

1 HB526  
2 176321-1  
3 By Representative Scott  
4 RFD: Financial Services  
5 First Read: 12-APR-16

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8 SYNOPSIS: This bill would create the Alabama Motor  
9 Vehicle Title Loan Act.

10 The bill would: Require licensure by the  
11 State Banking Department for a person to act as a  
12 title loan lender; provide for the application for  
13 licensure; require a bond and a nonrefundable  
14 application and investigation fee; provide for  
15 inactive licenses, renewal and reactivation of  
16 licenses, a fee for the license, and for the  
17 denial, suspension, or revocation of licenses.

18 The bill would specify acts which constitute  
19 violations for which certain disciplinary actions  
20 may be taken; would provide for the imposition of  
21 fines and criminal penalties; and would provide  
22 remedies for title loans made or serviced without  
23 proper licensure.

24 The bill would establish requirements for a  
25 title loan agreement; would provide for reclaiming  
26 a repossessed motor vehicle under certain  
27 circumstances; and would provide payment of excess

1 proceeds from a sale or disposal of a motor  
2 vehicle.

3 The bill would provide for title loan  
4 interest rates; would prohibit extensions; would  
5 provide for return of principal and interest to the  
6 borrower under certain circumstances; and provide  
7 for a holding period when there is a failure to  
8 reclaim loan property.

9 Amendment 621 of the Constitution of Alabama  
10 of 1901 prohibits a general law whose purpose or  
11 effect would be to require a new or increased  
12 expenditure of local funds from becoming effective  
13 with regard to a local governmental entity without  
14 enactment by a 2/3 vote unless: it comes within one  
15 of a number of specified exceptions; it is approved  
16 by the affected entity; or the Legislature  
17 appropriates funds, or provides a local source of  
18 revenue, to the entity for the purpose.

19 The purpose or effect of this bill would be  
20 to require a new or increased expenditure of local  
21 funds within the meaning of Amendment 621. However,  
22 the bill does not require approval of a local  
23 governmental entity or enactment by a 2/3 vote to  
24 become effective because it comes within one of the  
25 specified exceptions contained in Amendment 621.

26  
27 A BILL

1 TO BE ENTITLED

2 AN ACT

3  
4 Relating to title loan transactions; creating the  
5 Alabama Motor Vehicle Title Loan Act; to require and establish  
6 requirements for licensure by the State Banking Department to  
7 act as a title loan lender; to specify acts which would  
8 constitute violations for which certain disciplinary actions  
9 may be taken; to provide for fines and criminal penalties; to  
10 provide for the title loan agreement; to provide for title  
11 loan interest rates; to prohibit extension of a loan; to  
12 provide for return of principal and interest to the borrower  
13 under certain circumstances; to provide a holding period when  
14 there is a failure to reclaim; to provide for the disposal of  
15 pledged property; to provide for a title loan lenders lien; to  
16 provide for criminal penalties; to provide for investigations  
17 and complaints; and in connection therewith would have as its  
18 purpose or effect the requirement of a new or increased  
19 expenditure of local funds within the meaning of Amendment 621  
20 of the Constitution of Alabama of 1901.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. Chapter 27, commencing with Section  
23 5-27-1, is added to Title 5 of the Code of Alabama 1975, to  
24 read as follows:

25 §5-27-1.

26 This chapter shall be known as the Alabama Motor  
27 Vehicle Title Loan Act.

1 §5-27-2.

2 The Legislature finds that there exists among the  
3 citizens of this state a demand for motor vehicle title loans  
4 and that it is the intent of the Legislature to bring such  
5 loans under public supervision, to eliminate practices that  
6 facilitate the abuse of borrowers, to establish a system of  
7 regulation for the purpose of insuring honest and efficient  
8 motor vehicle title loan service and stimulating competitive  
9 reductions in charges, to allow lenders who meet the  
10 conditions of this chapter a rate of charge sufficiently high  
11 to permit a business profit and to provide the administrative  
12 machinery necessary for effective enforcement. This chapter  
13 shall be liberally construed to effectuate its purpose as a  
14 consumer protection statute.

15 §5-27-3.

16 As used in this chapter, the following terms shall  
17 have the following meanings:

18 (1) BOND. Any form of financial instrument that  
19 provides security equivalent to that provided by a bond.

20 (2) BUSINESS DAY. A day on which the licensee's  
21 office is open for business.

22 (3) DEPARTMENT. The State Banking Department.

23 (4) DUPLICATE ORIGINAL. An exact copy of a signed  
24 original.

25 (5) GOOD FUNDS INSTRUMENT. A certified check,  
26 cashier's check, money order, or, if the licensee is equipped

1 to handle and willing to accept such payments, payment by use  
2 of a credit card.

3 (6) LICENSEE. A person to whom a license has been  
4 issued under this chapter.

5 (7) LIQUID ASSETS. Cash in depository institutions,  
6 money market funds, commercial paper, and Treasury bills.

7 (8) MOTOR VEHICLE. As defined under Title 32,  
8 Chapter 2, and subjected to titling thereunder.

9 (9) MOTOR VEHICLE TITLE LOAN or TITLE LOAN. A loan  
10 secured by a non-purchase money security interest in a motor  
11 vehicle.

12 (10) MOTOR VEHICLE TITLE LOAN AGREEMENT or LOAN  
13 AGREEMENT. A written document that sets out the terms and  
14 conditions under which a licensee agrees to make a motor  
15 vehicle title loan to a borrower and the borrower agrees to  
16 give to the licensee a security interest in a motor vehicle  
17 owned by the borrower to secure repayment of the motor vehicle  
18 title loan and performance of the other obligations under the  
19 loan agreement.

20 (11) PERSON. An individual, group of individuals,  
21 partnership, association, corporation, or any other business  
22 unit or legal entity.

23 (12) PRINCIPAL. Any person who, directly or  
24 indirectly, owns or controls the following:

25 a. Ten percent or more of the outstanding stock of a  
26 stock corporation.

1                   b. A 10 percent or greater interest in any other  
2 type of entity.

3                   (13) SUPERVISOR. The Supervisor, Bureau of Loans, or  
4 his or her designee.

5                   §5-27-4.

6                   Unless exempted from the provisions of this chapter  
7 pursuant to Section 5-27-5, a person may not engage in any of  
8 the following:

9                   (1) In the business of making motor vehicle title  
10 loans to residents of Alabama or to any individuals in  
11 Alabama, whether or not the person has a location in Alabama,  
12 except in accordance with the provisions of this chapter and  
13 without having first obtained a license under this chapter  
14 from the supervisor.

15                   (2) In the business of arranging or brokering motor  
16 vehicle title loans for residents of Alabama, or any  
17 individuals in Alabama, whether or not the person has a  
18 location in Alabama.

19                   §5-27-5.

20                   (a) The provisions of this chapter shall not apply  
21 to any of the following:

22                   (1) A bank or credit union or a person licensed  
23 under Chapter 19 that does not elect to become licensed under  
24 this chapter, except the exemption as to banks or credit  
25 unions shall not apply to subsidiaries of those exempt  
26 entities.

1           (2) To the extensions of credit for the sole purpose  
2 of financing the purchase of a motor vehicle or of refinancing  
3 a purchase money loan secured by a lien on the motor vehicle.

4           §5-27-6.

5           (a) An application for a license under this chapter  
6 shall be made in writing, under oath, and on a form provided  
7 by the supervisor.

8           (b) The application shall set forth all of the  
9 following:

10           (1) The name and address of the applicant and:

11           a. If the applicant is a partnership, firm, or  
12 association, the name and address of each partner or member.

13           b. If the applicant is a corporation or limited  
14 liability company, the name and address of each director,  
15 member, registered agent, and principal.

16           c. If the applicant is a business trust, the name  
17 and address of each trustee and beneficiary.

18           (2) The address of the location of the business to  
19 be licensed.

20           (3) Such other information concerning the financial  
21 responsibility, background, experience, and activities of the  
22 applicant and its members, officers, directors, and principals  
23 as the supervisor may require.

24           (c) The application shall be accompanied by payment  
25 of a license fee of five hundred dollars (\$500) and an  
26 investigation fee of one hundred dollars (\$100). The license

1 fees are subject to increase by the supervisor through  
2 regulation.

3 (d) The application fee shall not be refundable in  
4 any event. The fee shall not be abated by surrender,  
5 suspension, or revocation of the license.

6 (e) The supervisor may require applicants to apply  
7 through the Nationwide Multistate Licensing System. In order  
8 to carry out this requirement, the supervisor is authorized to  
9 participate in the Nationwide Multistate Licensing System. For  
10 this purpose, the supervisor may require the use of the  
11 Nationwide Multistate Licensing System for the use of criminal  
12 background checks and other information required by the  
13 Nationwide Multistate Licensing System.

14 §5-27-7.

15 The application for a license shall also be  
16 accompanied by a bond filed with the supervisor with corporate  
17 surety authorized to execute the bond in the State of Alabama,  
18 in the sum of fifty thousand dollars (\$50,000) per location,  
19 not to exceed a total of five hundred thousand dollars  
20 (\$500,000). The form of the bond shall be approved by the  
21 supervisor. The bond shall be continuously maintained  
22 thereafter in full force. The bond shall be conditioned upon  
23 the applicant or licensee performing all written agreements  
24 with borrowers or prospective borrowers, correctly and  
25 accurately accounting for all funds received by licensee in  
26 the licensee's licensed business, and conducting the licensed  
27 business in conformity with this chapter and all applicable

1 laws. Any person who may be damaged by noncompliance of the  
2 licensee with any condition of the bond may proceed on the  
3 bond against the principal or surety thereon, or both, to  
4 recover damages. The aggregate liability under the bond shall  
5 not exceed the penal sum of the bond.

6 §5-27-8.

7 The supervisor may make the investigations as he or  
8 she deems necessary to determine if the applicant has complied  
9 with all applicable provisions of law and rules adopted  
10 thereunder.

11 §5-27-9.

12 (a) Upon the filing and investigation of an  
13 application for a license, and compliance by the applicant  
14 with Sections 5-27-6 and 5-27-7, the supervisor shall issue  
15 and deliver to the applicant the license applied for to engage  
16 in business under this chapter at the location specified in  
17 the application if the supervisor finds both of the following:

18 (1) That the financial responsibility, character,  
19 reputation, experience, and general fitness of the applicant  
20 and its members, senior officers, directors, trustees, and  
21 principals are such as to warrant belief that the business  
22 will be operated efficiently and fairly, in the public  
23 interest, and in accordance with law.

24 (2) That the applicant has unencumbered liquid  
25 assets per location available for the operation of the  
26 business of at least seventy-five thousand dollars (\$75,000).

1 A licensee, upon request by the supervisor, shall submit proof  
2 that it is complying with this requirement at any time.

3 (b) If the supervisor fails to make the findings, no  
4 license shall be issued and the supervisor shall notify the  
5 applicant of the denial and the reasons for the denial.

6 (c) After receiving the license from the supervisor,  
7 a licensee shall give written notice to the supervisor of its  
8 commencement of business within 10 days thereafter.

9 (d) A licensee shall post in or on its licensed  
10 location the days and hours during which it is open for  
11 business so that the posting is legible from outside the  
12 business.

13 §5-27-10.

14 (a) Each license shall state the address or  
15 addresses at which the business is to be conducted and shall  
16 state fully the legal name of the licensee as well as any  
17 fictitious name by which the licensee is operating in Alabama.  
18 Each license shall be posted prominently in each place of  
19 business of the licensee. Licenses shall not be transferable  
20 or assignable, by operation of law or otherwise. No licensee  
21 shall use any name in Alabama other than the legal name or  
22 fictitious name set forth on the license issued by the  
23 supervisor.

24 (b) No licensee shall relocate any place of business  
25 without prior approval of the supervisor. Applications for the  
26 approval shall be made in writing on a form provided by the  
27 supervisor and shall be accompanied by payment of a

1 nonrefundable fee of one hundred dollars (\$100). The  
2 application shall be approved unless the supervisor finds that  
3 the applicant does not have the required liquid assets or has  
4 not conducted business under this chapter efficiently, fairly,  
5 in the public interest, and in accordance with law. The  
6 application shall be deemed approved if notice to the contrary  
7 has not been mailed by the supervisor to the applicant within  
8 30 days of the date the application is received by the  
9 supervisor. After approval, the applicant shall give written  
10 notice to the supervisor within 10 days of the commencement of  
11 business at the relocated place of business.

12 (c) Every licensee, within 10 days, shall notify the  
13 supervisor, in writing, of the closing of any business  
14 location and of the name, address, and position of each new  
15 senior officer, member, partner, or director and provide the  
16 other information with respect to any change as the supervisor  
17 may reasonably require.

18 (d) Every license shall remain in force until it has  
19 been surrendered, revoked, or suspended. The surrender,  
20 revocation, or suspension of a license shall not affect any  
21 preexisting legal right or obligation of the licensee.

22 (e) Within 30 days after a person's license is  
23 surrendered or revoked, the former licensee shall provide the  
24 supervisor with all of the following:

25 (1) The name, address, and telephone number of a  
26 designated contact person.

1           (2) The location of the former licensee's motor  
2 vehicle title loan records.

3           (3) Any additional information the supervisor may  
4 reasonably require.

5           §5-27-11.

6           (a) Except as provided in this section, no person  
7 shall acquire, directly or indirectly, 25 percent or more of  
8 the voting shares of a corporation or 25 percent or more of  
9 the ownership of any other person licensed to conduct business  
10 under this chapter unless the person first does all of the  
11 following:

12           (1) Files an application with the supervisor in the  
13 form as the supervisor may prescribe from time to time.

14           (2) Delivers the other information to the supervisor  
15 as the supervisor may require concerning the financial  
16 responsibility, background, experience, and activities of the  
17 applicant, its directors, senior officers, principals, and  
18 members and of any proposed new directors, senior officers,  
19 principals, or members of the licensee.

20           (3) Pays a fee of one hundred fifty dollars (\$150).

21           (b) Upon the filing and investigation of an  
22 application, the supervisor shall permit the applicant to  
23 acquire the interest in the licensee if it finds that the  
24 applicant, its members if applicable, its directors, senior  
25 officers, trustees, and principals and any proposed new  
26 directors, members, senior officers, trustees, and principals  
27 have the financial responsibility, character, reputation,

1 experience, and general fitness to warrant belief that the  
2 business will be operated efficiently and fairly, in the  
3 public interest, and in accordance with law. The supervisor  
4 shall grant or deny the application within 60 days from the  
5 date a completed application accompanied by the required fee  
6 is filed unless the period is extended by the supervisor in  
7 writing, reciting the reasons for the extension. If the  
8 application is denied, the supervisor shall notify the  
9 applicant of the denial and the reasons for the denial.

10 (c) This section does not apply to any of the  
11 following:

12 (1) The acquisition of an interest in a licensee,  
13 directly or indirectly, including an acquisition by merger or  
14 consolidation, by or with a person licensed under this  
15 chapter.

16 (2) The acquisition of an interest in a licensee,  
17 directly or indirectly, by merger or consolidation by or with  
18 a person affiliated through common ownership with the  
19 licensee.

20 (3) The acquisition of an interest in a licensee by  
21 bequest, descent, survivorship, or operation of law.

22 (d) The person acquiring an interest in a licensee  
23 in a transaction that is exempt from filing an application by  
24 subsection (c) shall send written notice to the supervisor of  
25 the acquisition within 30 days of its closing.

26 §5-27-12.

1           (a) Every licensee shall maintain in its licensed  
2 offices the books, accounts, and records as the supervisor may  
3 reasonably require in order to determine whether the licensee  
4 is complying with this chapter and rules adopted in  
5 furtherance thereof. The books, accounts, and records shall be  
6 maintained apart and separate from any other business in which  
7 the licensee is involved. The records relating to title loans  
8 shall be retained for at least three years after final payment  
9 is made on any title loan.

10           (b) In addition to any other books, accounts, and  
11 records as the supervisor may reasonably require, a licensee  
12 shall maintain copies of the following records:

13                 (1) The loan application.

14                 (2) The motor vehicle title loan agreement. If the  
15 loan has been repaid or satisfied in full, a licensee shall  
16 maintain a copy of the motor vehicle title loan agreement with  
17 the word "paid" or "cancelled" along with the documentation  
18 showing that the licensee released its security interest in  
19 the borrower's vehicle.

20                 (3) A record of the fair market value of the motor  
21 vehicle securing the loan along with any supporting  
22 documentation from a recognized pricing guide.

23                 (4) A copy of the original certificate of title for  
24 the motor vehicle in the borrower's name.

25           (c) A licensee shall maintain a repossession log of  
26 all motor vehicles that have been repossessed by or on behalf  
27 of the licensee, including motor vehicles that are voluntarily

1 surrendered by borrowers. The log shall include all of the  
2 following information:

3 (1) The borrower's first and last name.

4 (2) The make, model, year, and vehicle  
5 identification number of the motor vehicle.

6 (3) The date the motor vehicle was repossessed.

7 (4) The date the motor vehicle was sold.

8 (5) The name of the purchaser.

9 (6) The sale price of the motor vehicle.

10 §5-27-13.

11 Each licensee under this chapter shall annually, on  
12 or before March 25, file a written report with the supervisor  
13 containing the information as the supervisor may require  
14 concerning his or her business and operations during the  
15 preceding calendar year as to each licensed place of business.  
16 Reports shall be made under oath and shall be in the form  
17 prescribed by the supervisor.

18 §5-27-14.

19 Within 15 days following the occurrence of any of  
20 the following events, a licensee shall file a written report  
21 with the supervisor describing the event and its expected  
22 impact upon the business of the licensee:

23 (1) The filing of bankruptcy, reorganization, or  
24 receivership proceedings by or against the licensee.

25 (2) The institution of administrative or regulatory  
26 proceedings against the licensee by any governmental  
27 authority.

1           (3) Any felony indictments of the licensee or any of  
2 its members, partners, directors, officers, or principals.

3           (4) Any felony conviction of the licensee or any of  
4 its members, partners, directors, officers, or principals.

5           (5) Any local, state, or federal governmental  
6 authority which instituted revocation, suspension, or other  
7 formal administrative, regulatory, or enforcement proceeding  
8 against the licensee.

9           (6) The licensee is denied a license to engage in  
10 motor vehicle title lending, title pawn or similar business in  
11 another state.

12           (7) Such other events as the supervisor may  
13 prescribe by regulation.

14           §5-27-15.

15           The supervisor, or his or her designated officers or  
16 employees, may investigate and examine the affairs, business,  
17 premises, and records of any person licensed or required to be  
18 licensed under this chapter insofar as they pertain to any  
19 business for which a license is required by this chapter.  
20 Examinations of licensees shall be conducted at least once  
21 every two-year period. In the course of the investigations and  
22 examinations, the owners, members, officers, directors,  
23 partners, trustees, beneficiaries, and employees of the person  
24 being investigated or examined, upon demand of the person  
25 making the investigation or examination, shall afford full  
26 access to all premises, books, records, and information that  
27 the person making the investigation or examination deems

1 necessary. For the foregoing purposes, the person making the  
2 investigation or examination shall have authority to  
3 administer oaths, examine under oath all the aforementioned  
4 persons, and compel the production of papers and objects of  
5 all kinds. The licensee shall be responsible for the payment  
6 of the required examination fee.

7 §5-27-16.

8 (a) The supervisor may promulgate reasonable  
9 regulation for the implementation, administration, execution,  
10 and enforcement of this chapter.

11 (b) Prior to adoption, amendment, or repeal of any  
12 regulation, the supervisor shall give at least 35 days' notice  
13 of its intended action by filing notice of intended action  
14 with the Legislative Reference Service for publication in the  
15 Alabama Administrative Monthly. The date of publication in the  
16 Alabama Administrative Monthly shall constitute the date of  
17 notice. The notice shall include a statement of either the  
18 terms or substance of the intended action or a description of  
19 the subject and issues involved, shall specify a notice period  
20 ending not less than 35 days nor more than 90 days from the  
21 date of the notice, during which period interested persons may  
22 present their views thereon, and shall specify the place  
23 where, and the manner in which interested persons may present  
24 their views thereon.

25 (c) All interested persons shall have a reasonable  
26 opportunity to submit data, views, or arguments, orally or in  
27 writing. The supervisor shall consider all written and oral

1 submissions respecting the proposed regulation. Upon adoption  
2 of a regulation, the supervisor, if conflicting views are  
3 submitted on the proposed regulation and if requested in  
4 writing to do so by an interested person prior to adoption,  
5 shall issue a concise statement of the principal reasons for  
6 and against its adoption, incorporating therein its reasons  
7 for overruling any considerations urged against its adoption.

8 (d) Notwithstanding any other provisions of this  
9 chapter to the contrary, if the supervisor finds that action  
10 is required by or to comply with a federal statute or  
11 regulation which requires adoption of a regulation upon fewer  
12 than 35 days' notice and states in writing his or her reasons  
13 for that finding, the supervisor may proceed without prior  
14 notice or hearing or upon any abbreviated notice and hearing  
15 that he or she finds practicable, to adopt an emergency  
16 regulation. The regulation shall become effective immediately,  
17 unless otherwise stated therein. The regulation may be  
18 effective for a period of not longer than 120 days unless  
19 within the time the supervisor complies with the procedures  
20 set forth in subsections (b) and (c). The adoption of the same  
21 or substantially similar regulation following the procedures  
22 set forth in subsections (b) and (c) at any time is not  
23 limited by the adoption of a regulation following the  
24 emergency regulation procedure set forth in this subsection.

25 (e) A person who has exhausted all administrative  
26 remedies available within the department, other than  
27 rehearing, and who is aggrieved by the final decision of the

1 supervisor with respect to a regulation, is entitled to  
2 judicial review under this chapter. All proceedings for a  
3 review shall be instituted by filing of notice of appeal or  
4 review and a cost bond with the supervisor to cover the  
5 reasonable costs of preparing the transcript of the proceeding  
6 under review, unless waived by the supervisor or the court on  
7 a showing of substantial hardship. The notice of appeal and  
8 cost bond shall be filed within 42 days after the date the  
9 supervisor issued the final regulation. The appeal shall be  
10 filed pursuant to Title 6. The regulation shall be in effect  
11 pending the outcome of any appeal unless the supervisor stays  
12 the effective date of regulations.

13 (f) A licensee acting in reasonable reliance upon  
14 any written opinion or regulation promulgated by the  
15 supervisor or a decision of an appellate court of this state  
16 shall be presumed to have acted in accordance with applicable  
17 law, notwithstanding that after the act has occurred, the  
18 regulation is amended, rescinded, or determined by judicial or  
19 other authority to be incorrect or invalid for any reason or  
20 the particular judicial decision is reversed or modified.

21 §5-27-17.

22 Each licensee shall comply with the following  
23 requirements and prohibitions:

24 (1) Each motor vehicle title loan shall be evidenced  
25 by a written motor vehicle title loan agreement. Each motor  
26 vehicle title loan agreement shall:

1           a. Be signed by the borrower and by a person  
2 authorized by the licensee to sign the agreements.

3           b. Be dated the day it is executed by the borrower.

4           c. Set forth or contain, at a minimum, all of the  
5 following:

6                 1. The loan amount.

7                 2. The interest rate and any fees charged pursuant  
8 to the loan, which shall not exceed the maximum rate permitted  
9 pursuant to Section 5-27-18.

10                3. The annual percentage rate, which shall be stated  
11 using that term, calculated in accordance with the Federal  
12 Reserve Board's Regulation Z.

13                4. The amounts and scheduled due dates of the  
14 monthly installment payments of principal and interest.

15                5. The borrower's mailing address.

16                6. The make, model, year, and vehicle identification  
17 number of the motor vehicle in which a security interest is  
18 being given as security for the loan.

19                7. That the borrower shall have the right to cancel  
20 the loan agreement at any time before the close of business on  
21 the next business day following the day the loan agreement is  
22 executed by returning the original loan proceeds check to or  
23 paying to the licensee, in the form of cash or other good  
24 funds instrument, the loan proceeds.

25                8. The loan's maturity date, which shall not be  
26 earlier than 120 days from the date the loan agreement is

1       executed nor later than 12 months from the date the loan  
2       agreement is executed.

3               9. Other information relating to the title loan as  
4       the supervisor shall determine, by regulation, is necessary in  
5       order to ensure that the borrower is provided adequate notice  
6       of the relevant provisions of the title loan.

7               d. Not cause any person to be obligated to the  
8       licensee for a principal amount that exceeds 50 percent of the  
9       fair market value of the motor vehicle in which the licensee  
10      is taking an interest, in no case to exceed three thousand  
11      five hundred dollars (\$3,500). The value shall be determined  
12      by reference to the loan value for the motor vehicle specified  
13      in a recognized pricing guide if the motor vehicle is included  
14      in a recognized pricing guide.

15              e. Contain the following notice in at least 14-point  
16      bold type immediately above the borrower's signature:

17                   THE INTEREST RATE ON THIS LOAN IS HIGH. YOU SHOULD  
18      CONSIDER WHETHER THERE ARE OTHER LOWER COST LOANS AVAILABLE TO  
19      YOU. THIS IS A MOTOR VEHICLE TITLE LOAN AGREEMENT. IT ALLOWS  
20      YOU TO RECEIVE LOAN PROCEEDS TO MEET YOUR IMMEDIATE CASH  
21      NEEDS. IT IS NOT INTENDED TO MEET YOUR LONG-TERM FINANCIAL  
22      NEEDS. WHEN USING THIS LOAN, YOU SHOULD REQUEST THE MINIMUM  
23      AMOUNT REQUIRED TO MEET YOUR IMMEDIATE NEEDS AND YOU SHOULD  
24      REPAY THE LOAN AS QUICKLY AS POSSIBLE TO REDUCE THE AMOUNT OF  
25      INTEREST YOU ARE CHARGED. YOU SHOULD TRY TO REPAY THIS LOAN AS  
26      QUICKLY AS POSSIBLE. YOU WILL BE REQUIRED TO PAY THE PRINCIPAL  
27      AND INTEREST ON THE LOAN IN MONTHLY SUBSTANTIALLY EQUAL

1       INSTALLMENTS. YOU SHOULD TRY TO PAY EVEN MORE TOWARDS YOUR  
2       PRINCIPAL BALANCE EACH MONTH. DOING SO WILL SAVE YOU MONEY.  
3       YOU MAY RESCIND THIS LOAN WITHOUT COST OR FURTHER OBLIGATION  
4       IF YOU RETURN THE LOAN PROCEEDS, IN CASH OR THE ORIGINAL LOAN  
5       CHECK, PRIOR TO THE CLOSE OF BUSINESS ON THE BUSINESS DAY  
6       IMMEDIATELY FOLLOWING THE EXECUTION OF THIS AGREEMENT. YOU ARE  
7       PLEDGING YOUR MOTOR VEHICLE AS COLLATERAL FOR THIS LOAN. IF  
8       YOU FAIL TO REPAY THE LOAN PURSUANT TO THIS AGREEMENT, WE MAY  
9       REPOSSESS YOUR MOTOR VEHICLE. UNLESS YOU CONCEAL OR  
10      INTENTIONALLY DAMAGE THE MOTOR VEHICLE, OR OTHERWISE IMPAIR  
11      OUR SECURITY INTEREST BY PLEDGING THE MOTOR VEHICLE TO A THIRD  
12      PARTY OR PLEDGING A MOTOR VEHICLE TO US THAT IS ALREADY  
13      SUBJECT TO AN UNDISCLOSED EXISTING LIEN, YOUR LIABILITY FOR  
14      DEFAULTING UNDER THIS LOAN IS LIMITED TO THE LOSS OF THE MOTOR  
15      VEHICLE. IF YOUR MOTOR VEHICLE IS SOLD DUE TO YOUR DEFAULT,  
16      YOU ARE ENTITLED TO ANY SURPLUS OBTAINED AT SUCH SALE BEYOND  
17      WHAT IS OWED PURSUANT TO THIS AGREEMENT ALONG WITH ANY  
18      REASONABLE COSTS OF RECOVERY AND SALE.

19               (2) Before entering into a motor vehicle title loan,  
20      a licensee shall provide each borrower with a pamphlet, in a  
21      form provided by the supervisor, explaining in plain language  
22      the rights and responsibilities of the borrower and providing  
23      a toll-free number at the State Banking Department for  
24      assistance with complaints.

25               (3) The borrower shall have the right to prepay the  
26      title loan prior to maturity by paying the outstanding balance  
27      at any time without penalty. A borrower shall also be

1 permitted to make partial payments on a motor vehicle equity  
2 loan without charge at any time prior to the date the amounts  
3 would otherwise be due to the licensee. The licensee shall  
4 give the borrower signed, dated receipts for any cash payment  
5 made in person.

6 (4) A licensee shall give a duplicate original of  
7 the loan agreement to the borrower at the time it is executed.

8 (5) A licensee shall not obtain any agreement from  
9 the borrower regarding any of the following:

10 a. Giving the licensee or any third person power of  
11 attorney or authority to confess judgment for the borrower.

12 b. Authorizing the licensee or any third party to  
13 bring suit against the borrower in a court outside the State  
14 of Alabama.

15 c. Waiving or modifying any right the borrower has  
16 under this chapter.

17 d. Requiring the borrower to use arbitration or  
18 other alternative dispute resolution mechanisms that do not  
19 conform to all applicable laws and rules.

20 (6) A motor vehicle title loan agreement shall not:

21 a. Contain a provision by which a person acting on  
22 behalf of the licensee is treated as an agent of the borrower  
23 in connection with its formation or execution other than for  
24 purposes of filing or releasing a lien with the state where  
25 the motor vehicle is registered.

26 b. Contain an acceleration clause under which a  
27 licensee may demand immediate payment of any amount owed to it

1 unless the borrower is in default under the terms of the loan  
2 agreement.

3 c. Be sold or otherwise assigned to any other person  
4 who is not also a licensee, and if a loan agreement is sold or  
5 assigned to another licensee, the buyer or assignee of the  
6 loan agreement shall be subject to the same obligations under  
7 this chapter that apply to the selling or assigning licensee.

8 (7) Loan proceeds shall be disbursed:

9 a. In cash.

10 b. By the licensee's business check.

11 c. By debit card provided that the borrower will not  
12 be directly charged a fee by the licensee in connection with  
13 the withdrawal of the funds.

14 (8) No fee shall be charged by the licensee or check  
15 cashier for cashing a title loan proceeds check.

16 (9) A licensee shall not obtain or accept from a  
17 borrower an authorization to electronically debit the  
18 borrower's deposit account including, but not limited to, the  
19 use of Automated Clearing House network, electronic funds  
20 transfer, electronic check conversions, or re-presented check  
21 entries.

22 (10) A licensee shall not take an interest in any  
23 real or personal property other than one motor vehicle owned  
24 by the borrower as security for a title loan. For purposes of  
25 this subdivision, "motor vehicle" includes any accessories or  
26 accessions to a motor vehicle that are affixed thereto.

27 (11) A licensee shall not do any of the following:

1           a. Make a motor vehicle title loan if, on the date  
2 the loan agreement is signed by the borrower, the motor  
3 vehicle is security for another loan or otherwise is  
4 encumbered by a lien.

5           b. Make a loan to an individual who the licensee  
6 knows is a borrower under another motor vehicle title loan,  
7 whether made by the same or another licensee.

8           c. Knowingly cause a borrower to be obligated upon  
9 more than one motor vehicle title loan at any time. Prior to  
10 making a motor vehicle title loan, every licensee shall  
11 inquire of every prospective borrower if the individual is  
12 obligated on a motor vehicle title loan with any licensee.  
13 Each loan agreement shall include the borrower's certification  
14 that the borrower is not obligated on another motor vehicle  
15 title loan.

16           (12) A licensee shall do all of the following:

17           a. Hold a copy of the original certificate of title  
18 to the motor vehicle throughout the period that the loan  
19 agreement is in effect.

20           b. Within seven days following the date of the  
21 motor vehicle title loan agreement, file to have its security  
22 interest in the motor vehicle added to its certificate of  
23 title by complying with the requirements of all applicable  
24 state law and rules, or in the case of a motor vehicle  
25 registered in a state other than Alabama by complying with  
26 that state's requirements for perfecting a security interest  
27 in a motor vehicle.

1           (13) A licensee shall not make a title loan to a  
2 borrower to enable the borrower to do any of the following:

3           a. Pay for any other product or service sold at the  
4 licensee's business location.

5           b. Repay any amount owed to the licensee or an  
6 affiliate of the licensee in connection with another credit  
7 transaction.

8           (14) A licensee's security interest in a motor  
9 vehicle shall be promptly released when the borrower's  
10 obligations under the loan agreement are satisfied in full.  
11 When releasing the security interest in a motor vehicle, a  
12 licensee shall do all of the following:

13           a. Mark the original loan agreement with the word  
14 "paid" or "canceled," return it to the borrower, and retain a  
15 copy in its records.

16           b. Take any action necessary to release a recorded  
17 lien on the motor vehicle's certificate of title in accordance  
18 with Section 32-8-63 and any rules promulgated thereunder.

19           (15) A licensee shall conspicuously post in each  
20 licensed location all of the following:

21           a. A schedule of finance charges on a title loan,  
22 using as an example a one thousand dollar (\$1,000) loan that  
23 is repaid over a 12-month period.

24           b. A notice containing the following statement:  
25 "Should you wish to file a complaint against us, you may  
26 contact the State Banking Department, Bureau of Loans at

1 [insert contact information]." The supervisor shall furnish  
2 licensees with the appropriate contact information.

3 (16) A licensee or affiliate shall not knowingly  
4 make a motor vehicle title loan to a covered member of the  
5 armed forces or a dependent of the member. Prior to making a  
6 motor vehicle title loan, every licensee or affiliate shall  
7 inquire of every prospective borrower if the individual is a  
8 covered member of the armed forces or a dependent of a covered  
9 member. The prospective borrower shall affirm in writing to  
10 the licensee or affiliate if he or she is not a covered member  
11 of the armed forces or a dependent of a covered member. For  
12 purposes of this section, "covered member of the armed forces"  
13 means a person on active duty under a call or order that does  
14 not specify a period of 30 days or less or on active guard and  
15 reserve duty. For purposes of this section, "dependent of a  
16 covered member of the armed forces" means the member's spouse,  
17 the member's child as defined by 38 U.S.C. §101 (4), or an  
18 individual for whom the member provided more than one-half of  
19 the individual's support for 180 days immediately preceding  
20 the date the motor vehicle title loan is sought.

21 (17) In collecting or attempting to collect a motor  
22 vehicle title loan, a licensee shall comply with the  
23 restrictions and prohibitions applicable to debt collectors  
24 contained in the Fair Debt Collection Practices Act (15 U.S.C.  
25 §1692 et seq.) regarding harassment or abuse, false,  
26 misleading or deceptive statements or representations, and  
27 unfair practices in collections.

1 (18) A licensee shall not do any of the following:

2 a. Engage in any unfair, misleading, deceptive, or  
3 fraudulent acts or practices in the conduct of its business.

4 b. Engage in any business or activity that directly  
5 or indirectly results in an evasion of the provisions of this  
6 chapter.

7 c. Threaten, or cause to be instigated, criminal  
8 proceedings against a borrower arising from the borrower's  
9 failure to pay any sum due under a loan agreement.

10 (19) A licensee shall not conduct the business of  
11 making motor vehicle title loans under this chapter at any  
12 office, suite, room, or place of business where any other  
13 business is solicited or conducted except the other business  
14 as the supervisor determines should be permitted, and subject  
15 to the conditions as the supervisor deems necessary and in the  
16 public interest. No other business shall be allowed except as  
17 permitted by State Banking Department regulation or upon the  
18 filing of a written application with the supervisor, payment  
19 of a fee of one hundred dollars (\$100), and provision of the  
20 information as the supervisor may deem pertinent. Written  
21 evidence of the approval from the supervisor of each other  
22 business conducted must be maintained at the licensed  
23 location. No licensee shall make a motor vehicle title loan to  
24 a person if:

25 a. The person has an outstanding deferred  
26 presentment transaction or other loan with the licensee.

1           b. On the same day the person repaid or satisfied in  
2 full a motor vehicle title loan from the licensee.

3           (20) The supervisor shall not permit the sale of  
4 insurance or the enrolling of borrowers under group insurance  
5 policies or automobile motor club memberships.

6           (21) A licensee shall provide a safe place for the  
7 keeping of all certificates of title while they are in its  
8 possession.

9           (22) A licensee may require a borrower to provide  
10 evidence of property insurance upon a motor vehicle securing a  
11 title loan made pursuant to this chapter. A licensee may not  
12 require the borrower to obtain the insurance from a particular  
13 provider.

14           (23) If the licensee takes possession of a motor  
15 vehicle securing a title loan, the vehicle shall be stored in  
16 a secure location.

17           (24) A licensee shall use a statewide database,  
18 selected by the State Banking Department, to ensure that the  
19 customer does not have more than one outstanding motor vehicle  
20 title loan made by any licensee under this chapter or has any  
21 outstanding deferred presentment transaction or other loan  
22 with the licensee. A licensee shall also use the database to  
23 ensure that a customer does not have a motor vehicle loan that  
24 exceeds three thousand five hundred dollars (\$3,500).

25           §5-27-18.

26           (a) A licensee may charge and collect interest on a  
27 motor vehicle title loan at rates not to exceed the following

1 10 percent per month of the principal amount advanced in the  
2 title loan transaction.

3 (b) The annual rate of interest may not exceed 120  
4 percent and shall be charged only upon principal balances  
5 outstanding from time to time. Interest shall not be charged  
6 on an add-on basis and shall not be compounded or paid,  
7 deducted, or received in advance.

8 (c) Notwithstanding anything set forth in subsection  
9 (a), other provisions of this chapter, or in a motor vehicle  
10 title loan agreement, interest shall not accrue on the  
11 principal balance of a motor vehicle title loan from and  
12 after:

13 (1) The date that the motor vehicle securing the  
14 title loan is repossessed by the licensee making the loan.

15 (2) Sixty days after the borrower has failed to make  
16 a monthly payment on a motor vehicle title loan as required by  
17 the loan agreement unless the borrower has not surrendered the  
18 motor vehicle and the borrower is concealing the motor  
19 vehicle.

20 (d) In addition to the loan principal and interest  
21 permitted under subsection (a), a licensee shall not directly  
22 or indirectly charge, contract for, collect, receive, recover,  
23 or require a borrower to pay any further or other fee, charge,  
24 or amount whatsoever except for:

25 (1) A licensee's actual cost of perfecting its  
26 security interest in a motor vehicle securing the borrower's

1 obligations under a loan agreement as provided in Section 32-8-6.

2 (2) Reasonable costs of repossession and sale of the  
3 motor vehicle in accordance with Section 5-25-19. In no event  
4 shall the borrower be liable for fees incurred in connection  
5 with the storage of a motor vehicle securing a title loan  
6 following the motor vehicle's repossession by the licensee or  
7 its agent or the voluntary surrender of possession of the  
8 motor vehicle by the borrower to the licensee.

9 (e) Every title loan shall be a term loan providing  
10 for repayment of the principal and interest in substantially  
11 equal monthly installments of principal and interest; however,  
12 nothing in this chapter shall prohibit a loan agreement from  
13 providing for an odd first payment period and an odd first  
14 payment greater than other monthly payments because of the odd  
15 first payment period.

16 (f) A title loan agreement may not be extended,  
17 renewed, or refinanced.

18 (g) A licensee may impose a late charge for failure  
19 to make timely payment of any amount due under the loan  
20 agreement provided that the late charge does not exceed the  
21 lesser of eighteen dollars (\$18) or five percent of the  
22 scheduled payment.

23 (h) Payments shall be credited by the licensee on  
24 the date received.

25 §5-27-19.

26 (a) Except as otherwise provided in subsection (g),  
27 a licensee taking a security interest in a motor vehicle

1 pursuant to this chapter shall be limited, upon default by the  
2 borrower, to seeking repossession of, preparing for sale, and  
3 selling the motor vehicle in accordance with applicable law. A  
4 licensee shall not collect or charge the costs of repossessing  
5 and selling the motor vehicle described in subdivision (2) of  
6 subsection (d) of Section 5-27-18, unless:

7 (1) The licensee, at least 10 days prior to  
8 repossessing the motor vehicle securing a title loan, has sent  
9 to the borrower, by first class mail, written notice advising  
10 the borrower that his or her title loan is in default and  
11 stating that the motor vehicle may be repossessed unless the  
12 principal and interest owed under the loan agreement are paid.

13 (2) The borrower does not pay the principal and  
14 interest prior to the date the motor vehicle is repossessed by  
15 or at the direction of the licensee.

16 (b) A licensee shall not repossess a motor vehicle  
17 securing a title loan prior to the date specified in the  
18 notice. Except as otherwise provided in subsection (g), a  
19 licensee shall not seek or obtain a personal money judgment  
20 against a borrower for any amount owed under a loan agreement  
21 or any deficiency resulting after the sale of a motor vehicle.

22 (c) At least 15 days prior to the sale of a motor  
23 vehicle, a licensee shall do all of the following:

24 (1) Notify the borrower of the date and time after  
25 which the motor vehicle is subject to sale.

26 (2) Provide the borrower with a written accounting  
27 of the principal amount due to the licensee, interest accrued

1 through the date the licensee took possession of the motor  
2 vehicle, and any reasonable expenses incurred to date by the  
3 licensee in taking possession of, preparing for sale, and  
4 selling the motor vehicle.

5 (d) At any time prior to the sale, the licensee  
6 shall permit the borrower to redeem the motor vehicle by  
7 tendering cash or other good funds instrument for the  
8 principal amount due to the licensee, interest accrued through  
9 the date the licensee took possession, and any reasonable  
10 expenses incurred by the licensee in taking possession of,  
11 repairing for sale, and selling the motor vehicle.

12 (e) Within 30 days of the licensee's receipt of  
13 funds from the sale of a motor vehicle, the borrower is  
14 entitled to receive all proceeds from the sale of the motor  
15 vehicle in excess of the principal amount due to the licensee,  
16 interest accrued through the date the licensee took  
17 possession, and the reasonable expenses incurred by the  
18 licensee in taking possession of, preparing for sale, and  
19 selling the motor vehicle.

20 (f) Except in the case of fraud or a voluntary  
21 surrender of the motor vehicle, a licensee shall not take  
22 possession of a motor vehicle until the time as a borrower is  
23 in default under the loan agreement and the licensee's lien is  
24 properly recorded on the certificate of title. Except as  
25 otherwise provided in this chapter, the repossession and sale  
26 of a motor vehicle shall be subject to the provisions of all  
27 applicable laws and rules.

1 (g) Notwithstanding any provision to the contrary,  
2 upon default by a borrower, a licensee may seek a personal  
3 money judgment against the borrower for any amounts owed under  
4 a loan agreement if the borrower impairs the licensee's  
5 security interest by:

6 (1) Intentionally damaging or destroying the motor  
7 vehicle.

8 (2) Intentionally concealing the motor vehicle.

9 (3) Giving the licensee a lien in a motor vehicle  
10 that is already encumbered by an undisclosed prior lien.

11 (4) Subsequently giving a security interest in, or  
12 selling, a motor vehicle that secures a title loan to a third  
13 party, without the licensee's written consent.

14 §5-27-20.

15 (a) No person licensed or required to be licensed  
16 under this chapter shall use or cause to be published any  
17 advertisement that:

18 (1) Contains any false, misleading, or deceptive  
19 statement or representation.

20 (2) Identifies the person by any name other than the  
21 name set forth on the license issued by the supervisor.

22 (b) Any advertising materials used to promote the  
23 price, cost, or interest rate of motor vehicle title loans  
24 shall disclose the amount of any minimum monthly payments and  
25 a statement of finance charges, expressed as an annual  
26 percentage rate, payable using as an example a one thousand  
27 dollar (\$1,000) loan that is repaid over a 12-month period. In

1 any print media advertisement, including any web page, used to  
2 promote motor vehicle title loans, the disclosure shall be  
3 conspicuous. If a single advertisement consists of multiple  
4 pages, folds, or faces, the disclosure requirement applies  
5 only to one page, fold, or face. In a television advertisement  
6 used to promote motor vehicle title loans, the visual  
7 disclosure legend shall include 20 scan lines in size. In a  
8 radio advertisement or advertisement communicated by telephone  
9 used to promote motor vehicle title loans, the disclosure  
10 statement shall last at least two seconds and the statement  
11 shall be spoken so that its contents may be easily understood.

12 (c) A licensee shall disclose the following  
13 information in its advertisements:

14 (1) The name of the motor vehicle title lender as  
15 set forth in the license issued by the supervisor.

16 (2) A statement that the motor vehicle title lender  
17 is licensed by the State Banking Department.

18 (3) The license number assigned by the supervisor to  
19 the motor vehicle title lender.

20 §5-27-21.

21 (a) The supervisor may suspend or revoke any license  
22 issued under this chapter upon any of the following grounds:

23 (1) Any ground for denial of a license under this  
24 chapter.

25 (2) Any violation of the provisions of this chapter  
26 or regulations adopted by the supervisor pursuant thereto, or

1 a violation of any other law or rule applicable to the conduct  
2 of the licensee's business.

3 (3) A course of conduct consisting of the failure to  
4 perform written agreements with borrowers.

5 (4) Conviction of a felony or misdemeanor involving  
6 fraud, misrepresentation, or deceit.

7 (5) Entry of a judgment against the licensee  
8 involving fraud, misrepresentation, or deceit.

9 (6) Entry of a federal or state administrative order  
10 against the licensee for violation of any law or any  
11 regulation applicable to the conduct of his or her business.

12 (7) Refusal to permit an investigation or  
13 examination by the supervisor.

14 (8) Failure to pay any fee or assessment imposed by  
15 this chapter.

16 (9) Failure to comply with any order of the  
17 supervisor.

18 (b) For the purposes of this section, acts of any  
19 officer, director, member, partner, trustee, beneficiary, or  
20 principal shall be deemed acts of the licensee.

21 §5-27-22.

22 If the supervisor determines that any person has  
23 violated any provision of this chapter or any regulation  
24 adopted by the supervisor pursuant thereto, or violated any  
25 other law or rule applicable to the conduct of a licensee's  
26 business, the supervisor, upon 21 days' notice in writing, may  
27 order the person to cease and desist from the practices and to

1       comply with the provisions of this chapter. The notice shall  
2       be sent by certified mail to the principal place of business  
3       of the person and shall state the grounds for the contemplated  
4       action. Within 14 days of mailing the notice, the person or  
5       persons named therein may file with the supervisor a written  
6       request for a hearing. If a hearing is requested, the  
7       supervisor shall not issue a cease and desist order except  
8       based upon findings made at the hearing. The supervisor may  
9       enforce compliance with any order issued under this section by  
10      imposition and collection of the fines and penalties as may be  
11      prescribed by law.

12                   §5-27-23.

13                The supervisor shall not revoke or suspend the  
14      license of any person licensed under this chapter upon any of  
15      the grounds set forth in Section 5-27-21 until he or she has  
16      given the licensee 21 days' notice in writing of the reasons  
17      for the proposed revocation or suspension and an opportunity  
18      to introduce evidence and be heard. The notice shall be sent  
19      by certified mail to the principal place of business of the  
20      licensee and shall state with particularity the grounds for  
21      the contemplated action. Within 14 days of mailing the notice,  
22      the person or persons named therein may file with the  
23      supervisor a written request for a hearing. If a hearing is  
24      requested, the supervisor shall not suspend or revoke the  
25      license except based upon findings made at the hearing.

26                   §5-27-24.

1           In addition to the authority conferred under  
2 Sections 5-27-21 and 5-27-22, the supervisor may impose a fine  
3 or penalty not exceeding one thousand dollars (\$1,000) upon  
4 any person who he or she determines has violated any of the  
5 provisions of this chapter or regulations promulgated by the  
6 supervisor pursuant thereto, or violated any other law or rule  
7 applicable to the conduct of a licensee's business. For the  
8 purposes of this section, each separate violation shall be  
9 subject to the fine or penalty herein prescribed and, in the  
10 case of a violation of Section 5-27-4, each loan made or  
11 arranged shall constitute a separate violation.

12           §5-27-25.

13           Any person violating Section 5-27-4, upon  
14 conviction, shall be guilty of a Class A misdemeanor. For the  
15 purposes of this section, each violation shall constitute a  
16 separate offense.

17           §5-27-26.

18           If any provision of a motor vehicle title loan  
19 agreement violates a requirement of this chapter, the  
20 provision shall be unenforceable against the borrower.

21           §5-27-27.

22           The provisions of this chapter, including  
23 specifically the licensure requirements of Section 5-27-4,  
24 shall apply to persons making motor vehicle title loans over  
25 the Internet to Alabama residents or any individuals in  
26 Alabama, whether or not the person making the loan maintains a  
27 physical presence in the State of Alabama.

1 §5-27-28.

2 (a) If the supervisor determines that a person is in  
3 violation of, or has violated, any provision of this chapter,  
4 the supervisor may refer the information to the Attorney  
5 General and may request that the Attorney General investigate  
6 the violations. In the case of the referral, the Attorney  
7 General is authorized to seek to enjoin violations of this  
8 chapter. The circuit court having jurisdiction may enjoin the  
9 violations notwithstanding the existence of an adequate remedy  
10 at law.

11 (b) Upon the referral of the supervisor, the  
12 Attorney General may also seek, and the circuit court may  
13 order or decree, damages and the other relief allowed by law,  
14 including restitution to the extent available to borrowers  
15 under applicable law. Persons entitled to any relief as  
16 authorized by this section shall be identified by order of the  
17 court within 180 days from the date of the order permanently  
18 enjoining the unlawful act or practice.

19 (c) In any action brought by the Attorney General by  
20 virtue of the authority granted in this section, the Attorney  
21 General shall be entitled to seek reasonable attorney fees and  
22 costs.

23 Section 2. Although this bill would have as its  
24 purpose or effect the requirement of a new or increased  
25 expenditure of local funds, the bill is excluded from further  
26 requirements and application under Amendment 621 because the

1 bill defines a new crime or amends the definition of an  
2 existing crime.

3 Section 3. This act shall become effective on the  
4 first day of the third month following its passage and  
5 approval by the Governor, or its otherwise becoming law.