) Having a final judgment entered against the applicant or licensee in a civil action upon grounds of fraud, embezzlement, misrepresentation, or deceit.

(u)1. Having been the subject of any decision, finding, injunction, suspension, prohibition, revocation, denial, judgment, or administrative order by any court of competent jurisdiction, administrative law judge, state or federal agency, national securities exchange, national commodities exchange, national option exchange, national securities association, national commodities association, or national option association involving a violation of any federal or state securities or commodities law, or any rule or regulation adopted under such law, or involving a violation of any rule or regulation of any national securities, commodities, or options exchange or association.

2. Having been the subject of any injunction or adverse administrative order by a state or federal agency regulating banking, insurance, finance or small loan companies, real estate, mortgage brokers or lenders, money transmitters, or other related or similar industries.

(3) A mortgage lender or correspondent mortgage lender is subject to the disciplinary actions specified in subsection (1) if any officer, member, director, control person, joint venturer, or ultimate equitable owner of a 10-percent or greater interest in the mortgage lender or correspondent mortgage lender, associate, or employee of the mortgage lender or correspondent mortgage lender violates any provision of subsection (2).

Section 22. Subsection (2) of section 494.00721, Florida Statutes, is amended to read:

494.00721 Net worth.—

(2) If a mortgage lender or correspondent mortgage lender fails to satisfy the net worth requirements, the mortgage lender or correspondent mortgage lender shall immediately cease taking any new mortgage loan applications. Thereafter, the mortgage lender or correspondent mortgage lender shall have up to 60 days within which to satisfy the net worth requirements. If the licensee makes the office aware, prior to an examination, that the licensee no longer meets the net worth requirements, the mortgage lender or correspondent mortgage lender shall have 120 days within which to satisfy the net worth requirements. A mortgage lender or correspondent mortgage lender shall not resume acting as a mortgage lender or correspondent mortgage lender without written authorization from the office, which authorization shall be granted if the mortgage lender or correspondent mortgage lender provides the office with documentation which satisfies the requirements of s. 494.0061(2)(1)(c), s. 494.0062(2)(1)(c), or s. 494.0065(2), whichever is applicable.

Section 23. Paragraph (c) of subsection (3) of section 501.137, Florida Statutes, is amended to read:

501.137 Mortgage lenders; tax and insurance payments from escrow accounts; duties.—

(3)

(c) If the lender violates paragraph (a) and the premium payment is more than 90 days overdue or if the insurer refuses to reinstate the insurance policy, the lender shall pay the difference between the cost of the previous insurance policy and a new, comparable insurance policy for a period of 2 years. If the lender refuses, the lender is liable for the reasonable attorney's fees and costs of the property owner for a violation of this section.

Section 24. Subsection (8) is added to section 516.01, Florida Statutes, to read:

516.01 Definitions.—As used in this chapter, the term:

(8) “Control person” means an individual, partnership, corporation, trust, or other organization that possesses the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise. A person is presumed to control a company if, with respect to a particular company, that person:

(a) Is a director, general partner, or officer exercising executive responsibility or having similar status or functions;

(b) Directly or indirectly may vote 10 percent or more of a class of a voting security or sell or direct the sale of 10 percent or more of a class of voting securities; or

(c) In the case of a partnership, may receive upon dissolution or has contributed 10 percent or more of the capital.

Section 25. Section 516.03, Florida Statutes, is amended to read:

516.03 Application for license; fees; etc.—

(1) APPLICATION.—Application for a license to make loans under this chapter shall be in the form prescribed by rule of the commission. The commission may require each applicant to provide any information reasonably necessary to determine the applicant's eligibility for licensure. The applicant shall also provide information that the office requires concerning any officer, director, control person, member, partner, or joint venturer of the applicant or any person having the same or substantially similar status or performing substantially similar functions or concerning any individual who is the ultimate equitable owner of a 10-percent or greater interest in the applicant. The office may require information concerning any such applicant or person, including, but not limited to, his or her full name and any other names by which he or she may have been known, age, social security number, residential history, qualifications, educational and business history, and disciplinary and criminal history. The applicant must provide evidence of liquid assets of at least \$25,000, and shall contain the name, residence and business addresses of the applicant and, if the applicant is a copartnership or association, of every member thereof and, if a corporation, of each officer and director thereof, also the county and municipality with the street and number or approximate location where the business is to be conducted, and such further relevant information as the commission or office may require. At the time of making such application the applicant shall pay to the office a nonrefundable biennial license fee of \$625. Applications, except for applications to renew or reactivate a license, must also be accompanied by a nonrefundable an investigation fee of \$200. An application is considered received for purposes of s. 120.60 upon receipt of a completed application form as prescribed by commission rule, a nonrefundable application fee of \$625, and any other fee prescribed by law. The commission may adopt rules requiring to allow electronic submission of any form, document, or fee required by this act if such rules reasonably accommodate technological or financial hardship. The commission may prescribe by rule requirements and procedures for obtaining an exemption due to a technological or financial hardship.

(2) FEES.—Fees ~~herein~~ provided for in this section shall be collected by the office and shall be turned into the State Treasury to the credit of the regulatory trust fund under the office. The office shall have full power to employ such examiners or clerks to assist the office as may from time to time be deemed necessary and fix their compensation. The commission may adopt rules requiring to allow electronic submission of any fee required by this section if such rules reasonably accommodate technological or financial hardship. The commission may prescribe by rule requirements and procedures for obtaining an exemption due to a technological or financial hardship.

Section 26. Paragraph (a) of subsection (3) of section 516.031, Florida Statutes, is amended to read:

516.031 Finance charge; maximum rates.—

(3) OTHER CHARGES.—

(a) In addition to the interest, delinquency, and insurance charges herein provided for, no further or other charges or amount whatsoever for any examination, service, commission, or other thing or otherwise shall be directly or indirectly charged, contracted for, or received as a condition to the grant of a loan, except:

1. An amount not to exceed ~~\$25~~ \$10 to reimburse a portion of the costs for investigating the character and credit of the person applying for the loan;

2. An annual fee of \$25 on the anniversary date of each line-of-credit account;

3. Charges paid for brokerage fee on a loan or line of credit of more than \$10,000, title insurance, and the appraisal of real property offered as security when paid to a third party and supported by an actual expenditure;

4. Intangible personal property tax on the loan note or obligation when secured by a lien on real property;

5. The documentary excise tax and lawful fees, if any, actually and necessarily paid out by the licensee to any public officer for filing, recording, or releasing in any public office any instrument securing the loan, which fees may be collected when the loan is made or at any time thereafter;

6. The premium payable for any insurance in lieu of perfecting any security interest otherwise required by the licensee in connection with the loan, if the premium does not exceed the fees which would otherwise be payable, which premium may be collected when the loan is made or at any time thereafter;

7. Actual and reasonable attorney's fees and court costs as determined by the court in which suit is filed;

8. Actual and commercially reasonable expenses of repossession, storing, repairing and placing in condition for sale, and selling of any property pledged as security; or

9. A delinquency charge not to exceed \$10 for each payment in default for a period of not less than 10 days, if the charge is agreed upon, in writing, between the parties before imposing the charge.

Any charges, including interest, in excess of the combined total of all charges authorized and permitted by this chapter constitute a violation of chapter 687 governing interest and usury, and the penalties of that chapter apply. In the event of a bona fide error, the licensee shall refund or credit the borrower with the amount of the overcharge immediately but within 20 days from the discovery of such error.

Section 27. Section 516.05, Florida Statutes, is amended to read:

516.05 License.—

(1) Upon the filing of an application for a license and payment of all applicable fees, the office shall, unless the application is to renew or reactivate an existing license, make an investigation of the facts concerning the applicant's ~~background proposed activities~~. If the office determines that a license should be granted, it shall issue the license for a period not to exceed 2 years. Biennial licensure periods and procedures for renewal of licenses shall be established by the rule of the commission. If the office determines that grounds exist under this chapter for denial of an application other than an application to renew a license, it shall deny such application, ~~return to the applicant the sum paid as a license fee, and retain the investigation fee.~~

(2) A license that is not renewed at the end of the biennium established by the commission shall automatically revert to inactive status. An inactive license may be reactivated upon submission of a completed reactivation application, payment of the biennial license fee, and payment of a reactivation fee which shall equal the biennial license fee. A license expires on the date at which it has been inactive for 6 months.

(3) Only one place of business for the purpose of making loans under this chapter may be maintained under one license, but the office may issue additional licenses to a licensee upon compliance with all the provisions of this chapter governing issuance of a single license.

(4) Each licensee shall report, on a form prescribed by rule of the commission, any change to the information contained in any initial application form or any amendment to such application not later than 30 days after the change is effective.

(5) Each licensee shall report any changes in the partners, officers, members, joint venturers, directors, or control persons of any licensee, or changes in the form of business organization, by written amendment in such form and at such time as the commission specifies by rule.

(a) In any case in which a person or a group of persons, directly or indirectly or acting by or through one or more persons, proposes to purchase or acquire a controlling interest in a licensee, such person or group must submit an initial application for licensure before such purchase or acquisition at such time and in such form as the commission prescribes by rule.

(b) As used in this subsection, the term "controlling interest" means possession of the power to direct or cause the direction of the management or policies of a company whether through ownership of securities, by contract, or otherwise. Any person who directly or indirectly has the right to vote 25 percent or more of the voting securities of a company or is entitled to 25 percent or more of the company's profits is presumed to possess a controlling interest.

(c) Any addition of a partner, officer, member, joint venturer, director, or control person of the applicant who does not have a controlling interest and who has not previously complied with the provisions of s. 516.03(1) shall be subject to such provisions unless required to file an initial application in accordance with paragraph (a). If the office determines that the licensee does

not continue to meet licensure requirements, the office may bring administrative action in accordance with s. 516.07 to enforce the provisions of this chapter.

(d) The commission shall adopt rules pursuant to ss. 120.536(1) and 120.54 providing for the waiver of the application required by this subsection if the person or group of persons proposing to purchase or acquire a controlling interest in a licensee has previously complied with the provisions of s. 516.03(1) with the same legal entity or is currently licensed with the office under this chapter.

~~(4) Prior to relocating his or her place of business, a licensee must file with the office, in the manner prescribed by commission rule, notice of the relocation.~~

~~(6)(5) A licensee may conduct the business of making loans under this chapter within a place of business in which other business is solicited or engaged in, unless the office shall find that the conduct of such other business by the licensee results in an evasion of this chapter. Upon such finding, the office shall order the licensee to desist from such evasion; provided, however, that no license shall be granted to or renewed for any person or organization engaged in the pawnbroker business.~~

~~(6) If any person purchases substantially all of the assets of any existing licensed place of business, the purchaser shall give immediate notice thereof to the office and shall be granted a 90-day temporary license for the place of business within 10 days after the office's receipt of an application for a permanent license. Issuance of a temporary license for a place of business nullifies the existing license for the place of business, and the temporary licensee is subject to any disciplinary action provided for by this chapter.~~

(7) Licenses are not transferable or assignable. A licensee may invalidate any license by delivering it to the office with a written notice of the delivery, but such delivery does not affect any civil or criminal liability or the authority to enforce this chapter for acts committed in violation thereof.

(8) The office may refuse to process an initial application for a license if the applicant or any person with power to direct the management or policies of the applicant's business is the subject of a pending criminal prosecution in any jurisdiction until conclusion of such criminal prosecution.

(9) A licensee that is the subject of a voluntary or involuntary bankruptcy filing must report such filing to the office within 7 business days after the filing date.

Section 28. Subsection (1) of section 516.07, Florida Statutes, is amended to read:

516.07 Grounds for denial of license or for disciplinary action.—

(1) The following acts are violations of this chapter and constitute grounds for denial of an application for a license to make consumer finance loans and grounds for any of the disciplinary actions specified in subsection (2):

- (a) A material misstatement of fact in an application for a license.;
- (b) Failure to maintain liquid assets of at least \$25,000 at all times for the operation of business at a licensed location or proposed location.;
- (c) Failure to demonstrate financial responsibility, experience, character, or general fitness, such as to command the confidence of the public and to warrant the belief that the business operated at the licensed or proposed location is lawful, honest, fair, efficient, and within the purposes of this chapter.;
- (d) The violation, either knowingly or without the exercise of due care, of any provision of this chapter, any rule or order adopted under this chapter, or any written agreement entered into with the office.;
- (e) Any act of fraud, misrepresentation, or deceit, regardless of reliance by or damage to a borrower, or any illegal activity, where such acts are in connection with a loan under this chapter. Such acts include, but are not limited to:
1. Willful imposition of illegal or excessive charges; or
 2. Misrepresentation, circumvention, or concealment of any matter required to be stated or furnished to a borrower.;
- (f) The use of unreasonable collection practices or of false, deceptive, or misleading advertising, where such acts are in connection with the operation of a business to make consumer finance loans.;
- (g) Any violation of part III of chapter 817 or part II of chapter 559 or of any rule adopted under part II of chapter 559.;
- (h) Failure to maintain, preserve, and keep available for examination, all books, accounts, or other documents required by this chapter, by any rule or order adopted under this chapter, or by any agreement entered into with the office.;
- (i) Refusal to permit inspection of books and records in an investigation or examination by the office or refusal to comply with a subpoena issued by the office.;
- (j) Pleading nolo contendere to, or having been convicted or found guilty of, a crime involving fraud, dishonest dealing, or any act of moral turpitude, regardless of whether adjudication is withheld.;
- (k) Paying money or anything else of value, directly or indirectly, to any person as compensation, inducement, or reward for referring loan applicants to a licensee.;
- (l) Allowing any person other than the licensee to use the licensee's business name, address, or telephone number in an advertisement.;
- (m) Accepting or advertising that the licensee accepts money on deposit or as consideration for the issuance or delivery of certificates of deposit,

savings certificates, or similar instruments, except to the extent permitted under chapter 517.~~5~~⁶

(n) Failure to pay any fee, charge, or fine imposed or assessed pursuant to this chapter or any rule adopted under this chapter.

(o) Using the name or logo of a financial institution, as defined in s. 655.005(1), or its affiliates or subsidiaries when marketing or soliciting existing or prospective customers if such marketing materials are used without the written consent of the financial institution and in a manner that would lead a reasonable person to believe that the material or solicitation originated from, was endorsed by, or is related to or the responsibility of the financial institution or its affiliates or subsidiaries.

(p) Payment to the office for a license or permit with a check or electronic transmission of funds that is dishonored by the applicant's or licensee's financial institution.

Section 29. Section 516.08, Florida Statutes, is repealed.

Section 30. Subsection (3) is added to section 516.12, Florida Statutes, to read:

516.12 Records to be kept by licensee.—

(3) The commission may prescribe by rule the minimum information to be shown in the books, accounts, records, and documents of licensees for purposes of enabling the office to determine the licensee's compliance with ss. 516.001-516.36. In addition, the commission may prescribe by rule the requirements for the destruction of books, accounts, records, and documents retained by the licensee after completion of the time period specified in subsection (1).

Section 31. Section 516.19, Florida Statutes, is amended to read:

516.19 Penalties.—Any person who violates any of the provisions of s. 516.02, s. 516.031, s. 516.05(3), ~~s. 516.05(4)~~, s. 516.05(6)(5), or s. 516.07(1)(e) is guilty of a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083.

Section 32. Subsection (4) of section 517.021, Florida Statutes, is amended to read:

517.021 Definitions.—When used in this chapter, unless the context otherwise indicates, the following terms have the following respective meanings:

(4) “Branch office” means any location in this state of a dealer or investment adviser at which one or more associated persons regularly conduct the business of rendering investment advice or effecting any transactions in, or inducing or attempting to induce the purchase or sale of, any security or any location that is held out as such. The commission may adopt by rule exceptions to this definition for dealers in order to maintain consistency with the definition of a branch office used by self-regulatory organizations authorized

by the Securities and Exchange Commission, including, but not limited to, the National Association of Securities Dealers or the New York Stock Exchange. The commission may adopt by rule exceptions to this definition for investment advisers office of a dealer or investment adviser located in this state, other than the principal office of the dealer or investment adviser, which nonprincipal office is owned or controlled by the dealer or investment adviser for the purpose of conducting a securities business.

Section 33. Subsection (9) of section 517.051, Florida Statutes, is amended to read:

517.051 Exempt securities.—The exemptions provided herein from the registration requirements of s. 517.07 are self-executing and do not require any filing with the office prior to claiming such exemption. Any person who claims entitlement to any of these exemptions bears the burden of proving such entitlement in any proceeding brought under this chapter. The registration provisions of s. 517.07 do not apply to any of the following securities:

(9) A security issued by a corporation organized and operated exclusively for religious, educational, benevolent, fraternal, charitable, or reformatory purposes and not for pecuniary profit, no part of the net earnings of which corporation inures to the benefit of any private stockholder or individual, or any security of a fund that is excluded from the definition of an investment company under s. 3(c)(10)(B) of the Investment Company Act of 1940; provided that no person shall directly or indirectly offer or sell securities under this subsection except by an offering circular containing full and fair disclosure, as prescribed by the rules of the commission, of all material information, including, but not limited to, a description of the securities offered and terms of the offering, a description of the nature of the issuer's business, a statement of the purpose of the offering and the intended application by the issuer of the proceeds thereof, and financial statements of the issuer prepared in conformance with United States generally accepted accounting principles. Section 6(c) of the Philanthropy Protection Act of 1995, Pub. L. No. 104-62, shall not preempt any provision of this chapter.

Section 34. Subsection (18) of section 517.061, Florida Statutes, is amended to read:

517.061 Exempt transactions.—The exemption for each transaction listed below is self-executing and does not require any filing with the office prior to claiming such exemption. Any person who claims entitlement to any of the exemptions bears the burden of proving such entitlement in any proceeding brought under this chapter. The registration provisions of s. 517.07 do not apply to any of the following transactions; however, such transactions are subject to the provisions of ss. 517.301, 517.311, and 517.312:

(18) The offer or sale of any security effected by or through a person in compliance with ~~registered pursuant to~~ s. 517.12(17).

Section 35. Paragraph (g) of subsection (3) of section 517.081, Florida Statutes, is amended to read:

517.081 Registration procedure.—

(3) The office may require the applicant to submit to the office the following information concerning the issuer and such other relevant information as the office may in its judgment deem necessary to enable it to ascertain whether such securities shall be registered pursuant to the provisions of this section:

(g)1. A specimen copy of the security and a copy of any circular, prospectus, advertisement, or other description of such securities.

2. The commission shall adopt a form for a simplified offering circular to be used solely by corporations to register, under this section, securities of the corporation that are sold in offerings in which the aggregate offering price in any consecutive 12-month period does not exceed the amount provided in s. 3(b) of the Securities Act of 1933. The following issuers shall not be eligible to submit a simplified offering circular adopted pursuant to this subparagraph:

a. An issuer seeking to register securities for resale by persons other than the issuer.

b. An issuer who is subject to any of the disqualifications described in 17 C.F.R. s. 230.262, adopted pursuant to the Securities Act of 1933, or who has been or is engaged or is about to engage in an activity that would be grounds for denial, revocation, or suspension under s. 517.111. For purposes of this subparagraph, an issuer includes an issuer's director, officer, shareholder who owns at least 10 percent of the shares of the issuer, promoter, or selling agent of the securities to be offered or any officer, director, or partner of such selling agent.

c. An issuer who is a development-stage company that either has no specific business plan or purpose or has indicated that its business plan is to merge with an unidentified company or companies.

d. An issuer of offerings in which the specific business or properties cannot be described.

e. Any issuer the office determines is ineligible if the form would not provide full and fair disclosure of material information for the type of offering to be registered by the issuer.

f. Any corporation which has failed to provide the office the reports required for a previous offering registered pursuant to this subparagraph.

As a condition precedent to qualifying for use of the simplified offering circular, a corporation shall agree to provide the office with an annual financial report containing a balance sheet as of the end of the issuer's fiscal year and a statement of income for such year, prepared in accordance with United States generally accepted accounting principles and accompanied by an independent accountant's report. If the issuer has more than 100 security holders at the end of a fiscal year, the financial statements must be audited. Annual financial reports must be filed with the office within 90 days after

the close of the issuer's fiscal year for each of the first 5 years following the effective date of the registration.

Section 36. Subsections (6), (7), (10), (11), (15), and (17) of section 517.12, Florida Statutes, are amended to read:

517.12 Registration of dealers, associated persons, investment advisers, and branch offices.—

(6) A dealer, associated person, investment adviser, or branch office, in order to obtain registration, must file with the office a written application, on a form which the commission may by rule prescribe, ~~verified under oath~~. The commission may establish, by rule, procedures for depositing fees and filing documents by electronic means provided such procedures provide the office with the information and data required by this section. Each dealer or investment adviser must also file an irrevocable written consent to service of civil process similar to that provided for in s. 517.101. The application shall contain such information as the commission or office may require concerning such matters as:

(a) The name of the applicant and the address of its principal office and each office in this state.

(b) The applicant's form and place of organization; and, if the applicant is a corporation, a copy of its articles of incorporation and amendments to the articles of incorporation or, if a partnership, a copy of the partnership agreement.

(c) The applicant's proposed method of doing business and financial condition and history, including a certified financial statement showing all assets and all liabilities, including contingent liabilities of the applicant as of a date not more than 90 days prior to the filing of the application.

(d) The names and addresses of all associated persons of the applicant to be employed in this state and the offices to which they will be assigned.

(7) The application shall also contain such information as the commission or office may require about the applicant; any partner, officer, or director of the applicant or any person having a similar status or performing similar functions; any person directly or indirectly controlling the applicant; or any employee of a dealer or of an investment adviser rendering investment advisory services. Each applicant shall file a complete set of fingerprints. A fingerprint card submitted to the office must be taken by an authorized law enforcement agency officer. The office shall submit the Such fingerprints shall be submitted to the Department of Law Enforcement for state processing and the Department of Law Enforcement shall forward the fingerprints to or the Federal Bureau of Investigation for state and federal processing. The cost of the fingerprint processing may be borne by the office, the employer, or the person subject to the background check. The Department of Law Enforcement shall submit an invoice to the office for the fingerprints received each month. The office shall screen the background results to determine if the applicant meets licensure requirements. The commission may waive, by rule, the requirement that applicants must file a set of

fingerprints or the requirement that such fingerprints must be processed by the Department of Law Enforcement or the Federal Bureau of Investigation. The commission or office may require information about any such applicant or person concerning such matters as:

(a) His or her full name, and any other names by which he or she may have been known, and his or her age, social security number, photograph, qualifications, and educational and business history.

(b) Any injunction or administrative order by a state or federal agency, national securities exchange, or national securities association involving a security or any aspect of the securities business and any injunction or administrative order by a state or federal agency regulating banking, insurance, finance, or small loan companies, real estate, mortgage brokers, or other related or similar industries, which injunctions or administrative orders relate to such person.

(c) His or her conviction of, or plea of nolo contendere to, a criminal offense or his or her commission of any acts which would be grounds for refusal of an application under s. 517.161.

(d) The names and addresses of other persons of whom the office may inquire as to his or her character, reputation, and financial responsibility.

(10) An applicant for registration shall pay an assessment fee of \$200, in the case of a dealer or investment adviser, or \$40, in the case of an associated person. The assessment fee of an associated person shall be reduced to \$30, but only after the office determines, by final order, that sufficient funds have been allocated to the Securities Guaranty Fund pursuant to s. 517.1203 to satisfy all valid claims filed in accordance with s. 517.1203(2) and after all amounts payable under any service contract entered into by the office pursuant to s. 517.1204, and all notes, bonds, certificates of indebtedness, other obligations, or evidences of indebtedness secured by such notes, bonds, certificates of indebtedness, or other obligations, have been paid or provision has been made for the payment of such amounts, notes, bonds, certificates of indebtedness, other obligations, or evidences of indebtedness. An associated person may not having current fingerprint cards filed with the National Association of Securities Dealers or a national securities exchange registered with the Securities and Exchange Commission shall be assessed an additional fee to cover the cost for the said fingerprint cards to be processed by the office. Such fee shall be determined by rule of the commission. Each dealer and each investment adviser shall pay an assessment fee of \$100 for each office in this state, ~~except its designated principal office~~. Such fees become the revenue of the state, except for those assessments provided for under s. 517.131(1) until such time as the Securities Guaranty Fund satisfies the statutory limits, and are not returnable in the event that registration is withdrawn or not granted.

(11) If the office finds that the applicant is of good repute and character and has complied with the provisions of this chapter and the rules made pursuant hereto, it shall register the applicant. The registration of each dealer, investment adviser, branch office, and associated person ~~expires~~ will expire on December 31 of the year the registration became effective unless

~~the registrant has renewed his or her registration on or before that date. The commission may establish by rule procedures for renewing the registration of a branch office through the Central Registration Depository, and the registration of each branch office will expire on March 31, of the year in which it became effective unless the registrant has renewed its registration on or before that date. Registration may be renewed by furnishing such information as the commission may require, together with payment of the fee required in subsection (10) for dealers, investment advisers, associated persons, or branch offices and the payment of any amount lawfully due and owing to the office pursuant to any order of the office or pursuant to any agreement with the office. Any dealer, investment adviser, or associated person registrant who has not renewed a registration by the time the current registration expires may request reinstatement of such registration by filing with the office, on or before January 31 of the year following the year of expiration, such information as may be required by the commission, together with payment of the fee required in subsection (10) for dealers, investment advisers, or associated persons and a late fee equal to the amount of such fee. Any reinstatement of registration granted by the office during the month of January shall be deemed effective retroactive to January 1 of that year.~~

(15)(a) In order to facilitate uniformity and streamline procedures for persons who are subject to registration in multiple jurisdictions, the commission may adopt by rule uniform forms that have been approved by the Securities and Exchange Commission, and any subsequent amendments to such forms, if the forms are substantially consistent with the provisions of this chapter. Uniform forms that the commission may adopt to administer this section include, but are not limited to:

1. Form BR, Uniform Branch Office Registration Form, adopted October 2005.

2. Form U4, Uniform Application for Securities Industry Registration or Transfer, adopted October 2005.

3. Form U5, Uniform Termination Notice for Securities Industry Registration, adopted October 2005.

4. Form ADV, Uniform Application for Investment Adviser Registration, adopted October 2003.

5. Form ADV-W, Notice of Withdrawal from Registration as an Investment Adviser, adopted October 2003.

6. Form BD, Uniform Application for Broker-Dealer Registration, adopted July 1999.

7. Form BDW, Uniform Request for Broker-Dealer Withdrawal, adopted August 1999.

(b) In lieu of filing with the office the applications specified in subsection (6), the fees required by subsection (10), the renewals required by subsection (11), and the termination notices required by subsection (12), the commis-

sion may by rule establish procedures for the deposit of such fees and documents with the Central Registration Depository or the Investment Adviser Registration Depository of the National Association of Securities Dealers, Inc., as developed under contract with the North American Securities Administrators Association, Inc.; ~~provided, however, that such procedures shall provide the office with the information and data as required by this section.~~

(17)(a) A dealer that is located in Canada, ~~does not have an and has no office or other physical presence in this state, and has made a notice filing in accordance with this subsection is exempt from the registration requirements of this section and~~ may, ~~provided the dealer is registered in accordance with this section,~~ effect transactions in securities with or for, or induce or attempt to induce the purchase or sale of any security by:

1. A person from Canada who is present temporarily resides in this state and with whom the Canadian dealer had a bona fide dealer-client relationship before the person entered the United States; or

2. A person from Canada who is present in a resident of this state, and whose transactions are in a self-directed, tax-advantaged ~~tax advantage~~ retirement plan in Canada of which the person is the holder or contributor.

(b) A notice filing under this subsection must consist of documents the commission by rule requires to be filed, together with a consent to service of process and a nonrefundable filing fee of \$200. The commission may establish by rule procedures for the deposit of fees and the filing of documents to be made by electronic means, if such procedures provide the office with the information and data required by this section ~~An associated person who represents a Canadian dealer registered under this section may, provided the agent is registered in accordance with this section, effect transactions in securities in this state as permitted for a dealer, under subsection (a).~~

(c) A Canadian dealer may make a notice filing register under this subsection if the section provided that such dealer provides to the office:

1. A notice filing ~~Files an application in the form the commission requires by rule required by the jurisdiction in which the dealer has a head office.~~

2. Files A consent to service of process.

3. Evidence that the Canadian dealer is registered as a dealer in good standing in the jurisdiction in which the dealer's main office is located from which it is effecting transactions into this state and files evidence of such registration with the office.

4. Evidence that the Canadian dealer is a member of a self-regulatory organization or stock exchange in Canada.

(d) The office may issue a permit to evidence the effectiveness of a notice filing for a Canadian dealer.

(e) A notice filing is effective upon receipt by the office. A notice filing expires on December 31 of the year in which the filing becomes effective unless the Canadian dealer has renewed the filing on or before that date. A Canadian dealer may annually renew a notice filing by furnishing to the office such information as the office requires together with a renewal fee of \$200 and the payment of any amount due and owing the office pursuant to any agreement with the office. Any Canadian dealer who has not renewed a notice filing by the time a current notice filing expires may request reinstatement of such notice filing by filing with the office, on or before January 31 of the year following the year the notice filing expires, such information as the commission requires by rule, together with the payment of \$200 and a late fee of \$200. A reinstatement of a notice filing granted by the office during the month of January is effective retroactively to January 1 of that year.

(f)(d) An associated person who represents a Canadian dealer who has made a notice filing registered under this subsection is exempt from the registration requirements of this section and may effect section in effecting transactions in securities in this state as permitted for a dealer under paragraph (a) if such person may register under this section provided that such person:

1. Files an application in the form required by the jurisdiction in which the dealer has its head office.

2. is registered in good standing in the jurisdiction from which he or she is effecting transactions into this state and files evidence of such registration with the office.

(e) If the office finds that the applicant is of good repute and character and has complied with the provisions of this chapter, the office shall register the applicant.

(g)(f) A Canadian dealer who has made a notice filing registered under this subsection section shall:

1. Maintain its provincial or territorial registration and its membership in a self-regulatory organization or stock exchange in good standing.

2. Provide the office upon request with its books and records relating to its business in this state as a dealer.

3. Provide the office upon request notice of each civil, criminal, or administrative action initiated against the dealer.

4. Disclose to its clients in this state that the dealer and its associated persons agents are not subject to the full regulatory requirements under this chapter.

5. Correct any inaccurate information within 30 days after, if the information contained in the notice filing application form becomes inaccurate for any reason before or after the dealer becomes registered.

~~(h)(g)~~ An associated person representing of a Canadian dealer who has made a notice filing registered under this subsection ~~section~~ shall:

1. Maintain provincial or territorial registration in good standing.
2. Provide the office upon request with notice of each civil, criminal, or administrative action initiated against such person.

~~3. Through the dealer, correct any inaccurate information within 30 days, if the information contained in the application form becomes inaccurate for any reason before or after the associated person becomes registered.~~

(i) A notice filing may be terminated by filing notice of such termination with the office. Unless another date is specified by the Canadian dealer, such notice is effective upon receipt of the notice by the office.

(j) All fees collected under this subsection become the revenue of the state, except those assessments provided for under s. 517.131(1), until the Securities Guaranty Fund has satisfied the statutory limits. Such fees are not returnable if a notice filing is withdrawn.

~~(h) Renewal applications for Canadian dealers and associated persons under this section must be filed before December 31 each year. Every applicant for registration or renewal registration under this section shall pay the fee for dealers and associated persons under this chapter.~~

Section 37. Paragraphs (b) and (e) of subsection (3) of section 517.131, Florida Statutes, are amended, and subsection (5) is added to that section, to read:

517.131 Securities Guaranty Fund.—

(3) Any person is eligible to seek recovery from the Securities Guaranty Fund if:

(b) Such person has made all reasonable searches and inquiries to ascertain whether the judgment debtor possesses real or personal property or other assets subject to being sold or applied in satisfaction of the judgment, and by her or his search the person has discovered no property or assets; or she or he has discovered property and assets and has taken all necessary action and proceedings for the application thereof to the judgment, but the amount thereby realized was insufficient to satisfy the judgment. To verify compliance with such condition, the office may require such person to have a writ of execution be issued upon such judgment, and may further require a showing that no personal or real property of the judgment debtor liable to be levied upon in complete satisfaction of the judgment can be found, or may require an affidavit from the claimant setting forth the reasonable searches and inquiries undertaken and the result of those searches and inquiries.

(e) The office waives compliance with the requirements of paragraph (a) or paragraph (b). The office may waive such compliance if the dealer, investment adviser, or associated person which is the subject of the claim filed with the office is the subject of any proceeding in which a receiver has been

appointed by a court of competent jurisdiction. If the office waives such compliance, the office may, upon petition by the debtor or the court-appointed trustee, examiner, or receiver, distribute funds from the Securities Guaranty Fund up to the amount allowed under s. 517.141. Any waiver granted pursuant to this section shall be considered a judgment for purposes of complying with the requirements of this section and of s. 517.141.

(5) The commission may adopt rules pursuant to ss. 120.536(1) and 120.54 specifying the procedures for complying with subsections (2), (3), and (4), including rules for the form of submission and guidelines for the sufficiency and content of submissions of notices and claims.

Section 38. Subsections (2) and (5) of section 517.141, Florida Statutes, are amended, and subsection (11) is added to that section, to read:

517.141 Payment from the fund.—

(2) Regardless of the number of claims or claimants involved, payments for claims shall be limited in the aggregate to \$100,000 against any one dealer, investment adviser, or associated person. If the total claims exceed the aggregate limit of \$100,000, the office shall prorate the payment based upon the ratio that the person's claim bears to the total claims filed.

(5) If the final judgment ~~that~~ ~~which~~ gave rise to the claim is overturned in any appeal or in any collateral proceeding, the claimant shall reimburse the fund all amounts paid from the fund to the claimant on the claim. If the claimant satisfies the judgment specified in s. 517.131(3)(a), the claimant shall reimburse the fund all amounts paid from the fund to the claimant on the claim. Such reimbursement shall be paid to the office within 60 days after the final resolution of the appellate or collateral proceedings or the satisfaction of judgment, with the 60-day period commencing on the date the final order or decision is entered in such proceedings.

(11) The commission may adopt rules pursuant to ss. 120.536(1) and 120.54 specifying procedures for complying with this section, including rules for the form of submission and guidelines for the sufficiency and content of submissions of notices and claims.

Section 39. Subsection (1) of section 517.161, Florida Statutes, is amended to read:

517.161 Revocation, denial, or suspension of registration of dealer, investment adviser, associated person, or branch office.—

(1) Registration under s. 517.12 may be denied or any registration granted may be revoked, restricted, or suspended by the office if the office determines that such applicant or registrant:

(a) Has violated any provision of this chapter or any rule or order made under this chapter;

(b) Has made a material false statement in the application for registration;

(c) Has been guilty of a fraudulent act in connection with rendering investment advice or in connection with any sale of securities, has been or is engaged or is about to engage in making fictitious or pretended sales or purchases of any such securities or in any practice involving the rendering of investment advice or the sale of securities which is fraudulent or in violation of the law;

(d) Has made a misrepresentation or false statement to, or concealed any essential or material fact from, any person in the rendering of investment advice or the sale of a security to such person;

(e) Has failed to account to persons interested for all money and property received;

(f) Has not delivered, after a reasonable time, to persons entitled thereto securities held or agreed to be delivered by the dealer, broker, or investment adviser, as and when paid for, and due to be delivered;

(g) Is rendering investment advice or selling or offering for sale securities through any associated person not registered in compliance with the provisions of this chapter;

(h) Has demonstrated unworthiness to transact the business of dealer, investment adviser, or associated person;

(i) Has exercised management or policy control over or owned 10 percent or more of the securities of any dealer or investment adviser that has been declared bankrupt, or had a trustee appointed under the Securities Investor Protection Act; or is, in the case of a dealer or investment adviser, insolvent;

(j) Has been convicted of, or has entered a plea of guilty or nolo contendere to, a crime against the laws of this state or any other state or of the United States or of any other country or government which relates to registration as a dealer, investment adviser, issuer of securities, associated person, or branch office; which relates to the application for such registration; or which involves moral turpitude or fraudulent or dishonest dealing;

(k) Has had a final judgment entered against her or him in a civil action upon grounds of fraud, embezzlement, misrepresentation, or deceit;

(l) Is of bad business repute; ~~or~~

(m) Has been the subject of any decision, finding, injunction, suspension, prohibition, revocation, denial, judgment, or administrative order by any court of competent jurisdiction, administrative law judge, or by any state or federal agency, national securities, commodities, or option exchange, or national securities, commodities, or option association, involving a violation of any federal or state securities or commodities law or any rule or regulation promulgated thereunder, or any rule or regulation of any national securities, commodities, or options exchange or national securities, commodities, or options association, or has been the subject of any injunction or adverse administrative order by a state or federal agency regulating banking, insurance, finance or small loan companies, real estate, mortgage brokers or

lenders, money transmitters, or other related or similar industries. For purposes of this subsection, the office may not deny registration to any applicant who has been continuously registered with the office for 5 years from the entry of such decision, finding, injunction, suspension, prohibition, revocation, denial, judgment, or administrative order provided such decision, finding, injunction, suspension, prohibition, revocation, denial, judgment, or administrative order has been timely reported to the office pursuant to the commission's rules; or.

(n) Made payment to the office for a registration or notice filing with a check or electronic transmission of funds that is dishonored by the applicant's, registrant's, or notice filer's financial institution.

Section 40. Section 520.02, Florida Statutes, is amended to read:

520.02 Definitions.—In this act, unless the context or subject matter otherwise requires:

(1) "Branch" means any location, other than a licensee's principal place of business, at which a licensee operates or conducts business under this act or which a licensee owns or controls for the purpose of conducting business under this act.

(2) "Cash price" means the price at which a seller, in the ordinary course of business, offers to sell for cash the property or service that is the subject of the transaction. At the seller's option, the term "cash price" may include the price of accessories, services related to the sale, service contracts, and taxes and fees for license, title, and registration of the motor vehicle. The term "cash price" does not include any finance charge.

(3) "Commission" means the Financial Services Commission.

(4) "Control person" means an individual, partnership, corporation, trust, or other organization that possesses the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise. A person is presumed to control a company if, with respect to a particular company, that person:

(a) Is a director, general partner, or officer exercising executive responsibility or having similar status or functions;

(b) Directly or indirectly may vote 10 percent or more of a class of a voting security or sell or direct the sale of 10 percent or more of a class of voting securities; or

(c) In the case of a partnership, may receive upon dissolution or has contributed 10 percent or more of the capital.

(5) "Down payment" means the amount, including the value of any property used as a trade-in, paid to a seller to reduce the cash price of goods or services purchased in a credit sale transaction. A deferred portion of a down payment may be treated as part of the down payment if it is payable not later than the due date of the second otherwise regularly scheduled payment and is not subject to a finance charge.

(6) “Finance charge” means the cost of consumer credit as a dollar amount. The term “finance charge” includes any charge payable directly or indirectly by the buyer and imposed directly or indirectly by the seller as an incident to or a condition of the extension of credit. The term “finance charge” does not include any charge of a type payable in a comparable cash transaction.

(7) “Holder” of a retail installment contract means the retail seller of a motor vehicle retail installment contract or an assignee of such contract.

(8) “Mobile home” means a structure, transportable in one or more sections, which is 8 body feet or more in width and is 32 body feet or more in length, designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air-conditioning, and electrical systems contained therein.

(9) “Motor vehicle” means any device or vehicle, including automobiles, motorcycles, motor trucks, trailers, mobile homes, and all other vehicles operated over the public highways and streets of this state and propelled by power other than muscular power, but excluding traction engines, road rollers, implements of husbandry and other agricultural equipment, and vehicles which run only upon a track.

~~(10)~~⁽¹⁵⁾ “Motor vehicle retail installment seller” or “seller” means a person engaged in the business of selling motor vehicles to retail buyers in retail installment transactions.

~~(11)~~⁽⁴⁾ “Office” means the Office of Financial Regulation of the commission.

~~(12)~~⁽⁴⁰⁾ “Official fees” means fees and charges prescribed by law which actually are or will be paid to public officials for determining the existence of, or for perfecting, releasing, or satisfying, any security related to the credit transaction, or the premium payable for any insurance in lieu of perfecting any security interest otherwise required by the creditor in connection with the transaction, if the premium does not exceed the fees and charges which would otherwise be payable to public officials.

~~(13)~~⁽¹¹⁾ “Person” means an individual, partnership, corporation, association, and any other group however organized.

~~(14)~~⁽¹²⁾ “Principal place of business” means the physical location designated on the licensee’s application for licensure, unless otherwise designated as required by this chapter.

~~(15)~~⁽¹³⁾ “Retail buyer” or “buyer” means a person who buys a motor vehicle from a seller not principally for the purpose of resale, and who executes a retail installment contract in connection therewith or a person who succeeds to the rights and obligations of such person.

~~(16)~~⁽¹⁴⁾ “Retail installment contract” or “contract” means an agreement, entered into in this state, pursuant to which the title to, or a lien upon the motor vehicle, which is the subject matter of a retail installment transaction,

is retained or taken by a seller from a retail buyer as security, in whole or in part, for the buyer's obligation. The term includes a conditional sales contract and a contract for the bailment or leasing of a motor vehicle by which the bailee or lessee contracts to pay as compensation for its use a sum substantially equivalent to or in excess of its value and by which it is agreed that the bailee or lessee is bound to become, or for no further or a merely nominal consideration, has the option of becoming, the owner of the motor vehicle upon full compliance with the provisions of the contract.

~~(17)~~(16) "Retail installment transaction" means any transaction evidenced by a retail installment contract entered into between a retail buyer and a seller wherein the retail buyer buys a motor vehicle from the seller at a deferred payment price payable in one or more deferred installments.

~~(18)~~(17) "Sales finance company" means a person engaged in the business of purchasing retail installment contracts from one or more sellers. The term includes, but is not limited to, a bank or trust company, if so engaged. The term does not include the pledge of an aggregate number of such contracts to secure a bona fide loan thereon.

~~(19)~~(18) Words in the singular include the plural and vice versa.

Section 41. Subsections (2) through (5) of section 520.03, Florida Statutes, are amended to read:

520.03 Licenses.—

(2) An application for a license under this part must be submitted to the office in such form as the commission may prescribe by rule. The commission may require each applicant to provide any information reasonably necessary to determine the applicant's eligibility for licensure. The applicant shall also provide information that the office requires concerning any officer, director, control person, member, partner, or joint venturer of the applicant or any person having the same or substantially similar status or performing substantially similar functions or any individual who is the ultimate equitable owner of a 10-percent or greater interest in the applicant. The office may require information concerning any such applicant or person, including, but not limited to, his or her full name and any other names by which he or she may have been known, age, social security number, residential history, qualifications, educational and business history, and disciplinary and criminal history. If the office determines that an application should be granted, it shall issue the license for a period not to exceed 2 years. A nonrefundable application fee of \$175 shall accompany an initial application for the principal place of business and each application for a branch location of a retail installment seller who is required to be licensed under this chapter. An application is considered received for purposes of s. 120.60 upon receipt of a completed application form as prescribed by commission rule, a nonrefundable application fee of \$175, and any other fee prescribed by law.

(3) The nonrefundable renewal fee for a motor vehicle retail installment seller license shall be \$175. The commission shall establish by rule biennial licensure periods and procedures for renewal of licenses. A license that is not renewed by the end of the biennium established by the commission shall

revert from active to inactive status. An inactive license may be reactivated within 6 months after becoming inactive upon filing a completed reactivation form, payment of the nonrefundable renewal fee, and payment of a reactivation fee equal to the nonrefundable renewal fee. A license that is not reactivated within 6 months after becoming inactive automatically expires.

(4) ~~Each license shall specify the location for which it is issued and must be conspicuously displayed at that location. Prior to relocating a principal place of business or any branch location, the licensee must provide to the office notice of the relocation in a form prescribed by commission rule. A licensee may not transact business as a motor vehicle retail installment seller except under the name by which it is licensed. Licenses issued under this part are not transferable or assignable.~~

(5) The office may deny an initial application for a license under this part if the applicant or any officer, director, control person, member, partner, or joint venturer person with power to direct the management or policies of the applicant is the subject of a pending criminal prosecution or governmental enforcement action, in any jurisdiction, until conclusion of such criminal prosecution or enforcement action.

Section 42. Subsections (10) through (18) of section 520.31, Florida Statutes, are renumbered as subsections (11) through (19), respectively, subsection (4) of that section is renumbered as subsection (10), and a new subsection (4) is added to that section, to read:

520.31 Definitions.—Unless otherwise clearly indicated by the context, the following words when used in this act, for the purposes of this act, shall have the meanings respectively ascribed to them in this section:

(4) “Control person” means an individual, partnership, corporation, trust, or other organization that possesses the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise. A person is presumed to control a company if, with respect to a particular company, that person:

(a) Is a director, general partner, or officer exercising executive responsibility or having similar status or functions;

(b) Directly or indirectly has the right to vote 10 percent or more of a class of a voting security or has the power to sell or direct the sale of 10 percent or more of a class of voting securities; or

(c) In the case of a partnership, has the right to receive upon dissolution or has contributed 10 percent or more of the capital.

Section 43. Subsections (2) through (5) of section 520.32, Florida Statutes, are amended to read:

520.32 Licenses.—

(2) An application for a license under this part must be submitted to the office in such form as the commission may prescribe by rule. The commission

may require each applicant to provide any information reasonably necessary to determine the applicant's eligibility for licensure. The applicant shall also provide information that the office requires concerning any officer, director, control person, member, partner, or joint venturer of the applicant or any person having the same or substantially similar status or performing substantially similar functions or any individual who is the ultimate equitable owner of a 10-percent or greater interest in the applicant. The office may require information concerning any such applicant or person, including his or her full name and any other names by which he or she may have been known, age, social security number, residential history, qualifications, educational and business history, and disciplinary and criminal history. If the office determines that an application should be granted, it shall issue the license for a period not to exceed 2 years. A nonrefundable application fee of \$175 shall accompany an initial application for the principal place of business and each application for a branch location of a retail installment seller. An application is considered received for purposes of s. 120.60 upon receipt of a completed application form as prescribed by commission rule, a nonrefundable application fee of \$175, and any other fee prescribed by law.

(3) The nonrefundable renewal fee for a retail seller license shall be \$175. Biennial licensure periods and procedures for renewal of licenses may also be established by the commission by rule. A license that is not renewed at the end of the biennium established by the commission shall revert from active to inactive status. An inactive license may be reactivated within 6 months after becoming inactive upon filing a completed reactivation form, payment of the nonrefundable renewal fee, and payment of a reactivation fee equal to the nonrefundable renewal fee. A license that is not reactivated within 6 months after becoming inactive automatically expires.

(4) ~~Each license must specify the location for which it is issued and must be conspicuously displayed at that location. If a licensee's principal place of business or branch location changes, the licensee shall notify the office and the office shall endorse the change of location without charge. A licensee may not transact business as a retail installment seller except under the name by which it is licensed. A license issued under this part is not transferable or assignable.~~

(5) The office may deny an initial application for a license under this part if the applicant or any officer, director, control person, member, partner, or joint venturer ~~person with power to direct the management or policies of the applicant is the subject of a pending criminal prosecution or governmental enforcement action, in any jurisdiction, until conclusion of such criminal prosecution or enforcement action.~~

Section 44. Subsections (2) through (5) of section 520.52, Florida Statutes, are amended to read:

520.52 Licensees.—

(2) An application for a license under this part must be submitted to the office in such form as the commission may prescribe by rule. The commission may require each applicant to provide any information reasonably necessary to determine the applicant's eligibility for licensure. The applicant shall also

provide information that the office requires concerning any officer, director, control person, member, partner, or joint venturer of the applicant or any person having the same or substantially similar status or performing substantially similar functions or any individual who is the ultimate equitable owner of a 10-percent or greater interest in the applicant. The office may require information concerning any such applicant or person, including his or her full name and any other names by which he or she may have been known, age, social security number, residential history, qualifications, educational and business history, and disciplinary and criminal history. If the office determines that an application should be granted, it shall issue the license for a period not to exceed 2 years. A nonrefundable application fee of \$175 shall accompany an initial application for the principal place of business and each branch location of a sales finance company. An application is considered received for purposes of s. 120.60 upon receipt of a completed application form as prescribed by commission rule, a nonrefundable application fee of \$175, and any other fee prescribed by law.

(3) The nonrefundable renewal fee for a sales finance company license shall be \$175. Biennial licensure periods and procedures for renewal of licenses may also be established by the commission by rule. A license that is not renewed at the end of the biennium established by the commission shall revert from active to inactive status. An inactive license may be reactivated within 6 months after becoming inactive upon filing a completed reactivation form, payment of the nonrefundable renewal fee, and payment of a reactivation fee equal to the nonrefundable renewal fee. A license that is not reactivated within 6 months after becoming inactive automatically expires.

~~(4) Each license must specify the location for which it is issued and must be conspicuously displayed at that location. If a licensee's principal place of business or branch location changes, the licensee shall notify the office and the office shall endorse the change of location without charge. A licensee may not transact business as a sales finance company except under the name by which it is licensed. A license issued under this part is not transferable or assignable.~~

(5) The office may deny an initial application for a license under this part if the applicant or any officer, director, control person, member, partner, or joint venturer ~~person with power to direct the management or policies~~ of the applicant is the subject of a pending criminal prosecution or governmental enforcement action, in any jurisdiction, until conclusion of such criminal prosecution or enforcement action.

Section 45. Subsections (5), (6), (7), (15), (16), and (22) of section 520.61, Florida Statutes, are renumbered as subsections (7), (5), (16), (22), (15), and (23), respectively, and a new subsection (6) is added to that section to read:

520.61 Definitions.—As used in this act:

(6) "Control person" means an individual, partnership, corporation, trust, or other organization that possesses the power, directly or indirectly, to direct the management or policies of a company, whether through owner-

ship of securities, by contract, or otherwise. A person is presumed to control a company if, with respect to a particular company, that person:

(a) Is a director, general partner, or officer exercising executive responsibility or having similar status or functions;

(b) Directly or indirectly may vote 10 percent or more of a class of a voting security or sell or direct the sale of 10 percent or more of a class of voting securities; or

(c) In the case of a partnership, may receive upon dissolution or has contributed 10 percent or more of the capital.

Section 46. Subsections (2) through (5) of section 520.63, Florida Statutes, are amended to read:

520.63 Licensees.—

(2) An application for a license under this part must be submitted to the office in such form as the commission may prescribe by rule. The commission may require each applicant to provide any information reasonably necessary to determine the applicant's eligibility for licensure. The applicant shall also provide information that the office requires concerning any officer, director, control person, member, partner, or joint venturer of the applicant or any person having the same or substantially similar status or performing substantially similar functions or any individual who is the ultimate equitable owner of a 10-percent or greater interest in the applicant. The office may require information concerning any such applicant or person, including, but not limited to, his or her full name and any other names by which he or she may have been known, age, social security number, residential history, qualifications, educational and business history, and disciplinary and criminal history. If the office determines that an application should be granted, it shall issue the license for a period not to exceed 2 years. A nonrefundable application fee of \$175 shall accompany an initial application for the principal place of business and each application for a branch location of a home improvement finance seller. An application is considered received for purposes of s. 120.60 upon receipt of a completed application form as prescribed by commission rule, a nonrefundable application fee of \$175, and any other fee prescribed by law.

(3) The nonrefundable renewal fee for a home improvement finance license shall be \$175. Biennial licensure periods and procedures for renewal of licenses may also be established by the commission by rule. A license that is not renewed at the end of the biennium established by the commission shall automatically revert from active to inactive status. An inactive license may be reactivated within 6 months after becoming inactive upon filing a completed reactivation form, payment of the nonrefundable renewal fee, and payment of a reactivation fee equal to the nonrefundable renewal fee. A license that is not reactivated within 6 months after becoming inactive automatically expires.

~~(4) Each license must specify the location for which it is issued and must be conspicuously displayed at that location. If a home improvement finance~~

~~seller's principal place of business or any branch location changes, the licensee shall notify the office and the office shall endorse the change of location without charge. A licensee may not transact business as a home improvement finance seller except under the name by which it is licensed. A license issued under this part is not transferable or assignable.~~

(5) The office may deny an initial application for a license under this part if the applicant or any officer, director, control person, member, partner, or joint venturer person with power to direct the management or policies of the applicant is the subject of a pending criminal prosecution or governmental enforcement action, in any jurisdiction, until conclusion of such criminal prosecution or enforcement action.

Section 47. Subsection (5) of section 520.994, Florida Statutes, is amended to read:

520.994 Powers of office.—

(5) The office shall administer and enforce this chapter. The commission has authority to adopt rules pursuant to ss. 120.536(1) and 120.54 to implement the provisions of this chapter. The commission may adopt rules requiring to allow electronic submission of any form, document, or fee required by this chapter if such rules reasonably accommodate technological or financial hardship. The commission may prescribe by rule requirements and procedures for obtaining an exemption due to a technological or financial hardship.

Section 48. Subsections (1) and (4) of section 520.995, Florida Statutes, are amended to read:

520.995 Grounds for disciplinary action.—

(1) The following acts are violations of this chapter and constitute grounds for the disciplinary actions specified in subsection (2):

(a) Failure to comply with any provision of this chapter, any rule or order adopted pursuant to this chapter, or any written agreement entered into with the office.;

(b) Fraud, misrepresentation, deceit, or gross negligence in any home improvement finance transaction or retail installment transaction, regardless of reliance by or damage to the buyer or owner.;

(c) Fraudulent misrepresentation, circumvention, or concealment of any matter required to be stated or furnished to a retail buyer or owner pursuant to this chapter, regardless of reliance by or damage to the buyer or owner.;

(d) Willful imposition of illegal or excessive charges in any retail installment transaction or home improvement finance transaction.;

(e) False, deceptive, or misleading advertising by a seller or home improvement finance seller.;

(f) Failure to maintain, preserve, and keep available for examination, all books, accounts, or other documents required by this chapter, by any rule or order adopted pursuant to this chapter, or by any agreement entered into with the office.;

(g) Refusal to permit inspection of books and records in an investigation or examination by the office or refusal to comply with a subpoena issued by the office.;

(h) Criminal conduct in the course of a person's business as a seller, as a home improvement finance seller, or as a sales finance company.;

(i) Failure to timely pay any fee, charge, or fine imposed or assessed pursuant to this chapter or any rule adopted under this chapter.

(j) Using the name or logo of a financial institution, as defined in s. 655.005(1), or its affiliates or subsidiaries when marketing or soliciting existing or prospective customers if such marketing materials are used without the written consent of the financial institution and in a manner that would lead a reasonable person to believe that the material or solicitation originated from, was endorsed by, or is related to or the responsibility of the financial institution or its affiliates or subsidiaries.

(k) Payment to the office for a license or permit with a check or electronic transmission of funds that is dishonored by the applicant's or licensee's financial institution.

(4) It is sufficient cause for the office to take any of the actions specified in subsection (2) as to any partnership, corporation, or association, if the office finds grounds for such action as to any member of the partnership, as to any officer or director of the corporation or association, or as to any control person, partner, or joint venturer ~~person with power to direct the management or policies~~ of the partnership, corporation, or association.

Section 49. Subsection (4) of section 520.997, Florida Statutes, is amended to read:

520.997 Books, accounts, and records.—

(4) The commission may prescribe by rule the minimum information to be shown in the books, accounts, documents, and records of licensees so that such records will enable the office to determine compliance with ~~the provisions of this chapter. In addition, the commission may prescribe by rule requirements for the destruction of books, accounts, records, and documents retained by the licensee after completion of the time period specified in subsection (3).~~

Section 50. Section 520.999, Florida Statutes, is created to read:

520.999 Requirements of licensees.—

(1) Each licensee under this chapter shall report, on a form prescribed by rule of the commission, any change in the information contained in any

initial application form or any amendment to such application not later than 30 days after the change is effective.

(2) Each licensee under this chapter shall report any changes in the partners, officers, members, joint venturers, directors, or control persons of any licensee or changes in the form of business organization by written amendment in such form and at such time as the commission specifies by rule.

(a) In any case in which a person or a group of persons, directly or indirectly or acting by or through one or more persons, proposes to purchase or acquire a controlling interest in a licensee, such person or group must submit an initial application for licensure before such purchase or acquisition at such time and in such form as the commission prescribes by rule.

(b) As used in subsection, the term "controlling interest" means possession of the power to direct or cause the direction of the management or policies of a company whether through ownership of securities, by contract, or otherwise. Any person who directly or indirectly has the right to vote 25 percent or more of the voting securities of a company or is entitled to 25 percent or more of its profits is presumed to possess a controlling interest.

(c) Any addition of a partner, officer, member, joint venturer, director, or control person of the applicant who does not have a controlling interest and who has not previously complied with the provisions of ss. 520.03(2), 520.32(2), 520.52(2), and 520.63(2) shall be subject to such provisions unless required to file an initial application in accordance with paragraph (a). If the office determines that the licensee does not continue to meet licensure requirements, the office may bring administrative action in accordance with s. 520.995 to enforce the provisions of this chapter.

(d) The commission shall adopt rules pursuant to ss. 120.536(1) and 120.54 providing for the waiver of the application required by this subsection if the person or group of persons proposing to purchase or acquire a controlling interest in a licensee has previously complied with the provisions of ss. 520.03(2), 520.32(2), 520.52(2), and 520.63(2) with the same legal entity or is currently licensed with the office under this chapter.

Section 51. Subsection (5) of section 537.009, Florida Statutes, is amended to read:

537.009 Recordkeeping; reporting; safekeeping of property.—

(5) The commission may prescribe by rule the books, accounts, documents, and records, and the minimum information to be shown in the books, accounts, documents, and records, of licensees so that such records will enable the office to determine compliance with the provisions of this act. In addition, the commission may prescribe by rule requirements for the destruction of books, accounts, records, and documents retained by the licensee after completion of the time period specified in subsection (3).

Section 52. Paragraph (e) of subsection (2) of section 559.9232, Florida Statutes, is amended to read:

559.9232 Definitions; exclusion of rental-purchase agreements from certain regulations.—

(2) A rental-purchase agreement that complies with this act shall not be construed to be, nor be governed by, any of the following:

(e) A lease or agreement which constitutes a “retail installment contract” or “retail installment transaction” as those terms are defined in s. 520.31~~(13)~~ and (14); or

Section 53. Subsection (3) is added to section 560.105, Florida Statutes, to read:

560.105 Supervisory powers; rulemaking.—

(3) The commission may adopt rules pursuant to ss. 120.536(1) and 120.54 requiring electronic submission of any forms, documents, or fees required by this code if such rules reasonably accommodate technological or financial hardship. The commission may prescribe by rule requirements and procedures for obtaining an exemption due to a technological or financial hardship.

Section 54. Paragraph (y) is added to subsection (1) of section 560.114, Florida Statutes, to read:

560.114 Disciplinary actions.—

(1) The following actions by a money transmitter or money transmitter-affiliated party are violations of the code and constitute grounds for the issuance of a cease and desist order, the issuance of a removal order, the denial of a registration application or the suspension or revocation of any registration previously issued pursuant to the code, or the taking of any other action within the authority of the office pursuant to the code:

(y) Payment to the office for a license or permit with a check or electronic transmission of funds that is dishonored by the applicant's or licensee's financial institution.

Section 55. Subsection (2) of section 560.121, Florida Statutes, is amended to read:

560.121 Records; limited restrictions upon public access.—

(2) The commission may prescribe by rule the minimum information that must be shown in the books, accounts, records, and documents of licensees for purposes of enabling the office to determine the licensee's compliance with this chapter. In addition, the commission may prescribe by rule requirements for the destruction of books, accounts, records, and documents retained by the licensee after completion of the time period specified in this subsection. Examination reports, investigatory records, applications, and related information compiled by the office, or photographic copies thereof, shall be retained by the office for a period of at least 3 years following the date that the examination or investigation ceases to be active. Application records, and related information compiled by the office, or photographic

copies thereof, shall be retained by the office for a period of at least 2 years following the date that the registration ceases to be active.

Section 56. Section 560.126, Florida Statutes, is amended to read:

560.126 Significant events; notice required.—

(1) Unless exempted by the office, every money transmitter must provide the office with a written notice within 30 ~~15~~ days after the occurrence or knowledge of, whichever period of time is greater, any of the following events:

(a)(1) The filing of a petition under the United States Bankruptcy Code for bankruptcy or reorganization by the money transmitter.

(b)(2) The commencement of any registration suspension or revocation proceeding, either administrative or judicial, or the denial of any original registration request or a registration renewal, by any state, the District of Columbia, any United States territory, or any foreign country, in which the money transmitter operates or plans to operate or has registered to operate.

(c)(3) A felony indictment relating to the money transmission business involving the money transmitter or a money transmitter-affiliated party of the money transmitter.

(d)(4) The felony conviction, guilty plea, or plea of nolo contendere, if the court adjudicates the nolo contendere pleader guilty, or the adjudication of guilt of a money transmitter or money transmitter-affiliated party.

(e)(5) The interruption of any corporate surety bond required by the code.

(f)(6) Any suspected criminal act, as defined by the commission by rule, perpetrated in this state against a money transmitter or authorized vendor.

However, a person does not incur liability ~~no liability shall be incurred by any person~~ as a result of making a good-faith ~~good faith~~ effort to fulfill this disclosure requirement.

(2)(a) Each registrant under this code shall report, on a form prescribed by rule of the commission, any change in the information contained in any initial application form or any amendment thereto not later than 30 days after the change is effective.

(b) Each registrant under the code shall report any changes in the partners, officers, members, joint venturers, directors, controlling shareholders, or responsible persons of any registrant or changes in the form of business organization by written amendment in such form and at such time as the commission specifies by rule.

1. In any case in which a person or a group of persons, directly or indirectly or acting by or through one or more persons, proposes to purchase or acquire a controlling interest in a licensee, such person or group must submit an initial application for registration as a money transmitter before such

purchase or acquisition at such time and in such form as the commission prescribes by rule.

2. As used in this subsection, the term “controlling interest” means possession of the power to direct or cause the direction of the management or policies of a company whether through ownership of securities, by contract, or otherwise. Any person who directly or indirectly has the right to vote 25 percent or more of the voting securities of a company or is entitled to 25 percent or more of its profits is presumed to possess a controlling interest.

3. Any addition of a partner, officer, member, joint venturer, director, controlling shareholder, or responsible person of the applicant who does not have a controlling interest and who has not previously complied with ss. 560.205 and 560.306 shall be subject to such provisions unless required to file an initial application in accordance with subparagraph 1. If the office determines that the registrant does not continue to meet registration requirements, the office may bring administrative action in accordance with s. 560.114 to enforce the provisions of this code.

4. The commission shall adopt rules pursuant to ss. 120.536(1) and 120.54 providing for the waiver of the application required by this subsection if the person or group of persons proposing to purchase or acquire a controlling interest in a registrant has previously complied with the provisions of ss. 560.205 and 560.306 with the same legal entity or is currently registered with the office under this code.

Section 57. Section 560.127, Florida Statutes, is amended to read:

560.127 Control of a money transmitter.—

(1) A person has control over a money transmitter if:

(1)(a) The individual, partnership, corporation, trust, or other organization possesses the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise. A person is presumed to control a company if, with respect to a particular company, that person:

(a) Is a director, general partner, or officer exercising executive responsibility or having similar status or functions;

(b) Directly or indirectly may vote 25 percent or more of a class of a voting security or sell or direct the sale of 25 percent or more of a class of voting securities; or

(c) In the case of a partnership, may receive upon dissolution or has contributed 25 percent or more of the capital. ~~The person directly or indirectly or acting through one or more other persons owns, controls, or has power to vote 25 percent or more of any class of voting securities of the money transmitter; or~~

(2)(b) The office determines, after notice and opportunity for hearing, that the person directly or indirectly exercises a controlling influence over the activities of the money transmitter.

~~(2) In any case in which a person or a group of persons, directly or indirectly or acting by or through one or more persons, proposes to purchase or acquire a controlling interest in a money transmitter, and thereby to change the control of that money transmitter, each person or group of persons shall provide written notice to the office.~~

~~(a) A money transmitter whose stock is traded on an organized stock exchange shall provide the office with written notice within 15 days after knowledge of such change in control.~~

~~(b) A money transmitter whose stock is not publicly traded shall provide the office with not less than 30 days' prior written notice of such proposed change in control.~~

~~(3) After a review of the written notification, the office may require the money transmitter to provide additional information relating to other and former addresses, and the reputation, character, responsibility, and business affiliations, of the proposed new owner or each of the proposed new owners of the money transmitter.~~

~~(a) The office may deny the person or group of persons proposing to purchase, or who have acquired control of, a money transmitter if, after investigation, the office determines that the person or persons are not qualified by reputation, character, experience, or financial responsibility to control or operate the money transmitter in a legal and proper manner and that the interests of the other stockholders, if any, or the interests of the public generally may be jeopardized by the proposed change in ownership, controlling interest, or management.~~

~~(b) The office may disapprove any person who has been convicted of, or pled guilty or nolo contendere to, a violation of s. 560.123, s. 655.50, chapter 896, or any similar state, federal, or foreign law.~~

Section 58. Section 560.205, Florida Statutes, is amended to read:

560.205 Qualifications of applicant for registration; contents.—

(1) To qualify for registration under this part, an applicant must demonstrate to the office such character and general fitness as to command the confidence of the public and warrant the belief that the registered business will be operated lawfully and fairly. The office may investigate each applicant to ascertain whether the qualifications and requirements prescribed by this part have been met. The office's investigation may include a criminal background investigation of all controlling shareholders, principals, officers, directors, members, and responsible persons of a funds transmitter and a payment instrument seller and all persons designated by a funds transmitter or payment instrument seller as an authorized vendor. Each controlling shareholder, principal, officer, director, member, and responsible person of a funds transmitter or payment instrument seller, unless the applicant is a publicly traded corporation as defined by the commission by rule, a subsidiary thereof, or a subsidiary of a bank or bank holding company organized and regulated under the laws of any state or the United States, shall file a complete set of fingerprints. A fingerprint card submitted to the office must

be taken by an authorized law enforcement agency officer. The office shall submit the Such fingerprints must be submitted to the Department of Law Enforcement for state processing and the Department of Law Enforcement shall forward the fingerprints to or the Federal Bureau of Investigation for state and federal processing. The cost of the fingerprint processing may be borne by the office, the employer, or the person subject to the background check. The Department of Law Enforcement shall submit an invoice to the office for the fingerprints received each month. The office shall screen the background results to determine if the applicant meets licensure requirements. The commission may waive by rule the requirement that applicants file a set of fingerprints or the requirement that such fingerprints be processed by the Department of Law Enforcement or the Federal Bureau of Investigation.

(2) Each application for registration must be submitted under oath to the office on such forms as the commission prescribes by rule and must be accompanied by a nonrefundable application fee. Such fee may not exceed \$500 for each payment instrument seller or funds transmitter and \$50 for each authorized vendor or location operating within this state. The application must contain forms shall set forth such information as the commission reasonably requires by rule, including, but not limited to:

(a) The name and address of the applicant, including any fictitious or trade names used by the applicant in the conduct of its business.

(b) The history of the applicant's material litigation, criminal convictions, pleas of nolo contendere, and cases of adjudication withheld.

(c) A description of the activities conducted by the applicant, the applicant's history of operations, and the business activities in which the applicant seeks to engage in this state.

~~(d) A list identifying the applicant's proposed authorized vendors in this state, including the location or locations in this state at which the applicant and its authorized vendors propose to conduct registered activities.~~

~~(d)(e)~~ A sample authorized vendor contract, if applicable.

~~(e)(f)~~ A sample form of payment instrument, if applicable.

~~(f)(g)~~ The name and address of the clearing financial institution or financial institutions through which the applicant's payment instruments will be drawn or through which such payment instruments will be payable.

~~(g)(h)~~ Documents revealing that the net worth and bonding requirements specified in s. 560.209 have been or will be fulfilled.

(3) Each application for registration by an applicant that is a corporation shall contain also set forth such information as the commission reasonably requires by rule, including, but not limited to:

(a) The date of the applicant's incorporation and state of incorporation.

(b) A certificate of good standing from the state or country in which the applicant was incorporated.

(c) A description of the corporate structure of the applicant, including the identity of any parent or subsidiary of the applicant, and the disclosure of whether any parent or subsidiary is publicly traded on any stock exchange.

(d) The name, social security number, business and residence addresses, and employment history for the past 5 years for each executive officer, each director, each controlling shareholder, and the responsible person who will be in charge of all the applicant's business activities in this state.

(e) The history of material litigation and criminal convictions, pleas of nolo contendere, and cases of adjudication withheld for each ~~executive officer~~, each director, each controlling shareholder, and the responsible person who will be in charge of the applicant's registered activities.

(f) Copies of the applicant's audited financial statements for the current year and, if available, for the immediately preceding 2-year period. In cases where the applicant is a wholly owned subsidiary of another corporation, the parent's consolidated audited financial statements may be submitted to satisfy this requirement. An applicant who is not required to file audited financial statements may satisfy this requirement by filing unaudited financial statements verified under penalty of perjury, as provided by the commission by rule.

(g) An applicant who is not required to file audited financial statements may file copies of the applicant's unconsolidated, unaudited financial statements for the current year and, if available, for the immediately preceding 2-year period.

(h) If the applicant is a publicly traded company, copies of all filings made by the applicant with the United States Securities and Exchange Commission, or with a similar regulator in a country other than the United States, within the year preceding the date of filing of the application.

(4) Each application for registration submitted to the office by an applicant that is not a corporation shall contain ~~also set forth~~ such information as the commission ~~reasonably~~ requires by rule, including, but not limited to:

(a) Evidence that the applicant is registered to do business in this state.

(b) The name, business and residence addresses, personal financial statement and employment history for the past 5 years for each individual having a controlling ownership interest in the applicant, and each responsible person who will be in charge of the applicant's registered activities.

(c) The history of material litigation and criminal convictions, pleas of nolo contendere, and cases of adjudication withheld for each individual having a controlling ownership interest in the applicant and each responsible person who will be in charge of the applicant's registered activities.

(d) Copies of the applicant's audited financial statements for the current year, and, if available, for the preceding 2 years. An applicant who is not

required to file audited financial statements may satisfy this requirement by filing unaudited financial statements verified under penalty of perjury, as provided by the commission by rule.

(5) Each applicant shall designate and maintain an agent in this state for service of process.

Section 59. Section 560.207, Florida Statutes, is amended to read:

560.207 Renewal of registration; registration fee.—

(1) ~~Registration may be renewed for a 24-month period or the remainder of any such period without proration following the date of its expiration by furnishing such information as the commission requires by rule, together with the payment of the fees required under subsections (2), (3), and (4), upon the filing with the office of an application and other statements and documents as may reasonably be required of registrants by the commission. However, the registrant must remain qualified for such registration under the provisions of this part.~~

(2) ~~Each renewal of All registration must renewal applications shall be accompanied by a nonrefundable renewal fee not to exceed \$1,000. A registration expires on April 30 of the year in which the existing registration expires, unless the registrant has renewed his or her registration on or before that date. In no event shall a registration be issued for a period in excess of 24 months. The commission may adopt rules pursuant to ss. 120.536(1) and 120.54 to implement this section All renewal applications must be filed on or after January 1 of the year in which the existing registration expires, but before the expiration date of April 30. If the renewal application is filed prior to the expiration date of an existing registration, no late fee shall be paid in connection with such renewal application. If the renewal application is filed within 60 calendar days after the expiration date of an existing registration, then, in addition to the \$1,000 renewal fee, the renewal application shall be accompanied by a nonrefundable late fee of \$500. If the registrant has not filed a renewal application within 60 calendar days after the expiration date of an existing registration, a new application shall be filed with the office pursuant to s. 560.205.~~

(3) ~~In addition to the renewal fee required under subsection (2), each registrant must pay Every registration renewal application shall also include a 2-year nonrefundable registration renewal fee of \$50 for each authorized vendor or location operating within this state or, at the option of the registrant, a total 2-year nonrefundable renewal fee of \$20,000 may be paid to renew the registration of all such locations currently registered at the time of renewal.~~

(4) ~~A registration may be reinstated only if the renewal fee and a nonrefundable late fee of \$500 are filed within 60 calendar days after the expiration of the existing registration. The office shall grant a reinstatement of registration if an application is filed during the 60-day period, and the reinstatement is effective upon receipt of the required fees and any information that the commission requires by rule. If a registrant does not file an application for reinstatement of the registration within the 60 calendar days~~

after expiration of an existing registration, the registration expires and a new application must be filed with the office pursuant to s. 560.205.

Section 60. Subsection (1) of section 560.210, Florida Statutes, is amended to read:

560.210 Permissible investments.—

(1) A registrant shall at all times possess permissible investments with an aggregate market value calculated in accordance with United States generally accepted accounting principles of not less than the aggregate face amount of all outstanding funds transmissions transmitted and outstanding payment instruments issued or sold by the registrant or an authorized vendor in the United States.

Section 61. Subsection (2) of section 560.211, Florida Statutes, is amended to read:

560.211 Records.—

(2) The records required to be maintained by the code may be maintained by the registrant at any location ~~if, provided that~~ the registrant notifies the office in writing of the location of the records in its application or otherwise by amendment as prescribed by commission rule. The registrant shall make such records available to the office for examination and investigation in this state, as permitted by the code, within 7 days after receipt of a written request.

Section 62. Section 560.305, Florida Statutes, is amended to read:

560.305 Application.—Each application for registration ~~must shall~~ be in writing and under oath to the office, in such form as the commission prescribes. The application must contain such information as the commission requires by rule, including, but not limited to shall include the following:

(1) The legal name, social security number, and residence and business addresses of the applicant if the applicant is a natural person, or, if the applicant is a partnership, association, or corporation, the name of every partner, officer, ~~or~~ director, member, controlling shareholder, or responsible person thereof.

(2) The location of the principal office of the applicant.

(3) The complete address of any other locations at which the applicant proposes to engage in such activities since the provisions of registration apply to each and every operating location of a registrant.

(4) Such other information as the commission or office reasonably requires with respect to the applicant or any money transmitter-affiliated party of the applicant; however, the commission or office may not require more information than is specified in part II.

Section 63. Subsections (1) and (4) of section 560.306, Florida Statutes, are amended to read:

560.306 Standards.—

(1) In order to qualify for registration under this part, an applicant must demonstrate to the office that he or she has such character and general fitness as will command the confidence of the public and warrant the belief that the registered business will be operated lawfully and fairly. The office may investigate each applicant to ascertain whether the qualifications and requirements prescribed by this part have been met. The office's investigation may include a criminal background investigation of all controlling shareholders, principals, officers, directors, members, and responsible persons of a check casher and a foreign currency exchanger and all persons designated by a foreign currency exchanger or check casher as an authorized vendor. Each controlling shareholder, principal, officer, director, member, and responsible person of a check casher or foreign currency exchanger, unless the applicant is a publicly traded corporation as defined by the commission by rule, a subsidiary thereof, or a subsidiary of a bank or bank holding company organized and regulated under the laws of any state or the United States, shall file a complete set of fingerprints. A fingerprint card submitted to the office must be taken by an authorized law enforcement agency officer. The office shall submit the ~~Such fingerprints must be submitted~~ to the Department of Law Enforcement for state processing and the Department of Law Enforcement shall forward the fingerprints to ~~or the Federal Bureau of Investigation for state and federal processing. The cost for the fingerprint processing may be borne by the office, the employer, or the person subject to the background check. The Department of Law Enforcement shall submit an invoice to the office for the fingerprints received each month. The office shall screen the background results to determine if the applicant meets licensure requirements. The commission may waive by rule the requirement that applicants file a set of fingerprints or the requirement that such fingerprints be processed by the Department of Law Enforcement or the Federal Bureau of Investigation.~~

(4) Each registration application and renewal application must specify the location at which the applicant proposes to establish its principal place of business and any other location, including authorized vendors operating in this state. The registrant shall notify the office of any changes to any such locations. ~~Any registrant may satisfy this requirement by providing the office with a list of such locations, including all authorized vendors operating in this state, not less than annually.~~ A registrant may not transact business as a check casher or a foreign currency exchanger except pursuant to the name under which it is registered.

Section 64. Section 560.308, Florida Statutes, is amended to read:

560.308 Registration terms; renewal; renewal fees.—

(1) Registration may be renewed for a 24-month period, or the remainder of any such period without proration, following the date of its expiration by furnishing such information as the commission requires by rule, together with the payment of the fees required under subsections (2), (3), and (4). Registration pursuant to this part shall remain effective through the remainder of the second calendar year following its date of issuance unless

during such calendar year the registration is surrendered, suspended, or revoked.

(2) ~~Each application for renewal of registration must be accompanied by~~ The office shall renew registration upon receipt of a completed renewal form and payment of a nonrefundable renewal fee not to exceed \$500. A registration expires on December 31 of the year in which the existing registration expires, unless the registrant has renewed his or her registration on or before that date ~~The completed renewal form and payment of the renewal fee shall occur on or after June 1 of the year in which the existing registration expires.~~

(3) In addition to the renewal fee required by subsection (2), each registrant must pay a 2-year nonrefundable registration renewal fee of \$50 for each authorized vendor or location operating within this state or, at the option of the registrant, a total 2-year nonrefundable renewal fee of \$20,000 may be paid to renew the registration of all such locations currently registered at the time of renewal.

(4) ~~Registration that is not renewed on or before the expiration date of the registration period automatically expires.~~ A renewal application and fee, and a nonrefundable late fee of \$250, must be filed within 60 calendar days after the expiration of an existing registration in order for the registration to be reinstated. The office shall grant a reinstatement of registration if application is filed during the 60-day period, and the reinstatement is effective upon receipt of the required fees and any information that the commission requires by rule. If the registrant has not filed an a renewal application within 60 calendar days after the expiration date of an existing registration, the registration expires and a new application must be filed with the office pursuant to s. 560.307.

Section 65. Subsection (2) of section 560.310, Florida Statutes, is amended to read:

560.310 Records of check cashers and foreign currency exchangers.—

(2) The records required to be maintained by the code may be maintained by the registrant at any location ~~if, provided that~~ the registrant notifies the office, in writing, of the location of the records in its application or otherwise by amendment as prescribed by commission rule. The registrant shall make such records available to the office for examination and investigation in this state, as permitted by the code, within 7 days after receipt of a written request.

Section 66. Subsections (2) and (4) of section 560.403, Florida Statutes, are amended to read:

560.403 Requirements of registration; declaration of intent.—

(2) A registrant under this part shall renew his or her intent to engage in the business of deferred presentment transactions or to act as a deferred presentment provider upon renewing his or her registration under part II or part III and shall do so by indicating his or her intent ~~on the renewal form~~

and by submitting a nonrefundable deferred presentment provider renewal fee of \$1,000, in addition to any fees required for renewal of registration under part II or part III.

(4) The notice of intent of a registrant under this part who fails to timely renew his or her intent to engage in the business of deferred presentment transactions or to act as a deferred presentment provider on or before the expiration date of the registration period automatically expires. A renewal ~~declaration of intent and fee,~~ and a nonrefundable late fee of \$500, must be filed within 60 calendar days after the expiration of an existing registration in order for the declaration of intent to be reinstated. The office shall grant a reinstatement of registration if application is filed during the 60-day period, and the reinstatement is effective upon receipt of the required fees and any information that the commission requires by rule. If the registrant has not filed a reinstatement of a renewal declaration of intent within 60 calendar days after the expiration date of an existing registration, the notice of intent expires and a new declaration of intent must be filed with the office.

Section 67. Section 655.935, Florida Statutes, is amended to read:

655.935 Search procedure on death of lessee.—If satisfactory proof of the death of the lessee is presented, a lessor shall permit the person named in a court order for the purpose, or if no order has been served upon the lessor, the spouse, a parent, an adult descendant, or a person named as a personal representative in a copy of a purported will produced by such person, to open and examine the contents of a safe-deposit box leased or co-leased by a decedent, or any documents delivered by a decedent for safekeeping, in the presence of an officer of the lessor; and the lessor, if so requested by such person, shall deliver:

(1) Any writing purporting to be a will of the decedent, to the court having probate jurisdiction in the county in which the financial institution is located;

(2) Any writing purporting to be a deed to a burial plot or to give burial instructions, to the person making the request for a search; and

(3) Any document purporting to be an insurance policy on the life of the decedent, to the beneficiary named therein.

No other contents may be removed pursuant to this section and access granted pursuant to this section shall not be considered the initial opening of the safe-deposit box pursuant to s. 733.6065 by a personal representative appointed by a court in this state.

Section 68. Subsections (1) and (2) of section 655.936, Florida Statutes, are amended to read:

655.936 Delivery of safe-deposit box contents or property held in safekeeping to personal representative.—

(1) Subject to the provisions of subsection (3), the lessor shall immediately deliver to a ~~resident~~ personal representative appointed by a court in

this state, upon presentation of a certified copy of his or her letters of authority, all property deposited with it by the decedent for safekeeping, and shall grant the ~~resident~~ personal representative access to any safe-deposit box in the decedent's name and permit him or her to remove from such box any part or all of the contents thereof.

(2) If a ~~foreign~~ personal representative of a deceased lessee has been appointed by a court of any other state, a lessor may, at its discretion, after 3 months from the issuance to such ~~foreign~~ personal representative of his or her letters of authority, deliver to such ~~foreign~~ personal representative all properties deposited with it for safekeeping and the contents of any safe-deposit box in the name of the decedent if at such time the lessor has not received written notice of the appointment of a personal representative in this state, and such delivery is a valid discharge of the lessor for all property or contents so delivered. A Such ~~foreign~~ personal representative appointed by a court of any other state shall furnish the lessor with an affidavit setting forth facts showing the domicile of the deceased lessee to be other than this state and stating that there are no unpaid creditors of the deceased lessee in this state, together with a certified copy of his or her letters of authority. A lessor making delivery pursuant to this subsection shall maintain in its files a receipt executed by such ~~foreign~~ personal representative which itemizes in detail all property so delivered.

Section 69. Section 655.937, Florida Statutes, is amended to read:

655.937 Access to safe-deposit boxes leased in two or more names.—

(1) Unless ~~When~~ specifically provided in the lease or rental agreement to the contrary, if covering a safe-deposit box is heretofore or hereafter rented or leased in the names of two or more lessees, ~~that access to the safe-deposit box will be granted to either lessee, or to either or the survivor,~~ access to the safe-deposit box shall be granted to:

(a) Either or any of such lessees, regardless of whether or not the other lessee or lessees or any of them are living or competent,~~;~~ ~~or~~

(b) Subject to s. 655.933, those persons named in s. 655.933.

(c) Subject to s. 655.935, those persons named in s. 655.935.

(d)(b) Subject to s. 773.6065, the personal representative of the estate of either or any of such lessees who is deceased, or the guardian of the property of either or any of such lessees who is incapacitated.

(2) In all cases described in subsection (1),; and, in either such case, the provisions of s. 655.933 apply, and the signature on the safe-deposit entry or access record,(or the receipt or acquittance, in the case of property or documents otherwise held for safekeeping,) is a valid and sufficient release and discharge to the lessor for granting access to such safe-deposit box or for the delivery of such property or documents otherwise held for safekeeping.

~~(3)(2)~~ A lessor may not be held liable for damages or penalty by reason of any access granted or delivery made pursuant to this section.

(4) The right of access by a co-lessee is separate from the rights and responsibilities of other persons who may be granted access to a safe-deposit box after the death or incapacity of another co-lessee and such right of access is not subject to the provisions of s. 655.935 or s. 733.6065 or other requirements imposed upon personal representatives, guardians, or other fiduciaries.

(5) After the death of a co-lessee, the surviving co-lessee or any other person who is granted access to the safe-deposit box pursuant to this section may make a written inventory of the box, which must be conducted by the person making the request in the presence of one other person as specified in this section. Each person present shall verify the contents of the box by signing a copy of the inventory under penalty of perjury.

(a) If the person making the written inventory is the surviving co-lessee, the other person may be any other person granted access pursuant to this section, an employee of the institution where the box is located, or an attorney licensed in this state.

(b) If the person making the written inventory is not a surviving co-lessee, the other person may be a surviving co-lessee, an employee of the institution where the box is located, or an attorney licensed in this state.

Section 70. Effective upon this act becoming a law, subsection (3) of section 679.705, Florida Statutes, is amended to read:

679.705 Effectiveness of action taken before effective date.—

(3) This act does not render ineffective an effective financing statement that, before this act takes effect, is filed and satisfies the applicable requirements for perfection under the law of the jurisdiction governing perfection as provided in s. 679.103, Florida Statutes 2000. However, except as otherwise provided in subsections (4) and (5) and s. 679.706, the financing statement ceases to be effective at the earlier of:

(a) The time the financing statement would have ceased to be effective under the law of the jurisdiction in which it is filed; or

(b) December 31 ~~June 30~~, 2006.

Section 71. Section 733.6065, Florida Statutes, is amended to read:

733.6065 Opening safe-deposit box.—

(1) Subject to the provisions of s. 655.936(2), the initial opening of ~~a the decedent's~~ a safe-deposit box ~~that is leased or co-leased by the decedent~~ shall be conducted in the presence of any two of the following persons: an employee of the institution where the box is located, the personal representative, or the personal representative's attorney of record. Each person who is present must verify the contents of the box by signing a copy of the inventory under penalties of perjury. The personal representative shall file the safe-deposit box inventory, together with a copy of the box entry record from a date which is 6 months prior to the date of death to the date of inventory,

with the court within 10 days after the box is opened. Unless otherwise ordered by the court, this inventory and the attached box entry record is subject to inspection only by persons entitled to inspect an inventory under s. 733.604(1). The personal representative may remove the contents of the box.

(2) The right to open and examine the contents of a safe-deposit box leased by a decedent, or any documents delivered by a decedent for safekeeping, and to receive items as provided for in s. 655.935 are separate from in addition to the rights provided for in subsection (1).

Section 72. For the 2006-2007 fiscal year, the recurring sum of \$700,515 is appropriated from the Regulatory Trust Fund to the Office of Financial Regulation for the purpose of implementing the provisions of s. 494.0033(2)(b), Florida Statutes, for third-party administration of the mortgage broker test.

Section 73. Except as otherwise expressly provided in this act, this act shall take effect October 1, 2006.

Approved by the Governor June 13, 2006.

Filed in Office Secretary of State June 13, 2006.