No. 1 was passed and to table the motion to reconsider.

The motion to table prevailed.

**ADJOURNMENT**

Mr. Kennard moved that the House adjourn until 11:00 o'clock a.m. tomorrow.

Mr. Read moved that the House adjourn until 10:00 o'clock a.m. tomorrow.

Mr. McGregor of El Paso moved that the House recess until 10:00 o'clock a.m. tomorrow.

The motion to adjourn until 10:00 o'clock a.m. tomorrow was lost.

The motion to adjourn until 11:00 o'clock a.m. tomorrow prevailed.

The Benediction was offered by the Reverend Clinton Kersey, Chaplain.

In accordance with the motion to adjourn, the House, at 3:40 p.m., adjourned until 11:00 o'clock a.m. tomorrow.

**APPENDIX**

**STANDING COMMITTEE REPORTS**

The following Committees have filed favorable reports on bills and a resolution as follows:

- Agriculture: H. B. No. 2.
- Banks and Banking: H. B. No. 3.
- Rules: H. S. R. No. 5.

**FIFTH DAY**

(Wednesday, January 10, 1962)

The House met at 11:00 o'clock a.m., pursuant to adjournment, and was called to order by the Speaker.

The roll of the House was called and the following Members were present:

Mr. Speaker

Adams of Lubbock

Allen

Adams of Titus

Andrews

Atwell

Bailey

Barney

Blaine

Burgess

Butler

Cole of Hunt

Connel

Cook

Cory

Cotin

Cowles

Craig

Crews

Duff, Miss

Ehrle

Ehrla

Fairchild

Fletcher

Floyd

Garrison

Gibbens

Gwynn

Healy

Heflin

Present—Not Voting

Glass

Harding

Absent

Usborne

Absent—Excused

Banfield, Mrs.

Johnson of Bell

Larry

PAIRED

Mr. Glass (present), who would vote “Yea” with Mr. Johnson of Bell (absent) who would vote “Nay.”

Mr. Hughes of Grayson moved to reconsider the vote by which H. B. No. 1 was passed and to table the motion to reconsider.

The motion to table prevailed.

Mr. Pipkin

Preston

Quilliam

Richards

Roberts of Hill

Rosas

Sandahl

Schoram

Shannon

Shipley

Smith of Bexar

Springer

Stewart of Galveston

Stewart of Wichita

Townsend

Walker

Ward

Watson

Wells

Wilson

Woods

Nays—55

Adams of Lubbock

Adams of Titus

Allen

Andrews

Atwell

Bailey

Barney

Blaine

Burgess

Butler

Cole of Hunt

Connel

Cook

Cory

Cotin

Cowles

Craig

Crews

Duff, Miss

Ehrle

Ehrla

Fairchild

Fletcher

Floyd

Garrison

Gibbens

Gwynn

Healy

Heflin

Present—Not Voting

Glass

Harding

Absent

Usborne

Absent—Excused

Banfield, Mrs.

Johnson of Bell

Larry

PAIRED

Mr. Glass (present), who would vote “Yea” with Mr. Johnson of Bell (absent) who would vote “Nay.”

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The motion to table prevailed.

Mr. Pipkin

Preston

Quilliam

Richards

Roberts of Hill

Rosas

Sandahl

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Shannon

Shipley

Smith of Bexar

Springer

Stewart of Galveston

Stewart of Wichita

Townsend

Walker

Ward

Watson

Wells

Wilson

Woods

Nays—55

Adams of Lubbock

Adams of Titus

Allen

Andrews

Atwell

Bailey

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Cowles

Craig

Crews

Duff, Miss

Ehrle

Ehrla

Fairchild

Fletcher

Floyd

Garrison

Gibbens

Gwynn

Healy

Heflin

Present—Not Voting

Glass

Harding

Absent

Usborne

Absent—Excused

Banfield, Mrs.

Johnson of Bell

Larry

PAIRED

Mr. Glass (present), who would vote “Yea” with Mr. Johnson of Bell (absent) who would vote “Nay.”

Mr. Hughes of Grayson moved to reconsider the vote by which H. B. No. 1 was passed and to table the motion to reconsider.

The motion to table prevailed.
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Atwell
Ballman
Bandfield, Mrs.
Barlow
Barrow
Bartram
Bass
Berry
Blaine
Boyd
Bridges
Buchanan
Burgess
Butler
Calwell
Carrick
Chapman
Cole
Collins
Connel
Cook
Cory
Cotter
Cowles
Craig
Cruz
Cunnington
de la Garza
Dewey
Duff, Miss
Dungan
Richard
Ehrle
Espinoza
Farechild
Fletcher
Floyd
Foreman
Garrison
Gibbons
Giddens
Glass
Glissing
Green
Grover
Greyn
Hale
Harding
Harling
Harrington
Haynes
Healty
Hefley
Hixson
Hollowell
Hrubner
Hughes
Hughes of Dallas
Isacks, Miss

James
Jamison
Jarvis
Johnson of Dallas
Johnson of Brazoria
Jones of Dallas
Jones of Travis
Kennard
Kilpatrick
Kohler
Kolha
Korkman
Kothmann
Lack
Latimer
Leaverton
Lewis
Longoria
McCoppin
McGregor
McGregor
McPherson
McCoy
McCoy
McCrary
Martin
Mayer
McGee
Mercury
Milen
Milburn
Miller
Miller
Mullen
Mutchler
Nugent
Oliver
Osborn
Palment
Parrish
Pearcy
Peeler
Perry
Pich
Piett
Pipkin
Preston
Price
Quijano
Rapp
Ratliff
Read
Richards
Richardson
Roberts of Hill
Roberts of Dawson
Ross
Ross
Sands
Scharf
Shannon
Shipley
Slack
Sluder
Smith of Bexar
Smith of Jefferson
Seddon
Spillman
Springer

Stewart
Stewart
Walker
Ward
Ward
Watson
Wichita
Weel
Wheatley
Woodson
Woodson
Wilson
Yezak

Lary
Niemeyer

A quorum of the House was announced present.

Absents—Excused

The Invocation was offered by the Rev. Clinton Kersey, Chaplain, as follows:

"Heavenly Father, we thank Thee for this moment of silence and heart-searching as we talk to Thee. May there be in this place of deliberation such a sweetness of disposition that everyone may know Thou art here. Give each Member wisdom in their decisions, love in their attitudes and mercy in their judgments. Help us this day. In Jesus' Name we pray.—Amen."

Leaves of Absence Granted

The following Member was granted leave of absence on account of important business:
Mr. Lary for today on motion of Mr. Burgess.

The following Member was granted leave of absence on account of illness:
Mr. Niemeyer for today on motion of Mr. Dungan.

Memorial Resolutions Adopted

H. S. R. No. 40, By Mr. Turman:
In memory of Mr. Floyd Elmer Case.

H. S. R. No. 43, By Messrs. Stewart of Galveston and Townsend:
In memory of Mrs. Josefa H. Moss.

On the motion of Mr. Townsend, the names of all Members of the House were added to the resolution as signers thereof.

Congratulatory Resolution Adopted

H. S. R. No. 42, By Mr. Watson:
To congratulate Miss Penne Percy, "1962 Maid of Cotton."

On the motion of Mr. McGregor of McLennan, the names of all Members of the House were added to the resolution as signers thereof.

HOUSE BILL ON FIRST READING

The following House Bill was today laid before the House, read first time and referred to the appropriate Committee, as follows:

By Mr. Cotten:

H. B. No. 11, A bill to be entitled "An Act appropriating from the General Revenue Fund One Hundred and Fifty Thousand Dollars for the expenses of the Senate, and Two Hundred and Fifty Thousand Dollars for the expenses of the House of Representatives, for the Third Called Session of the 57th Legislature; designating the provisions, procedures and purposes for the expenditures of such appropriations; and declaring an emergency."

Referred to the Committee on Appropriations.

RELATIVE TO A MEMORIAL FOR THE SIGNERS OF THE TEXAS DECLARATION OF INDEPENDENCE

The Speaker laid before the House for consideration at this time the following resolution:

S. C. R. No. 6

Whereas, The Texas Declaration of Independence stands high among the documents of freedom-loving people of the world as a symbol of victory over tyranny and the blood and tears spilled in achieving and maintaining liberty; and

Whereas, This framework for independence was drawn by a committee of five Texas patriots and was signed by the fifty-nine delegates of the people of Texas to the general convention in the town of Washington-on-the-Brazos, March 2, 1836; and

Whereas, There is no fitting memorial to these illustrious citizens of that early Texas Republic; and

Whereas, At Washington-on-the-Brazos the State of Texas operates a State historical park, which is a mecca for Texas school children and all those Texans with pride in their forebears and a desire to tread the soil which nourished the beginnings of our illustrious Texas history; now therefore be it

Resolved by the Senate of the State of Texas, the House of Representatives concurring, That the State Building Commission be authorized to make a survey and draw plans for a suitable memorial to the signers of the Texas Declaration of Independence, using the present facilities of that office; and be it further Resolved, That the Building Commission plan the memorial to stand within the grounds of the State park at Washington-on-the-Brazos, the location to be as nearly as possible the exact site where the Texas Declaration of Independence was signed.

The resolution was referred to the Committee on Rules.

TO GRANT PERMISSION TO BUILD THE STATE

Mr. Rosson offered the following resolution:

H. C. R. No. 6

Whereas, It is alleged that on December 29, 1960, Will H. Crowder and wife, Bernice Crowder, executed a deed conveying to the State of Texas the following described land situated in Scurry County Texas:

19.379 acres of land, more or less, same being out of and a part of that certain 199 acre tract out of the southwest part of Section 177, Block 3, H. & G. N. R.R. Company Survey and that certain 91.7 acre tract out of the northeast part of Section 17, Block 1, J. P. Smith Survey both in Scurry County, Texas, which two tracts of land were conveyed to Will H. Crowder by deed dated December 22, 1946, of record in Volume 84, Page 347, Deed Records of Scurry County, Texas, said 19.379 acres of land, more or less, are more particularly described as follows:

Beginning at the point of intersection of the north line of said Section 17 and the southwest right of way of the proposed relocation of U. S. Highway 84, said point being 149.51 feet N 89° 43' W from center line chaining station 791 + 89 of said proposed relocation, and also...
being about 1813.50 feet S 89° 43' E from the southwest corner of the 1/2 of Section 18, Block 1, said J. P. Smith Survey;  
Thence S 29° 18' E along said proposed right of way line, a distance of 1878.69 feet cross the east line of said Section 17 and the west line of said Section 177 and continue a total distance of 3231.54 feet to a point in the south line of said Section 177;  
Thence N 89° 43' E along said section line, a distance of 149.51 feet, cross the centerline of said proposed relocation at chaining station 765 + 50 and continue a total distance of 299.02 feet to the point of beginning;  
which deed is recorded in volume 239, page 317, Deed Records of Scurry County, Texas; and  
Whereas, It is alleged that Will H. Crowder, deceased, was appointed independent executrix of his will and duly qualified as such on February 15, 1961, testate; and  
Whereas, It is alleged that by the terms of the last will of Will H. Crowder, deceased, Bernice Crowder, his widow, was appointed independent executrix of his will and duly qualified as such on February 15, 1961; and  
Whereas, It is alleged that the said Bernice Crowder is, under the will of Will H. Crowder, deceased, residuary legatee and devisee of such estate, including the lands of which the lands above described were a part prior to the conveyance to the State of Texas; and  
Whereas, Bernice Crowder claims that such conveyance to the State of Texas was made for an inadequate consideration as the result of misrepresentation made to her and to Will H. Crowder by the Agent of the State of Texas, acting by and through the State Highway Commission, and through Scurry County, that such misrepresentations were material and that they were relied upon by her and Will H. Crowder at the time of executing such deed; and that such conveyance should be rescinded and that she should receive damages and any other relief that she is entitled to; and  
Whereas, This controversy cannot be settled except by adjudication; now, therefore, be it  
Resolved, by the House of Representatives, the Senate of the State of Texas concurring, That the said Bernice Crowder, for herself and as an independent executrix of the Estate of Will H. Crowder, deceased, be, and she is hereby, granted permission to bring suit against the State of Texas and the State Highway Commission of the State of Texas in any court of competent jurisdiction in Scurry County, Texas, to determine the validity of her claim and to recover judgment against the State of Texas for such relief as she may be entitled to; and if suit is filed, service of citation be had upon the chairman of the State Highway Commission and the Attorney General of Texas; and that judgment in any suit brought under this Resolution shall be of the same force and effect as in other civil cases, and that either of the parties to this suit shall have the right of appeal; and be it further  
Resolved, That nothing herein shall be construed as an admission on the part of the State of Texas, or any of the departments or agencies of the State of Texas, or any of the political subdivisions of the State of Texas, as to the validity of any allegations or claims asserted in such suit, but that all allegations and claims asserted in said suit must be proved as in other suits under the rules of evidence and the same laws as apply and govern the trial of other civil cases; and be it further  
Resolved, That nothing herein shall be construed as a waiver of any defenses, either of fact or law, that may be asserted by or available to the State of Texas or any of the departments or agencies of the State of Texas, or any of the political subdivisions of the State of Texas in said suit, but all such defenses are hereby specifically reserved.
The resolution was referred to the Committee on State Affairs.

TO GRANT PERMISSION TO SUE THE STATE

Mr. Hughes of Dallas offered the following resolution:

H. C. R. No. 7

Whereas, E. R. Hinson, d/b/a Buck & Ruck Cut Rate Liquors; Mrs. A. L. Hinson, d/b/a Buck & Ruck Package Store; J. R. Ray, d/b/a Grand Central Liquor Store, Lone Star Liquor No. 1, Lone Star Liquor No. 2; Ernest Sowell, d/b/a Sowell's Package Store; Tenia Burriesci, d/b/a Joseph's Liquor Store; Sarah Rudnick Cohen, d/b/a Bernie's Liquor Store; John R. Bradford, d/b/a Super Liquor Store; G. Riley Donnell, d/b/a Hooper's Liquor Store; J. E. Bass, d/b/a Bass Liquor Store; Brazzle R. Gordon, d/b/a Payless Liquor Store; Aubrey C. Wright, d/b/a Wright's Hiway Package Store; Lloyd Flimmer, d/b/a Lloyd's Liquor Store; Nathan W. Harris, d/b/a Harris Liquors; Jim Levey, d/b/a J & B Package Store; John G. Vogel, d/b/a Vogel Package Store; James C. Cole, d/b/a A. 2 Liquor Store; Thomas LaRussa, d/b/a Little Man Package Store; Louise Piccola, d/b/a Premier Liquor Store; J. H. Parker, Sr., d/b/a A. G. Liquor Store, Johnny's Liquor Store; Cal's Cut Rate Liquors; Mary Montesana d/b/a Bryan and Peak Liquors; Claud Bailey, d/b/a Bailey's Liquor Store; Cecil Karr, d/b/a A-1 Liquor Store; L. B. Moery, d/b/a L. A.'s Package Store; Aaron L. Friedman, d/b/a B & D Liquor Store; J. C. Miller, d/b/a Miller's Cut Rate Package Store; James C. Cheek, Jr., d/b/a B & B Cut Rate Liquor Store; H. L. Wimberly, d/b/a Dad's Cut Rate Liquors No. 2; Harry Mark, d/b/a Corner Package Store; Scott E. Roberts, d/b/a Bottle Shop Cut Rate No. 2; Rufus H. McGhee & Velma Lawrence, d/b/a Continental Liquors; Mildred E. Brown, d/b/a Brown Liquor Store; Irwin Shwiff, d/b/a Irwin Liquors; A. D. Kleinman, d/b/a Kay's Liquor; and Mrs. Marian Steger, d/b/a Circle Liquor Store have paid floor taxes on the stock of liquor in their places of business; and

Whereas, The Statute under which the tax was paid has been declared invalid, the aforementioned parties desire to sue the State of Texas to establish their claim for refund; now, therefore, be it

Resolved, By the House of Representatives of the State of Texas, and the Senate concurring, That the consent of the State of Texas is hereby given to E. R. Hinson, d/b/a Buck & Ruck Cut Rate Liquors; Mrs. A. L. Hinson, d/b/a Buck & Ruck Package Store; J. R. Ray, d/b/a Grand Central Liquor Store, Lone Star Liquor No. 1, Lone Star Liquor No. 2; Ernest Sowell, d/b/a Sowell's Package Store; Tenia Burriesci, d/b/a Joseph's Liquor Store; Sarah Rudnick Cohen, d/b/a Bernie's Liquor Store; John R. Bradford, d/b/a Super Liquor Store; G. Riley Donnell, d/b/a Hooper's Liquor Store; J. E. Bass, d/b/a Bass Liquor Store; Brazzle R. Gordon, d/b/a Payless Liquor Store; Aubrey C. Wright, d/b/a Wright's Hiway Package Store; Lloyd Flimmer, d/b/a Lloyd's Liquor Store; Nathan W. Harris, d/b/a Harris Liquors; and
F. H. Faulk, d/b/a Handy Liquor Store; 
Jim Levey, d/b/a J & B Package Store;  
John G. Vogel, d/b/a Vogel Package Store; 
James C. Cole, d/b/a A-2 Liquor Store;  
Louise Piccola, d/b/a Premier Liquor Store;  
J. H. Parker, Sr. d/b/a A. G. Liquor Store, Johnny's Liquor Store, Cal's Cut Rate Liquors;  
Law, that may be asserted by or available to the State of Texas in said suit, but all such defenses are hereby specifically reserved.

The resolution was referred to the Committee on State Affairs.

RESOLUTION SIGNED BY THE SPEAKER

The Speaker signed in the presence of the House after giving due notice thereof and its caption had been read, the following enrolled resolution:

S. C. R. No. 3, In Memory of Royce House.

HOUSE BILL NO. 2 ON SECOND READING

The Speaker laid before the House on its second reading and passage to engrossment:

H. B. No. 2, A bill to be entitled "An Act amending Article 9.25 of Chapter 9, Title 122A, Taxation-General, Revised Civil Statutes of Texas, 1925, as amended and Subsection (4b) of Section 2, Article XX, House Bill No. 8, Chapter 184, Acts of the Regular Session of the Forty-seventh Legislature (Article 7083a), as amended, to provide for the maintenance of Farm-to-Market Roads and to require the expenditure of certain amounts for the construction of newly designated Farm-to-Market Roads; making certain appropriations; providing severability; and declaring an emergency."

The bill was read second time.

Mr. McLhany moved that further consideration of House Bill No. 2 be postponed until 10:00 o'clock a.m., January 11, 1962.

The motion prevailed without objection.

HOUSE BILL NO. 3 ON SECOND READING

The Speaker laid before the House on its second reading and passage to engrossment:

H. B. No. 3, A bill to be entitled "An Act to define and regulate the business of lending money in amounts of Fifteen Hundred Dollars ($1,500) or less; to authorize the licensing and regulation of persons...
engaged in such business; to permit licensees to charge a greater rate of charge than lenders not licensed hereunder; to prescribe maximum rates of charge that licensees are permitted to charge; to regulate the assignment of wages as salary earned, or to be earned, when given as security for a loan or as consideration for a payment of fifteen hundred dollars ($1,500) or less; to provide for administration and enforcement of this Act and the issuance of regulations and orders therefor; to authorize the making of examinations and investigations and the publication of reports thereof; to provide for the review of administrative acts hereunder; to provide penalties; to amend Chapter 146, Acts of the 48th Legislature, Regular Session, 1943, compiled as Article 4646b, Vernon's Annotated Civil Statutes, and Articles 6049, 6071 and 6073, Revised Civil Statutes of Texas, 1925; to repeal Chapter 473, Acts of the 51st Legislature, Regular Session, 1951, compiled as Article 1524a.1, Vernon's Annotated Civil Statutes and Chapter 17, Acts of the 49th Legislature, Regular Session, 1945, compiled as Article 6153a, Vernon's Annotated Civil Statutes and Subdivisions (5) and (6) of Article 19.01, Title 172A, Taxation-General, Revised Civil Statutes of Texas, 1925, and all other laws or parts of laws in conflict; to provide for severability; and to declare an emergency.

The bill was read second time.

Mr. Stewart of Wichita offered the following committee amendment to the bill:

Committee Amendment No. 1

Amend House Bill No. 3 by striking out below the enacting clause and substituting in lieu thereof the following:

"Section 1. Declaration of Legislative Intent.

The Legislature finds as facts and determines:

(a) Consumer loans such as small loans, installment loans, personal loans, and the like, constitute an extremely important segment of the economic life of the State. There exists among citizens of the State a widespread demand for such loans, a demand which has been increasing progressively due to a number of social and economic factors.

(b) Due to the lack of adequate regulation in this field some unethical and unscrupulous lenders are presently engaged in the business of making consumer loans and are subjecting borrowers to a variety of vicious abuses.

(c) Because of this situation, the Texas Legislative Council was requested to study the field of consumer loans and report its findings and recommendations to the Legislature.

(d) The Legislative Council found that consumer loans make an important and useful contribution to our society in that they provide the only means by which many individuals and families can secure credit necessary to improve their standards of living and to meet unforeseen emergencies.

(e) The Legislative Council also found that consumer loan credit operations in Texas have been characterized by a number of abuses on the part of some lenders such as overcharging on loans, pyramidig of loans and entrapment of borrowers, and that these abuses stem from the lack of adequate regulation. To curb these abuses the Legislative Council recommended the adoption of legislation designed to eliminate unethical and unscrupulous lenders, regulate and control business practices, curb abuses of borrowers and provide fair and reasonable rates of charges for borrowers and lenders alike.

(f) These facts characterize and distinguish loans with cash advances of fifteen hundred dollars ($1,500) or less and legislation to control loans of this type is necessary to protect the public interest.

(g) It is the intent of the Legislature in enacting this statute to bring under public supervision those engaged in the business of making such loans; to eliminate the practices that result in the abuse of borrowers; to establish a system of regulation for the purpose of insuring honest and efficient loan service...
and of stimulating competition in such lending; to provide schedules of charges which are fair, just and equitable for borrowers and lenders alike.

Sec. 2. Short Title.

This Act shall be known and may be cited as the "Texas Consumer Finance Act."

Sec. 3. Definitions.

The following words and terms, when used in this Act shall have the following meaning, unless the context clearly requires a different meaning. The meanings applied to the singular forms shall also apply to the plural.

(a) "Person" means an individual, co-partnership, association, trust, corporation and any other legal entity.

(b) "Licensee" means the authority to do business under this Act.

(c) "Licensee" means any person to whom one (1) or more licenses have been issued.

(d) "Commissioner" means the Consumer Finance Commissioner of the State of Texas.

(e) "Finance Commission" means the Finance Commission of Texas created by the Texas Banking Code of 1941.

(f) "Cash advance" means the amount of cash or its equivalent the borrower actually receives and shall also include that paid out at his direction or request, on his behalf or for his benefit.

(g) "Interest" shall be that compensation allowed by this Act for the use or forbearance or detention of the cash advance. As used in this Act, the term "interest" shall specifically include the total amount of "Authorized Charges" authorized by this Act. The maximum rate of interest that a licensee may charge for a cash advance made under this Act is the total of the Maximum Authorized Charges that are authorized and limited by Section 17 of this Act.

(h) "Service and Availability Charge" shall be that compensation allowed by this Act for the making and servicing of a loan made under this Act.

(i) "Authorized Charges" means the total amount of interest and service and availability charge specified in Section 17 of this Act; those items specified in Section 17(e) and any gain or advantage arising from the sale or providing of insurance as authorized in Section 17 shall not be part of the authorized charges.

Sec. 4. Office of Consumer Finance Commissioner Created.

(a) There is hereby created the Office of Consumer Finance Commissioner of the State of Texas. The Commissioner shall be appointed by the Finance Commission and shall serve at the pleasure of the Finance Commission. The Commissioner shall be an employee of the Finance Commission, subject to its orders and directions, and shall receive such compensation as is fixed by the Finance Commission. The Commissioner is authorized to appoint and remove examiners and employees, and to prescribe the duties of each. The number of examiners and employees to be appointed and the compensation to be paid them shall be approved by the Finance Commission.

(b) The Commissioner shall, from time to time as directed by the Finance Commission, submit to the Finance Commission a full and complete report of the receipts and expenditures of the Office of Consumer Finance Commissioner and the Finance Commission may, from time to time, examine the financial records of the Office of the Consumer Finance Commissioner, or cause them to be examined. In addition, the Office of the Consumer Finance Commissioner shall be audited from time to time by the State Auditor in the same manner as State Departments. The Finance Commission shall adopt, and from time to time amend, budgets which shall direct the purpose and prescribe the amounts for which the fees and revenues of the Office of Consumer Finance Commissioner shall be expended, and the Finance Commission shall as of December 31, 1942, and annually thereafter report to the Governor the receipts and disbursements of the Office of Consumer Finance Commissioner for each calendar year.

(c) All fees and revenues collected by the Office of Consumer Finance Commissioner from every source whatsoever shall be retained
and held by said Office and shall be expended only for the administration and enforcement of this Act. No part of such fees and revenues shall ever be paid into the General Revenue Fund of the State provided, however, that the Office of Consumer Finance Commissioner shall reimburse the Office of the State Auditor for the actual expense of any audit of the Office of the Consumer Finance Commissioner, and in addition, the Office of the Attorney General shall be reimbursed for the actual expense incurred by the Office of the Attorney General in legal actions relating to the administration and enforcement of this Act. All expenses incurred by the Office of Consumer Finance Commissioner shall be paid only from the fees and revenues of said Office and no such expense shall ever be a charge on the General Revenue Fund of the State.

(d) The Commissioner shall appoint a Deputy Commissioner, such examiners and assistant examiners as may be required to examine all licensees under this Act annually and such employees as may be necessary to maintain and operate the Office of Consumer Finance Commissioner and to enforce the laws of this State relative to licensees under this Act. The Deputy Commissioner, the examiners and assistant examiners and all such officers and employees shall receive such compensation as shall be fixed by the Finance Commission.

(e) The Commissioner, the Deputy Commissioner, the examiners and assistant examiners shall, before entering upon the duties of office, take the oath of office required of appointive officers and make a fidelity bond in the sum of Ten Thousand Dollars ($10,000) payable to the Finance Commission and its successors in office, in individual, schedule or blanket form, executed by a surety appearing upon the list of approved sureties acceptable to the Finance Commission. The bond shall be in a form approved by the Finance Commission. The premiums for all such bonds shall be paid out of the fees and revenues collected by the Commissioner.

(f) The Commissioner shall supervise and shall regulate, as provided in this Act, all licensees and shall enforce the provisions of this Act in person or through the Deputy Commissioner or any examiner or assistant examiner. The Commissioner, the Deputy Commissioner, each examiner and assistant examiner and each employee under this Act shall not be personally liable for damages occasioned by his official acts or omissions except when such acts or omissions are corrupt or malicious. The Attorney General shall defend any action brought against any of the above mentioned officers or employees by reason of his official act or omission whether or not at the time of the institution of the action the defendant has terminated his services with the Office of the Consumer Finance Commissioner.

Sec. 5. Scope.

(a) On and after ninety (90) days from the effective date of this Act, no person shall, without first obtaining a license from the Commissioner, engage in the business of making loans with cash advances of Fifteen Hundred Dollars ($1,500) or less, and contract, charge or receive, directly or indirectly, on or in connection with any such loan, any charges, whether for interest, compensation, consideration or expense or other thing of otherwise, which in the aggregate are greater than such person would be permitted by law to charge if he were not a licensee under this Act. During such ninety (90) day period, any person who has applied for such license, or filed written notice of intention to apply for such license with the Commissioner, and who has not been denied, shall be subject to all the provisions of this Act and may contract for, charge and receive authorized charges as if he were a licensee.

(b) The provisions of Section 5(a) shall apply to any person who seeks to evade its application by any device, subterfuge or pretense whatsoever.

(c) Any person and the several members, officers, directors, agents and employees thereof, who shall wilfully violate or participate in the violation of Section 5(a) shall be guilty of a misdemeanor and upon conviction thereof shall be punishable by a fine of not less than One Hundred Dollars ($100) and not more than One Thousand Dollars
(1) Any person doing business under the authority of and as permitted by the Texas Banking Code of 1945, as amended.

(2) Any person doing business under the authority of and as permitted by Articles 352 through 851, Revised Civil Statutes of Texas, 1925, and Chapter 61, Acts of the 41st Legislature, Second Called Session, 1929 as amended, relating to Building and Loan Associations.

(3) Any person doing business under the authority of and as permitted by Articles 2461 through 2484, Revised Civil Statutes of Texas, 1925, as amended, relating to Credit Unions.

(4) Any person doing business under the authority of and as permitted by Articles 1514 through 1519, Revised Civil Statutes of Texas, 1925, relating to Agricultural Finance Corporations.

(5) Any person doing business under the authority of and as permitted by Articles 2485 through 2499, Revised Civil Statutes of Texas, 1925, as amended, relating to Agricultural and Livestock Pools.

(6) Any person doing business under the authority of and as permitted by Articles 2500 through 2507, Revised Civil Statutes of Texas, 1925, as amended, relating to Mutual Loan Corporations.

(7) Any person doing business under the authority of and as permitted by Articles 2508 through 2513, Revised Civil Statutes of Texas, 1925, relating to Cooperative Credit Associations.

(8) Any person doing business under the authority of and as permitted by Articles 2514 through 2524, RevisedCivil Statutes of Texas, 1925, relating to Farmers Cooperative Societies.

(9) Any person doing business under the authority of and as permitted by Articles 5611, Revised Civil Statutes of Texas, 1925, relating to Markets and Warehouse Corporations.

(10) Any person doing business as an insurance company under the authority of and as permitted by the Insurance Code of Texas, as amended.

(11) Any person doing business under the authority of and as permitted by any law of the United States relating to National Banks, Federal Credit Unions or other Federal Lending Agencies or Institutions.

(12) Any person doing business as a pawnbroker under the authority of and as permitted by Articles 6146 through 6161, Revised Civil Statutes of Texas, 1925, when such person does not require the personal liability of the borrower in a loan transaction.

(13) Any person doing business under the authority of and as permitted by Articles 1513, Revised Civil Statutes of Texas, 1925, and Chapter 388, Acts of the Fifty-fifth Legislature, Regular Session, 1937, relating to Trust Companies.

(b) The provisions of this Act shall not apply to any bona fide cash or credit sale of property permitted by the laws of the State of Texas, either at wholesale or retail.

Sec. 7. Application for License; Fees; Appointment of Agent.

(a) Application for a licence shall be in writing, under oath, and in the form prescribed by the Commissioner; shall give the location from which the business is to be conducted, and shall contain such relevant information as the Commissioner may require, including identification of the principal parties in interest, and the names and addresses of the principal owners, officers and directors, to provide the basis for the findings necessary under Section 8. Upon making application, the applicant shall pay Two Hundred Dollars ($200) to the Commissioner as an investigation fee, and Two Hundred Dollars ($200) as the annual fee provided in Section 9(b) of this Act for the current calendar year, pro-
vided that if the license is granted after June 30th in any year such fee shall be One Hundred Dollars ($100) for that year. No person convicted of a felony or a misdemeanor involving moral turpitude shall be eligible for a license hereunder.

(b) Every licensee shall maintain on file with the Commissioner a written appointment of a resident of this State as his agent for service of all judicial or other process or notice, unless the licensee has appointed a resident agent under another statute of this State.

(c) Every applicant shall also, at the time of filing such application, file with the Commissioner a bond satisfactory to him and in an amount not less than Ten Thousand Dollars ($10,000) with a surety company qualified to do business in this State as surety, whose total liability in the aggregate shall not exceed the amount of such bond so fixed. The amount of the bond shall be increased by Five Thousand Dollars ($5,000) for each additional office to be operated by the applicant within this State. The said bond shall run to the State for the use of the State and of any person or persons who may have cause of action against the obligor of said bond under the provisions of this Act. Such bond shall be conditioned that the said obligor will faithfully conform to and abide by the provisions of this Act and of all rules and regulations lawfully made by the Commissioner hereunder, and will pay to the State and to any such person or persons any and all the money that may become due or owing to the State or to such person or persons from said obligor under any provision of this Act during the calendar year for which said bond is given.

Sec. 8. Issuance or Denial of License.

(a) Upon filing of such application, bond and payment of the required fees, the Commissioner shall investigate the facts and if he shall find the financial responsibility, experience, character and general fitness of the applicant are such as to command the confidence of the public and to warrant belief the business will be operated lawfully and fairly, within the purposes of this Act, and the applicant has available for the purpose of making loans under this Act at the specified location liquid assets of at least Fifteen Thousand Dollars ($15,000), he shall grant such application and license to the applicant a license which shall be his license and authority to make loans under the provisions of this Act.

(b) If the Commissioner shall not so find, he shall enter an order denying such application and forthwith notify the applicant of the denial, who shall, on written request within thirty (30) days, be entitled to a hearing on such application within sixty (60) days after the date of said request. The investigation fee shall be retained by the Commissioner, but the annual fee shall be returned to the applicant in the event of denial.

(c) The Commissioner shall grant or deny each application for a license within thirty (30) days from its filing with the required fees, or, from the hearing thereon, if any, unless the period is extended by written agreement between the applicant and the Commissioner.

Sec. 9. License; Annual Fee; Minimum Assets.

(a) Each license shall state the address of the office from which the business is to be conducted and the name of the licensee shall be displayed at the place of business named in the license. The license shall not be transferable or assignable.

(b) Each license shall remain in full force and effect until relinquished, suspended, revoked, or has expired. Every licensee shall, on or before December 10th each year, pay the Commissioner Two Hundred Dollars ($200) for each license held by him, as the annual fee for the succeeding calendar year. If the annual fee remains unpaid fifteen (15) days after written notice of delinquency has been given to the licensee by the Commissioner, the license shall thereupon expire, but not before December 31st of any year for which an annual fee has been paid.

(c) Every licensee shall maintain liquid assets of at least Fifteen Thousand Dollars ($15,000), either used or readily available for use
in the conduct of the business of each licensed office.

Sec. 10. Offices; Removal.
(a) A license shall be required for each office operated under this Act. The Commissioner shall issue more than one (1) license to the same person upon compliance with this Act as to each license. Nothing contained herein, however, shall be construed to require a license for any place of business devoted to record keeping and where loans under this Act are not made.
(b) When a licensee wishes to move his office to another location in the same city or town in which the license was originally granted, he shall give thirty (30) days written notice to the Commissioner who shall amend the license accordingly. In such event, the licensee shall also serve fifteen (15) days written notice of his intention to remove his office to each of the borrowers having a loan outstanding at such office.
(c) When a licensee wishes to move his office from a location in one city or town to a location in another city or town, he shall make application to the Commissioner for permission to make such change. The Commissioner, if he finds that the interests of the city or town will be served thereby, shall amend the license to transfer to the new place of business with the date of such transfer, which amendment shall be authority for the operation of the business under the license at the new location.

Sec. 11. Revocation; Suspension; Surrender; Reinstatement of Licenses.
(a) The Commissioner shall, after notice and hearing, revoke any license if he finds that:
1. The licensee, either knowingly or without the exercise of due care to prevent the same, has violated any provision of this Act or any regulation or order lawfully made pursuant to and within the authority of this Act; or that
2. Any fact or condition exists which, if it had existed or had been known to exist at the time of the original application for such license, clearly would have justified the Commissioner in refusing to issue such license.
3. The hearing shall be held upon thirty (30) days notice in writing setting forth the time and place thereof and a concise statement of the facts alleged to sustain the revocation. The hearing shall be full, fair and public. Such revocation and its effective date shall be set forth in a written order accompanied by findings of facts and a copy thereof shall be forthwith delivered to the licensee. Such order, findings and the evidence considered by the Commissioner shall be filed with the public records of the Commission.
(b) If the Commissioner finds that probable cause for revocation of any license exists and that enforcement of the Act requires immediate suspension of such license pending investigation, he may, upon ten (10) days written notice and a hearing, enter an order suspending such license for a period not exceeding three (3) months.
(c) Any licensee may surrender any license by delivering it to the Commissioner with written notice of its surrender, and such surrender shall not affect his civil or criminal liability for acts committed prior thereto.
(d) No revocation, suspension, or surrender of any license shall impair or affect the obligation of any pre-existing lawful contract between the licensee and any borrower.
(e) The Commissioner may reinstate suspended licenses or issue new licenses to a person whose license or licenses have been revoked if no fact or condition then exists which clearly would have justified the Commissioner in refusing originally to issue such license under this Act.

Sec. 12. Examination of Licensees; Access to Records; Investigations; Injunctions.
(a) At least once each year and at such other times as the Commis-
stoner shall deem necessary, the Commissioner, or his duly authorized representative shall make an examination of the place of business of each licensee and shall inquire into and examine the loans, transactions, books, accounts, papers, correspondence and records of such licensee as far as they pertain to the business regulated by this Act. In the course of such examination, the Commissioner or his duly authorized representative shall have free access to the office, places of business, files, safe, vaults of such licensees and shall have the right to take or to make copies of such books, accounts, papers, correspondence and records. The Commissioner or his duly authorized representative may, during the course of such examination, administer oaths and examine any person under oath upon any subject pertinent to any matter about which the Commissioner is authorized or required by this Act to consider, investigate, or secure information. Any licensees who shall fail or refuse to let the Commissioner or his duly authorized representative examine, take, or make copies of such books, or other documents shall thereby be deemed in violation of this Act and such failure or refusal shall constitute grounds for the suspension or revocation of such license. The information obtained in the course of such examination shall be confidential. Each licensee shall pay to the Commissioner the cost of the examination, but not to exceed Fifty Dollars ($50) per day per examiner and the total cost of examinations assessed and charged a licensee in any one (1) calendar year shall not exceed Two Hundred Fifty Dollars ($250) for each licensed office.

(b) For the purpose of discovering violations of this Act or of securing information required hereunder, the Commissioner or his duly authorized representatives may investigate the books, accounts, papers, correspondence and records of any licensee or other person who the Commissioner has reasonable cause to believe is violating or about to violate any provision of this Act whether or not such person shall claim to be within the authority or scope of this Act. For the purposes of this subsection any person who advertises, for solicits or holds himself out as willing to make loans with cash advances in the amount or the value of Fifteen Hundred Dollars ($1,500) or less, shall be presumed to be engaged in the business described in Section 5 of this Act.

(c) In the course of any examination, investigation or hearing let to the enforcement or administration of any provision of this Act, the Commissioner may require by subpoena or summons, issued by the Commissioner addressed to any peace officer within this State, the attendance and testimony of witnesses, and the production of books, accounts, papers, correspondence or records (excepting such as are absolutely necessary for the continued course of business) which such books, accounts, papers, correspondence, or records the Commissioner shall have the right to examine or cause to be examined at the office, or place of business, and to require copies of such portions thereof as may be deemed necessary touching the matter in question, which copies shall be verified by affidavit of such concern or an officer of such concern, and shall, when certified by the Commissioner, be admissible in evidence in any investigation or hearing under this Act, or in any appeal to the District Court of Travis County, Texas, as provided by this Act and for this purpose the Commissioner may sign subpoenas, administer oaths and affirmations, examine witnesses and receive evidence. In case of disobedience of any subpoena, or of the continuance of any witness appearing before the Commissioner, the Commissioner may invoke the aid of the district court of any county within whose jurisdiction any witness may be found, and such court may thereupon issue an order requiring the person subpoenaed to obey the subpoena or give evidence, or produce books, accounts, correspondence, records and other documents touching the matter in question. Upon the filing of such application to enforce such application shall be treated in the same manner as a motion in a civil suit pending in said court, the court shall forthwith set such application down for hearing and cause a notice of the filing of such application and of such hearing to be served
upon the party to whom such subpoena is directed. Such notice may be served by any peace officer in the State of Texas. Such application shall take precedence over all other matters of a different nature pending before such court. Any failure to obey such order of the court may be punished by such court as contempt thereof.

(d) In the course of any examination, investigation or hearing described in subsection (c) of this section, the Commissioner may appoint a hearing officer to conduct such examination, investigation or hearing, and such hearing officer shall be vested for the purpose of such examination, investigation or hearing with the same power and authority as the Commissioner would have if he were personally conducting such examination, investigation or hearing, provided that such hearing officer shall not be authorized to make any order upon the subject matter of such examination, investigation or hearing; and provided further that the record of any examination, investigation or hearing conducted before the hearing officer may be considered by the Commissioner in the same manner and to the same extent as evidence that is adduced before him personally in any examination, investigation or hearing.

(e) The fee for serving the subpoena shall be the same as that paid a sheriff or constable for similar services. Each witness required to attend before the Commissioner shall receive for each day's attendance, the sum of Two Dollars ($2) and shall receive in addition the sum of Ten Cents (10¢) for each mile traveled by such witness by the usual route going to or returning from the place where his presence is required, provided that such fees shall not become payable until the witness has actually appeared at such hearing. All disbursements made in the payment of such fees shall be included in and paid in the same manner as is provided for other expenses incident to the administration and enforcement of this Act.

(f) The fees, expenses and costs incurred at or in connection with any hearing may be imposed by the Commissioner upon any party in interest to the record or may be divided between any and all parties in interest to the record in such proportion as the Commissioner may determine.

(g) Whenever the Commissioner has reasonable cause to believe that any licensee or any other person is violating, or is threatening to, or intends to violate any provision of this Act, he may in addition to all actions provided for in this Act and without prejudice thereto enter an order requiring such person to desist or to refrain from such violation; and an action may be brought in the District Court of Travis County, Texas, or in any district court of this State, on the relation of the Attorney General at the request of the Commissioner, to enjoin such person from engaging in or continuing such violation or from doing any act or acts in furtherance thereof. In any such action, an order or judgment may be entered awarding such preliminary or final injunction as may be deemed proper. In addition to all other means provided by law for the enforcement of a restraining order or injunction, the court in which such action is brought shall have power and jurisdiction to impound, and to appoint a receiver for the property and business of the defendant, including books, papers, documents and records pertaining thereto or so much thereof as the court may deem reasonably necessary to prevent violations of this Act through or by means of the use of said property and business. Such receiver, when appointed and qualified, shall have such powers and duties as to custody, collection, administration, winding up and liquidation of such property and business as shall from time to time be conferred upon him by the court. This provision shall be cumulative of Articles 2293 through 2319 inclusive, Revised Civil Statutes of Texas, 1925, as amended.

Sec. 13. Records; Annual Reports.

(a) Each licensee shall keep in this State such books and records relating to loans made under this Act as are necessary to enable the Commissioner to determine whether the licensee is complying with this Act. Such books and records shall be consistent with accepted accounting practices.

(b) Each licensee shall preserve such books and records in this State for at least two (2) years after making
the final entry of any loan recorded therein. Each licensee’s system of records shall be accepted if it discloses such information as may be reasonably required under Section 19 of this Act. All obligations signed by borrowers shall be kept at an office in this State designated by the licensee, except when hypothecated under an agreement by which the creditor gives the Commissioner access thereto.

(b) Each licensee shall annually on or before the first day of April file a report with the Commissioner giving such relevant information as the Commissioner may reasonably require concerning the business and operations during the preceding calendar year for each licensed place of business conducted by such licensee within the State. Such report shall be made under oath and shall be in the form prescribed by the Commissioner, who shall make and publish annually a consolidated analysis and recapitulation of such reports, but the individual reports shall be held confidential.

Sec. 14. Regulations; Copies; Public Record.

(a) The Commissioner may make regulations necessary for the enforcement of this Act and consistent with all of its provisions. Each such regulation shall include reference only to the section or subsection to which it applies. Before making a regulation, the Commissioner shall give every licensee at least twenty (20) days written notice of a public hearing, stating the time and place thereof and the terms or substance of the proposed regulation. At the hearing, any licensee may be heard and may introduce evidence, data or arguments or place the same on file. After consideration of all relevant matter presented, the Commissioner shall promulgate every regulation in written form stating its effective date and the date of promulgation. Each regulation shall be entered in a permanent book which shall be a public record and be kept in the Commissioner’s office. A copy of every regulation shall be mailed to each licensee and no regulation shall become effective until the expiration of at least twenty (20) days after such mailing.

(b) On application of any person and payment of the costs therefor, the Commissioner shall furnish, under his seal and signed by him or his deputy, a certificate of good standing, a certified copy of any license, regulation or order.

(c) Any transcript of any hearing held by the Commissioner or findings by the Commissioner under this Act shall be a public record and open to inspection at all reasonable times.

Sec. 15. Advertising.

No licensee shall advertise or cause or permit to be advertised, in any manner whatsoever, any false, misleading or deceptive statement or representation with regard to the rates, terms or conditions for loans. If rates are stated in advertising, the Commissioner may require them to be stated fully and clearly.

No licensee under this Act shall use any advertising stating that said licensee is licensed by, or regulated by, the State of Texas, or any agency thereof; nor shall such licensee use words of similar import for advertising purposes.

Sec. 16. More Than One Business in Single Office.

(a) A licensee may conduct the business of making loans under this Act within any office, suite, room or place of business in which any other business is solicited or engaged in, or in association or conjunction with any other business, unless the Commissioner shall find, after a hearing, that the conduct by the licensee of such other business in the particular licensed office has concealed violations of this Act and shall order such licensee, in writing, to desist from such conduct in such office.

(b) No licensee shall conduct the business of making loans provided for by this Act under any name, or at any place of business within this State, other than that stated in the license.

(c) Nothing in this Act shall be construed to limit the loans of any licensee to residents of the community in which the licensed office is situated or to prohibit the licensee from making loans by mail.

Sec. 17. Maximum Authorised Charges.
(a) Every licensee may contract for and receive on any cash advance not exceeding Fifteen Hundred Dollars ($1,500) the following maximum authorized charges:

(1) A basic interest charge of Ten Dollars ($10) per One Hundred Dollars ($100) per annum computed on the amount of the cash advance from the date of making the loan until the date of maturity.

(2) A service and availability charge of Three-Fourths Cent (¾¢) per month for each One Dollar ($1) of the first Four Hundred Dollars ($400) of the cash advance for each month of the loan contract.

(b) (1) The authorized charges shall be computed, when the loan is made, on the full amount of the cash advance for the full term of the loan contract without regard to the requirement of the loan contract for payment in substantially equal and consecutive monthly installments. The full amount of such authorized charges shall be added to the cash advance.

(2) Every loan contract shall provide for repayment of principal and authorized charges in substantially equal and consecutive monthly installments, except that installments may be deferred when necessary because of the seasonal nature of the borrower's income.

(3) Notwithstanding the requirement of consecutive monthly installments, except that installments may be deferred when necessary because of the seasonal nature of the borrower's income, the maturity of any such installment may exceed one (1) month by not more than fifteen (15) days and the amount of such installment may be increased by one-thirtieth (1/30th) of the amount of authorized charges which would be applicable to a first installment period of one (1) month, for each extra day, but such additional authorized charges shall be excluded in computing any required refund or credit.

(4) Additional authorized charges for default, if contracted for, may equal but shall not exceed Three Cents (¾¢) for each One Dollar ($1) of any scheduled installment when one-half (½) or more of such installment continues unpaid for seven (7) days or more, following the date such payment is due, including Sundays and holidays. Authorized charges for such default shall not be collected more than once on the same installment.

(5) When any loan contract is prepaid in full by cash, a new loan, renewal, or otherwise, on or after the first installment due date but before the final installment due date, the licensee shall refund or credit the borrower with an amount which shall be as great a proportion of the total authorized charges as the amount prepaid in full bears to the sum of all the periodic time balances under the schedule of payments scheduled to follow the installment date nearest the date of payment in full bears to the sum of all the periodic time balances under the schedule of payments set out in the loan contract. Any prepayment in full made on or before the fifteenth (15th) day following an installment due date shall be deemed to have been made on the preceding installment date and any prepayment in full made thereafter during each monthly period shall be deemed to have been made on the next installment due date. If such prepayment in full occurs before the first installment due date the licensee shall retain for each elapsed day from date the loan was made, one-thirtieth (1/30th) of the portion of the authorized charges which could be retained if the first installment period were one (1) month and the loan were prepaid in full on the first installment due date and the authorized charges contracted for under this section in excess of such amount shall be refunded or credited to the borrower.

(6) Any prepayment in full of funds shall be required for partial prepayments and so much thereof that the prepayment in full made on or after the fifteenth (15th) day following an installment due date in excess of the amount of such installment shall be refunded or credited to the borrower.

(d) No licensee shall induce or permit any person, or husband and wife, to be obligated, directly or indirectly, under more than one (1) loan contract under this Act at the same time for the purpose, or with the effect, of obtaining a higher authorized charge than would otherwise be permitted by this Act; but such limitation shall not apply to the acquisition by purchase of bona fide obligations of the borrower incurred for goods or services, and provided further, if a licensee purchases all or substantially all the loan contracts of another licensee under and has at the time of purchase loan contracts with one (1) or more of the borrowers whose loans
are purchased, the purchaser shall be entitled to collect principal and authorized charges thereon according to the terms of each loan contract.

(e) In addition to the authorized charges provided in this Act no further or other charge or amount whatsoever shall be directly, or indirectly, charged, contracted for, or received. This includes (but is not limited by) all charges such as fees, compensation, bonuses, commissions, brokerage discounts, expenses and every other charge of any nature whatever whether of the types listed herein or not. Without limitation of the foregoing, such charges may be any form of costs or compensation whether contracted for or not, received by the licensee, or any other person, in connection with (1) the investigating, arranging, negotiating, procuring, guaranteeing, making, servicing, collecting or enforcing of a loan; or (2) for the forbearance of money, credit, goods or things in action; or (3) for any other service or services performed or offered. However, the prohibition set out herein shall not apply to amounts actually incurred by a licensee as court costs; attorney fees assessed by a court; lawful fees for filing, record, or releasing to any public office any instrument securing a loan; the reasonable cost actually expended for repossessing, sharing, or selling any security; or fees for noting a lien on or transferring a certificate of title to any motor vehicle offered as security for a loan made under this Act, or premiums received in connection with the sale of insurance authorized under Section 18 of this Act.

(f) If any amount in excess of the authorized charges permitted by this Act is charged, contracted for, or received, except as the result of an accidental and bona fide error of computation, the contract of loan shall be void against public policy, and the licensee shall have no right to collect or receive any principal, authorized charges or recompense whatsoever, and the licensee and the several members, officers, directors, agents and employees thereof who shall have violated or participated in such violation shall be guilty of a misdemeanor and upon conviction thereof shall be punishable by a fine of not more than One Thousand Dollars ($1000) and not less than One Hundred Dollars ($100) or by confinement in the county jail for not more than six (6) months, or by both such fine and confinement.

In addition, the borrower shall be entitled to recover reasonable attorney fees incurred by him in any legal action brought to enforce any rights or penalties provided in this Act, when he prevails in such suit.

Sec. 18. Insurance.

(a) A licensee may require, as additional security for any loan with a cash advance in excess of Two Hundred Dollars ($200), credit life insurance and credit health and accident insurance on a borrower under a group or individual policy, subject to the following:

(1) The premium or identifiable charge collected from the borrower for such insurance shall not exceed an amount equal to the maximum premium rates fixed by the State Board of Insurance under the Article of the Insurance Code of Texas, which defines credit life insurance and credit health and accident insurance and provides that the State Board of Insurance shall make the schedule of reasonable and adequate maximum premium rates which may be charged by insurers on such insurance.

(2) The terms, provisions, coverage and form of any such insurance policies shall satisfy and be in accordance with the particular requirements of the respective applicable statutes.

(3) The maximum premium rates fixed by the State Board of Insurance and other requirements of such Article shall apply to insurance required in connection with loans hereunder exceeding One Thousand Dollars ($1,000) with the same force as they apply to insurance required in connection with loans of One Thousand ($1,000) and less.

(4) If such Article of the Insurance Code is amended or repealed or a similar statute is enacted under which the State Board of Insurance is required to, or may fix, or approve maximum premium rates for credit life insurance and credit health and accident insurance, the premium or
Identifiable charge collected from the borrower for such insurance shall not exceed the maximum premium rate so fixed or approved.

(5) Such insurance shall be written and sold in accordance with the provisions of the Insurance Code of Texas, which apply to group policies or the provisions of the Insurance Code of Texas, which apply to individual polices.

(6) Any insurance written under this section shall be written for a term not in excess of one (1) month beyond the term of the loan contract. Life insurance shall be in an amount not in excess of the amount of the loan. Monthly indemnities provided by health and accident insurance shall not be in excess of the monthly installments on the loan contract. If the loan is repayable in other than equal monthly installments, such health and accident insurance shall provide for the equal value of daily benefits not in excess of the amount of the loan divided by the number of days of the original term of the loan.

(7) Only one (1) policy of life insurance and one (1) policy of health and accident insurance may be in force with respect to any one (1) loan contract at one time.

(b) A licensee may, in addition, require a borrower, on loans with a cash advance in excess of Two Hundred Dollars ($200) to insure tangible personal property, when offered as security for a loan, against any substantial risk of loss, damage or destruction for an amount not to exceed the actual value of such property, and for a term and upon conditions which are reasonable and appropriate considering the nature of the property and the maturity and other circumstances of the loan contract. Only insurance, the rates of which do not exceed those fixed by the State Board of Insurance, may be required on personal property offered as security for a loan under this Act.

(c) When insurance is written under this section, the licensee shall deliver, or cause to be delivered, to the borrower, within thirty (30) days from the date of the loan contract a certificate or other memorandum showing the coverages and the cost of such insurance, if any, to the borrower.

(d) In accepting insurance provided by this section as security for a loan, the licensee, its agents or employees may deduct the premiums or identifiable charges from the proceeds of the loan, which premiums or identifiable charges shall not exceed those fixed by the State Board of Insurance and charged by the insurance company as to all kinds of insurance permitted hereunder, and immediately remit such premiums to the insurance company writing such insurance. Any gain or advantage in any form, to the licensee or any employee, officer, director, agent, affiliate or associate from such insurance or its provision or sale shall not be considered as additional interest or further charge in connection with any loan made under this Act. Arranging for insurance and collecting the premium or identifiable charge shall not be deemed a sale of insurance by the licensee.

(e) All insurance shall be written by a company authorized to conduct such business in this State. The licensee shall not require the purchase of insurance from an agent or broker designated by the licensee or shall cause the licensee to decline existing coverages which equal or exceed the standards of this section.

(f) No other kind or type of insurance other than that authorized in this section shall be sold in connection with any loan made under the authority of this Act.

Sec. 19. Licensee’s Duty to Borrower.

(a) When a loan is made, the licensee shall deliver to the borrower, or, if more than one (1), to one (1) of them, a statement in writing in the English language showing the following information:

(1) The name and address of the borrower and of the licensee;
(2) The date and amount of the cash advance, the maturity date, and the agreed schedule of payments or a description of such payments;
(3) The nature of the security, if any;
(4) The amount of authorized charges contracted for payment according to schedule and the charge for default, as authorized by Section 17.
(5) The type of insurance, if any,
provided in connection with the loan, and the premiums for such insurance, if the note or loan contract shows the information required above, a copy of such note or loan contract may be delivered rather than a separate statement.

(b) The licensee shall give a receipt to the person making a cash payment on any loan. No receipt need be given if payment is made by check or money order, unless the borrower requests it.

(c) At any time during regular business hours, the licensee shall cancel and return to the borrower, within a reasonable time, any note, assignment, mortgage, deed of trust or other instrument securing such loan which no longer secures any indebtedness of the borrower to the licensee.

Sec. 20. Prohibited Practices.

(a) No licensee shall take a lien upon real estate as security for any loan made under this Act except such lien as is created by law upon the recording of an abstract of judgment.

(b) No licensee shall take any confession of judgment or any power of attorney granting to himself or to any third person to confess judgment or to appear for a borrower in a judicial proceeding.

(c) No licensee shall take any prepayment penalty or loan obligation that does not disclose the actual amount of the loan, the cash advance, the time for which it is made, the schedule of payments, the maturity date, the amount of authorized charges and the types of insurance, if any, provided in connection with the loan, and the premiums for such insurance.

(d) No licensee shall take any instrument in which blanks are left to be filled in after the loan is made.

Sec. 21. Limitation of Loan Period.

No licensee shall enter into any contract of loan under this Act under which the borrower agrees to make any scheduled payment of principal more than thirty-seven (37) calendar months from the date of making such contract.

Sec. 22. Indebtedness in Excess of Fifteen Hundred Dollars ($1,500).

A licensee may make loans having a cash advance in excess of Fifteen Hundred Dollars ($1,500), but upon that part of the cash advance which is in excess of Fifteen Hundred Dollars ($1,500) he shall not contract for or receive any interest or charges greater than he would be permitted by law to charge if he were not a licensee under this Act.

Sec. 23. Loans Made Elsewhere.

Nothing in this Act shall prevent enforcement within this State of any loan contract lawfully made in another State under and in accordance with the laws of such other State.

Sec. 24. Wage Purchases.

(a) The payment of Fifteen Hundred Dollars ($1,500) or less in money, credit, goods, or things in action, as consideration for any sale or assignment of, or order for, the payment of wages, salary, commissions, or other compensation for services, whether earned or to be earned, shall be for the purposes of regulation under this Act be deemed a loan of money secured by such sale, assignment or order. The amount by which such compensation so sold, assigned or ordered is paid exceeds the amount of such consideration actually paid shall for the purposes of regulation under this Act be deemed authorized charges upon such loan and such payment to the date such compensation is payable. Such transactions shall be governed by and subject to the provisions of this Act.

(b) No assignment of order for payment of any salary, wages, commissions or other compensation for services, earned or to be earned, given to secure any loan made by a licensee, shall be valid unless the amount of such loan is paid to the borrower simultaneously with its execution; nor shall any such assignment or order, or any chattel mortgage or other lien on household furniture then in the possession and use of the borrower, be valid unless it is in writing, signed in person by the borrower, or if the borrower is married unless it is
signed in person by both husband and wife, provided that written assent of a spouse shall not be required when husband and wife have been living separate and apart for a period of at least five (5) months prior to the making of such assignment, order, mortgage or lien.

(c) A valid assignment or order for the payment of any future salary, wages, commissions or other compensation for services may be given as security for a loan made by any licensee and under such assignments or orders, a total sum not to exceed ten per cent (10%) of the borrower's salary, wages, commissions or other compensation for services. The amount unpaid upon such loan and possible collection, the same be prorated equally among the licensees tendering such assignments or orders. But under no circumstances whatsoever shall the pro rata share of any one of the licensees exceed the total sum of ten per cent (10%) of such salary, wages, commissions or other compensation for services.

Sec. 27. Hearings and Review.

(a) At all hearings before the Commissioner under the provisions of this Act, parties in interest shall have the right to appear in person and by counsel, and to present oral and written evidence. If requested by a party in interest, a record shall be made of all evidence offered by such party and all other evidence considered by the Commissioner.

(b) Any party in interest aggrieved by any order, ruling or decision of the Commissioner may, within thirty (30) days after the date of entry, file in the District Court of Travis County, Texas, a petition against the Commissioner officially as defendant, alleging therein in brief detail the order, ruling or decision complained of and praying for a reversal or modification thereof. The Commissioner shall within twenty (20) days after the service upon him of such petition, certify to said District Court the record of the proceedings in which the petition refers, or such portion thereof as may be requested by the petitioner. The cost of preparing and certifying such record shall be paid to the Commissioner by the petitioner and taxed as a part of the costs in the case. Upon the filing of an answer by the Commissioner, the case before the District Court shall be at issue, without further pleadings, and upon application of either party shall be advanced and heard without further delay. The order of the Commissioner shall be sustained unless the hearing was conducted in a manner contrary to the rudiments of a fair hearing; or the order was based upon an error of law which affected petitioner's substantial rights; or was arbitrary, capricious or unreasonable; or the findings of fact were not reasonably supported by substantial evidence in the record, considered as a whole, adduced before the Commissioner. Provided, however, that any appeal to the District Court of Travis County, Texas, of an order, ruling or de-
Sec. 28. Pre-Existing Contracts.

No modification, amendment, or repeal of this Act or any part thereof shall impair or affect the obligation of any pre-existing lawful contract.


Chapter 144, Acts of the 48th Legislature, Regular Session, 1943, compiled as Article 6446b Vernon's Annotated Civil Statutes of Texas, is hereby amended to read as follows:

'Section 1. The State of Texas through its Attorney General, or any district or county attorney, may institute a suit in the district court to enjoin any person, firm or corporation or any officer, agent, servant or employee of such person, firm or corporation who is engaged in the business of habitually loaning money for the use and detention of which usurious interest has been charged against or contracted to be paid by the borrower, from demanding, receiving or by the use of any means attempting to collect from the borrower usurious interest on account of any loan, or from thereafter charging any borrower usurious interest, or contracting for any usurious interest. All persons, firms or corporations, and their agents, officers, servants and employees similarly engaged in making loans of money as herein defined who reside in the same county, may be joined in a single suit and no plea of misjoinder of parties defendant shall ever be available to any defendant in such suit.

Sec. 2. By the term "habitually" as used in this Act is meant the making of as many as three (3) loans on which or in connection with which usurious interest is charged or contracted for within a period of six (6) months next preceding the filing of any such suit.

By the term "usurious interest" as used in this Act is meant interest at a rate in excess of ten per centum (10%) per annum, unless as to any class of credit transactions a higher rate of interest is fixed, as in the Texas Consumer Finance Act, Acts of the 57th Legislature, Third Called Session, 1948, or other Acts fixing maximum interest rates then as to such transactions, the term "usurious interest" means interest at a rate in excess of that allowed by law.

Sec. 2a. Nothing in this Act shall in any way modify, alter or change any valid provision of Article 8 of Chapter 5 of House Bill No. 72, Acts of the Regular Session, 48th Legislature, nor shall anything in this Act prevent charging of any actual and necessary expense, now or hereafter permitted and authorized by law, and such shall not be considered interest.

In the trial of any application for injunction under this Act there shall exist a prima facie presumption that the actual and necessary expenses of making any such loan were One Dollar ($1) for each Fifty Dollars ($50), or fractional part thereof loaned; but this prima facie presumption shall extend only to the first note or debt owing at the same time by an individual to any person, firm, corporation, partnership or association, and shall not apply to any renewal or extension thereof unless the original note or debt and all extensions thereof were for a period of not less than sixty (60) days.

Sec. 3. In any such suit venue shall lie in the county of the residence of a defendant, or in a county where such business of loaning money is being conducted by such defendant.

Sec. 4. If any section, sentence, phrase or part of this Act shall be held unconstitutional, such unconstitutionality shall not affect the validity of the remaining portions thereof.'
Sec. 30. Amending Article 5069, Revised Civil Statutes of Texas, 1925.

Article 5069, Revised Civil Statutes of Texas, 1925, is hereby amended to read as follows:

"Article 5069. Definitions.

"Interest" is the compensation allowed by law or fixed by the parties to a contract for the use of or forbearance or detention of money; 
"legal interest" is that interest which is allowed by law when the parties to a contract have not agreed upon any particular rate of interest; and 
"conventional interest" is that interest which is agreed upon and fixed by the parties to a written contract. The maximum rate of interest shall not exceed that specifically fixed by the Legislature as in the Texas Consumer Finance Act, Acts of the 57th Legislature, Third Called Session, 1962, or other legislation; provided, however, in the absence of such legislation fixing maximum rates of interest, a greater rate of interest than ten per centum (10%) per annum shall be deemed usurious. 
"Usury" is interest in excess of the amount allowed by law, all contracts for usury are contrary to public policy and shall be void.

Sec. 31. Amending Article 5071, Revised Civil Statutes of Texas, 1925.

Article 5071, Revised Civil Statutes of Texas, 1925, is hereby amended to read as follows:

"Article 5071. Limit on Rate.

Except where otherwise specifically provided by the Legislature, as is the Texas Consumer Finance Act, Acts of the 57th Legislature, Third Called Session, 1962, the parties to any written contract may agree to and stipulate for any rate of interest not exceeding ten per centum (10%) per annum on the amount of the contract; and except as above provided in this Article all other written contracts whatever which may in any way, directly or indirectly, provide for a greater rate of interest shall be void and of no effect for the amount or value of the interest only; but the principal sum of money or value of the contract may be received and recovered.

Sec. 32. Amending Article 5073, Revised Civil Statutes of Texas, 1925.

Article 5073, Revised Civil Statutes of Texas, 1925, is hereby amended to read as follows:

"Article 5073. Action on Usurious Rate.

Within two (2) years after the time that a greater rate of interest than that fixed in the Texas Consumer Finance Act, Acts of the 57th Legislature, Third Called Session, 1962, or by some other Act of the Legislature, but, if no other rate is so fixed, then ten per centum (10%) per annum, shall have been received or collected upon any contract, the person paying the same or his legal representative may by an action of debt recover double the amount of such interest from the person, firm or corporation receiving the same. Such action shall be instituted in any court of this State having jurisdiction thereof, in the county of the defendant's residence, or in the county where such usurious interest shall have been received or collected, or where said contract has been entered into, or where the parties who paid the usurious interest resided when such contract was made.

Sec. 33. Certain Statutes Inapplicable.

Chapter 144, Acts of the 49th Legislature, Regular Session, 1943, compiled as Article 4646a, Vernon's Annotated Civil Statutes, and Articles 5069, 5071 and 5073, Revised Civil Statutes of Texas, 1925, where inconsistent with this Act shall not apply to licensees under this Act.

Sec. 34. Statutes Repealed.

Chapter 472, Acts of the 52nd Legislature, Regular Session, 1951, compiled as Article 1524a-1, Vernon's Annotated Civil Statutes; and Chapter 17, Acts of the 46th Legislature, Regular Session, 1937, as last amended by Chapter 136, Acts of the 49th Legislature, Regular Session, 1951, compiled as Article 6165a, Vernon's Annotated Civil Statutes and Article 1129a, Vernon's Annotated Penal Code; and
Subsections (5) and (6) of Article 19.01, Title 122A, Taxation-General, Revised Civil Statutes of Texas, 1925 are hereby repealed. All other laws or parts of laws inconsistent with the provisions of this Act are hereby repealed to the extent of such inconsistency, except as otherwise provided in this Act, and except that nothing herein contained in this Act shall affect those laws specified and exempted in Section 6 herein. Provided, further, that the amendment or repeal of any law of this State by this Act shall not affect any right accrued or established, or any liability or penalty incurred under the provisions of any of such other laws prior to the amendment or repeal thereof.

Sec. 35. Severability.

If any provision of this Act or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to that end the provisions of this Act are declared to be severable.

Sec. 36. Emergency Clause.

The fact that the voters of Texas adopted by an overwhelming majority, a Constitutional Amendment on November 8, 1960, directing the Legislature to classify loans and lenders, license lenders, define interest and regulate lenders to prevent the charging of exorbitant rates of interest and to prevent other abuses, creates an emergency and public necessity that the Legislature carry out this mandate of the people and creates a public necessity and emergency that the Constitutional Rule requiring bills to be read on three several days in each house be suspended, and this Act shall take effect and be in force from and after its passage and it is so ordered.

Mr. Eckhardt offered the following amendment to Committee Amendment No. 1:

Amend Committee Amendment No. 1 to H. B. No. 2 by striking all of Section 17 and substituting therefor the following:

"Sec. 17. Maximum Rates of Interest.

(a) Every licensee may contract for and receive on an loan of money not exceeding Fifteen Hundred Dollars ($1,500) the following maximum authorized charges:

(1) Three per cent (3%) per month on any part of the unpaid principal balance up to, including, but not in excess of One Hundred Dollars ($100).

(2) Two and one-half per cent (2 1/2%) per month on any part of the unpaid principal balance in excess of One Hundred Dollars ($100) up to, including, but not in excess of, Two Hundred Dollars ($200).

(3) Two per cent (2%) per month on any part of the unpaid principal balance in excess of Two Hundred Dollars ($200), up to, including, but not in excess of Five Hundred Dollars ($500).

(4) Five-sixths of one per cent (5/6 of 1%) of any part of the unpaid principal balance in excess of Five Hundred Dollars ($500) up to, including, but not in excess of Fifteen Hundred Dollars ($1,500).

(b) (1) Such authorized charges may be computed on unpaid principal balances actually outstanding from time to time or may be precomputed when the loan is made on payments of interest and principal balances scheduled to be outstanding under the payment schedule provided in the loan contract.

(2) Every loan contract shall provide for repayment of principal and authorized charges in substantially equal and consecutive monthly installments, except that installments may be deferred when necessary because of the seasonal nature of the borrower's income.

(3) Notwithstanding the requirement of consecutive monthly installments, substantially equal in amount, a licensee and borrower may agree the first installment period may exceed one (1) month by not more than fifteen (15) days and the amount of such installment may be increased by one-thirtieth (1/30th) of the amount of authorized charges which would be applicable to a first installment period of one (1) month, for each extra day, but such authorized charges shall be excluded in computing the additional authorized..."
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charges for an extension and shall not be subject to refund.

(4) When any loan contract is prepaid in full by cash, a new loan, renewal, or otherwise, after the first installment due date but before the final installment due date the licenee shall refund or credit the borrower with an amount which shall be as great a proportion of the total authorized charges contracted for under this section as the sum of the periodic balances scheduled to follow the installment due date bears to the sum of all the periodic time balances under the schedule of payments set out in the loan contract. Any prepayment in full made on or before the fifteenth (15th) day following an installment due date shall be deemed to have been made on the preceding installment date and any prepayment in full made thereafter during such monthly period shall be deemed to have been made on the next installment due date. If such prepayment in full occurs before the first installment due date the licensee shall retain for each elapsed day from date the loan was made, one-thirtieth (1/30th) of the portion of the authorized charges which could be retained if the first installment period were one (1) month and the loan were prepaid in full on the first installment due date and the authorized charges contracted for under this section in excess of such amount shall be refunded or credited to the borrower. No refund shall be required for partial prepayments and no refund of less than One Dollar ($1) need be made.

(c) No licensee shall induce or permit any person, or husband and wife, to be obligated, directly or indirectly, under more than one (1) loan contract under this Act at the same time for the purpose, or with the effect of obtaining a higher authorized charge than would otherwise be permitted by this Act; but such limitation shall not apply to the acquisition by purchase of bona fide obligations of the borrower incurred for goods or services, and provided further, if a licensee purchases all or substantially all the loan contracts of another licensee hereunder and has at the time of purchase loan contracts with one (1) or more of the borrowers whose loans are purchased, the purchaser shall be entitled to collect principal and authorized charges thereon according to the terms of each loan contract.

(d) In addition to the authorized charges provided in this Act no further or other charge or amount whatsoever shall be directly, or indirectly, charged, contracted for, or received. This includes (but is not limited by) all charges such as fees, compensation, bonuses, commissions, brokerage, discounts, expenses and every other charge of any nature whatsoever, whether of the types listed herein or not. Without limitation of the foregoing, such charges may be any form of costs or compensation whether contracted for or not, received by the licensee, or any other person, in connection with (1) the investigating, arranging, negotiating, procuring, guaranteeing, making, servicing, collecting, or enforcing of a loan; or (2) for the bearing of money, credit, goods or things in action; or (3) for any other service or services performed or offered. However the prohibition set out herein shall not apply to amounts actually incurred by a licensee as court costs; attorney fees assessed by a court; lawful fees for filing, recording, or releasing in any public office any instrument securing a loan; the reasonable cost actually expended for repossessing, storing, or selling any security; or fees for noting a lien or transferring a certificate of title to any motor vehicle offered as security for a loan made under this Act.

(e) If any amount in excess of the authorized charges permitted by this Act is charged, contracted for, or received, except as the result of an accidental and bona fide mistake of computation, the contract of loan shall be void as against public policy, and the licensee shall have no right to collect or receive any principal, authorized charges, or recompense whatsoever, and the licensee and the several members, officers, directors, agents, and employees thereof who shall have violated or partaken in such violations shall be guilty of a misdemeanor and upon conviction thereof shall be punishable by a fine of not more than One Thousand Dollars ($1,000) and not less than One Hundred Dollars ($100) or by
confined in the county jail for not more than six (6) months, or by both such fine and confinement.

In addition, the borrower shall be entitled to recover reasonable attorney fees incurred by him in any legal action brought to enforce any rights or penalties provided in this Act, when he prevails in such suit.”

ECKHARDT, McGregor of El Paso.

MESSAGE FROM THE SENATE
Austin, Texas, January 10, 1962
Hon. James A. Turman, Speaker of the House of Representatives,

Sir: I am directed by the Senate to inform the House that the Senate has passed the following:

S. C. R. No. 4, Granting W. H. Nichols & Company, Inc. of Dallas, Texas, permission to sue the State of Texas.

S. C. R. No. 9, Commending Val Verde County Library; and declaring an emergency.

Respectfully,
CHARLES A. SCHANDEL, Secretary of the Senate.

MESSAGE FROM THE GOVERNOR

The Speaker laid before the House and had read the following Message from the Governor:

Wednesday, January 10, 1962
To The Members Of The Fifty-seventh Legislature, Third Called Session:

Reorganization of the State Board of Water Engineers along the pattern of the State Highway Commission, with engineering duties under a Chief Engineer, is one of the few important phases of water legislation which was not completed at the Regular Session. A bill for this purpose passed the House, but was not acted upon in the Senate.

I am now advised that Senator Parkhouse and Senator Spears in the Senate, and Representative Buchanan in the House, have introduced a bill which reconciles the differences encountered at the Regular Session and offers an opportunity to enact this important legislation at this session.

Therefore, I hereby submit the subject of reorganization of the State Board of Water Engineers and recommend the enactment of this legislation.

Respectfully submitted,
PRICE DANIEL, Governor.

RECESS
Mr. Cole of Harris moved that the House recess until 2:30 o’clock p. m. today.

The motion prevailed without objection.

In accordance with the motion to recess, the House, at 12:05 o’clock p. m., took recess until 2:30 o’clock p. m. today.

AFTERNOON SESSION

The House met at 2:30 o’clock p. m. and was called to order by the Speaker.

COMMITTEE MEETING

On motion of Mr. Dungan, and by unanimous consent of the House, the Committee heretofore appointed to study the contents of textbooks used in public schools was granted permission to continue a meeting at this time.

HOUSE BILL NO. 3 ON PASSAGE TO ENGROSSMENT

The Speaker laid before the House, as pending business, on its passage to engrossment, H. B. No. 3, relative to interest rates charged on small loans of $1500 or less.

The bill was read second time on this morning.

The bill was read second time on this morning.

The House resumed consideration of the amendment offered on this morning by Mr. Eckhardt to the Committee Amendment No. 1, offered by Mr. Stewart of Wichita.

Mr. Cole of Harris moved to table the amendment offered by Mr. Eckhardt.

The motion to table was lost.

A record vote was requested on the amendment offered by Mr. Eckhardt to the Committee Amendment No. 1.
The amendment offered by Mr. Eckhardt to the Committee Amendment No. 1 was adopted by the following vote:

**Yeas—73**

Adams of Lubbock Lack
Allen Latimer
Allen Leaverton
Barlow Longoria
Berry McCoppita
Burgess McGregor
Butler of McLennan
Caldwell McGregor
Carriker of El Paso
Cole of Hunt McLain
Cotton Markgraf
Cowies Martin
Crews Mullen
Curington Murray
de la Garza Peeler
Dewey Pirkle
Duff, Miss Rapp
Eckhardt Richards
Espinal Richardson
Fairchild Roberts of Hill
Gladden Rous
Glueing Rosson
Green Sihram
Haisch Slab
Haring Smith of Bexar
Harrington Snelson
Haynes Springer
Heady Stewart
Heck of Galveston Struve
Hughes of Grayson Trevino
Isaacks, Miss Walker
James Ward
Johnson of Bexar Wells
Jones of Travis Wheatley
Kennard Wilson
Kilpatrick Woods
Koliba Yesak
Kothmann

**Nays—67**

Adams of Titus Cook
Andrews Cory
Atwell Cowen
Bailey Crain
Ballman Fletcher
Banhould, Mrs. Floyd
Barnes Foreman
Barron Garrison
Blaine Gibbons
Boyan Grover
Bridges Guffey
Cannon Harding
Chapman Higgin
Cole of Harris Hollowell
Collins Huebler
Connell Hughes of Dallas

Jaminson Price
Jarvis Guilliam
Johnson of Dallas Hatchett
Johnson of Beli
Jones of Dallas Roberts of Dawson
Korkmas Sandahl
Lewis Shannon
Miller Shirley
Motecher Smith of Jefferson
Nugent Stewart
Oliver of Wichita
Osborn Thurman
Persons Thurmond
Perry Townsend
Perry Tunnell
Pieratt Watson
Preston Whitefield

**Absent**

Bass Glass
Buchanan Kobler
Dugas Spillman
Ehrle

**Absent—Excused**

Lary Niemeyer

Mr. Chapman offered the following amendment to Committee Amendment No. 1:

AMEND subsection (a) of Section 10 of Committee Amendment No. 1 to House Bill No. 3 by striking the following sentence therefrom: "The Commissioner shall issue more than one (1) license to the same person upon compliance with this Act as to each license;" and by providing in its stead the following: "The Commissioner may issue more than one (1) license but no more than fifty (50) licenses to any one (1) person upon compliance with this Act as to each license. And it shall be unlawful for any person after the effective date of this Act, directly or indirectly, to hold or have an interest in more than fifty (50) licenses, the business thereof, or any interest in such licenses."

CHAPMAN, ALANIZ.

Mr. Kennard moved to table the amendment offered by Mr. Chapman to Committee Amendment No. 1.

The motion to table was lost.

A record vote was requested on the adoption of the amendment offered by Mr. Chapman.
The amendment offered by Mr. Chapman to Committee Amendment No. 1 was adopted by the following vote:

**Yea**—97

Adams of Lubbock Kothmann
Adams of Titus Lack
Allen Latimer
Andreason Longoria
Bankhead, Mrs. McClung
Barlow McGregor
Bartlow McCollin
Beach McLennan
Bridges Markgraf
Burgess Miller
Carriker Mullen
Chapman Murray
Connell Mutchler
Cook Nugent
Corr Oliver
Cotman Osborn
Cowen Parsons
Cowles Peary
de la Garza Peeler
Dawsey Petty
Duff, Miss Pipkin
Dungan Preston
Eckhardt Quilliam
Esquivel Rapp
Fairchild Read
Foreman Richards
Gladden Roberts of Dawson
Glass Roosa
Glassing Rosen
Groom Schram
Grover Shamon
Gutierrez Shively
Hale Slack
Harding Sliger
Haring Smith of Bexar
Harrington Smith of Jefferson
Haynes Springer
Hestly Stewart
Hinson of Galveston
Huebner Thurmond
Hughes Townsend
Hughes of Travis Trevino
Isaacks, Miss Walker
Johnson of Bexar Ward
Johnson of Bell Watson
Johnson of Travis Wilson
Kilpatrick Woods
Kollie Yezak

**Nay**—41

Atwell Boykin
Bailey Buchanan
Ballman Butler
Barnes Caldwell
Bartram Cannon

Cole of Hunt Martin
Collins Moore
Cochran Price
Fairchild Racine
Fletcher Richardson
Garrison Roberts of Hill
Gibbons Sanderson
Hollowell Sanderson
Hughes of Dallas Spillman
James Stewart
Johnson of Dallas of Wichita
Jones of Dallas Struve
Konnard Wells
Koliba Wheatley
Lewis McGregor
of El Paso

Present—Not Voting

Cole of Harris Korkmas

Absent

Bass Jamison
Curlington Thurman
Ehrl Tennis
Hefton

Absent—Excused

Lary Nieneyer

Mr. Chapman moved to reconsider the vote by which the above amendment offered by himself was adopted and to table the motion to reconsider. The motion to table prevailed.

Mr. Chapman offered the following amendment to Committee Amendment No. 1:

Amend Committee Amendment No. 1 to H. B. No. 3 by striking therefrom the words "of Travis County, Texas," in line 25 on page 7 of the printed Committee Amendment, and by striking therefrom the words: "in the District Court of Travis County, Texas, or in any district Court of this State" in lines 10 and 11 on page 8 of the printed Committee Amendment, and substituting in lieu thereof the following: "in any District Court of this State having jurisdiction and venue."

The amendment was adopted without objection.

Mr. Jarvis offered the following amendment to Committee Amendment No. 1:

Amend Committee Amendment No. 1 to House Bill No. 3 as follows:
(1) Strike out subsection (a) of Section 7 and substitute in lieu thereof the following:

"(a) Application for a license shall be in writing, under oath, and in the form prescribed by the Commissioner; shall give the location from which the business is to be conducted, and shall contain such relevant information as the Commissioner may require, including identification of the principal parties in interest, and the names and addresses of the principal owners, officers and directors, to provide the basis for the findings necessary under Section 8. Upon making application, the applicant shall pay Two Hundred Dollars ($200) to the Commissioner as an investigation fee, and the annual fee provided in Section 9 (b) of this Act for the current calendar year, provided that if the license is granted after June 30th in any year such fee shall be one-half the annual license fee required for that year. No person convicted of a felony or a misdemeanor involving moral turpitude shall be eligible for a license hereunder."

(2) Strike out Section 9 and substitute in lieu thereof the following:

"Sec. 9. License; Annual Fee; Minimum Assets.

(a) Each license shall state the name of the office from which the business is to be conducted and the name of the licensee. The license shall be displayed at the place of business named in the license. The license shall not be transferable or assignable.

(b) Each license shall remain in full force and effect until relinquished, suspended, revoked or has expired. Every license shall, on or before December 10th each year pay to the Commissioner an annual license fee for each license held by him as the annual fee for the succeeding calendar year. If the annual fee remains unpaid fifteen (15) days after written notice of delinquency has been given to the licensee by the Commissioner, the license shall thereupon expire, but not before December 31st of any year for which an annual license fee has been paid. The annual license fee schedule shall be as follows:

(1) For one (1) license the annual fee shall be Fifty Dollars ($50);

(2) For each additional license held by a licensee in excess of one (1) but not in excess of two (2) the annual license fee shall be Seventy-Five Dollars ($75);

(3) For each additional license held by a licensee in excess of two (2) but not in excess of three (3) the annual license fee shall be One Hundred Dollars ($100);

(4) For each additional license held by a licensee in excess of three (3) but not in excess of four (4) the annual license fee shall be One Hundred Twenty-Five Dollars ($125);

(5) For each additional license held by a licensee in excess of four (4) but not in excess of five (5) the annual license fee shall be One Hundred Fifty Dollars ($150);

(6) For each additional license held by a licensee in excess of five (5) but not in excess of ten (10) the annual license fee shall be Two Hundred Fifty Dollars ($250);

(7) For each additional license held by a licensee in excess of ten (10) but not in excess of fifteen (15) the annual license fee shall be Four Hundred Dollars ($400);

(8) For each additional license held by a licensee in excess of fifteen (15) but not in excess of twenty (20) the annual license fee shall be Five Hundred Dollars ($500);

(9) For each additional license held by a licensee in excess of twenty (20) but not in excess of twenty-five (25) the annual license fee shall be Seven Hundred Fifty Dollars ($750);

(10) For each additional license held by a licensee in excess of twenty-five (25) the annual license fee shall be Twelve Hundred Dollars ($1,200).

Mr. Cole of Harris moved to table the amendment offered by Mr. Jarvis to Committee Amendment No. 1.

The motion to table prevailed.

Mr. Cory offered the following amendment to Committee Amendment No. 1:

Amend Committee Amendment No. 1 to H. B. No. 3 by inserting the following after Sec. 8 (a):
1. No person who is not a citizen of the State of Texas shall be eligible to receive a license under this Act. No license shall be issued to a corporation unless the same be incorporated under the laws of this State and at least fifty-one (51%) per cent of the stock of the corporation is owned at all times by citizens of the State of Texas and who possess the qualifications required of other applicants for license; provided, however, that the restrictions contained in the preceding clause shall not apply to domestic corporations, or to foreign corporations which were doing business in this State under charter or license prior to November 8, 1960. Partnerships, firms, and associations applying for licenses shall be composed wholly of citizens possessing the qualifications above enumerated. Any corporation holding a license under this Act which shall violate any provisions hereof, or any rule or regulation promulgated hereunder, shall be subject to forfeiture of its license and it shall be the duty of the Attorney General, when any such violation is called to his attention, to file suit for such cancellation in a district court in Travis County.

Mr. Cole of Harris moved to table the amendment offered by Mr. Cory to Committee Amendment No. 1. A record vote was requested on the motion to table.

The motion to table the amendment offered by Mr. Cory to Committee Amendment No. 1 was lost by the following vote:

Year—88

Yea—38

Bailey... Hollowell
Ballman... Hughes of Dallas
Banfield, Mrs. B... Janison
Barnes... Kennard
Boysen... Koliba
Bridges... Lewis
Buchanan... McCoppin
Caldwell... McGregor
Cannon... of El Paso
Cole of Harris... Markgraf
Collins... Pflaister
Dungan... Price
Dunn... Quijilam
Eckhardt... Fletcher
Fletcher... Richardson
Garrison... Roberts of Hill
Geary... Sandahl
Haring... Shapley

Nay—59

Adams of Lubbock... Kilpatrick
Adams of Titus... Kermans
Allen... Kermans
Andrews... Lack
Atwell... Latimer
Barans... Leagrapson
Bartram... Longoria
Blaine... McGregor
Burgess... of McLennan
Butler... McMillan
Carr... Martin
Chapman... Miller
Connell... Moore
Cook... Mullen
Cory... Murray
Cotton... Mutscher
Cowen... Nugent
Cowles... Oliver
Crain... Ouar
Carlington... de la Garza
Dew... Dew
Dug, Miss... Ebrrle
Ehrl... Ehrle
Fairchild... Rapp
Ficy... Read
Foreman... Richards
Gibbens... Roberts of Dawson
Gladden... Ross
Green... Schram
Grove... Shannon
Hale... Slider
Harding... Smith of Bexar
Harrison... Smith of Jefferson
Haynes... Sten son
Healy... Stenger
Hinson... Stewart
Hubbard... of Galveston
Hughes... Thurman
Isacks, Mrs. L... of Grayson
Jarvis... Townsend
Johnson of Dallas... Trevino
Johnson of Dallas... Ward
Johnson of Bexar... Whitefield
Johnson of Bell... Wilson
Jones of Dallas... Woods
Jones of Travis... Yonn

Absent

Bass... Bilton
Berry... Peeler
Cole of Hunt... Black
Crews... Twombly
Gulas... Wheatley
Mr. Cory moved to reconsider the vote by which the above amendment offered by himself to Committee Amendment No. 1 was adopted and to table the motion to reconsider.

The motion to table prevailed.

Mr. Whitfield offered the following amendment to Committee Amendment No. 1:

Amend Committee Amendment No. 1 by striking Sec. 18 therefrom and substituting in lieu thereof the following:

"Sec. 18. Insurance.

(a) A licensee may require, as additional security for any loan with a cash advance in excess of Two Hundred Dollars ($200), credit life insurance and credit health and accident insurance on a borrower under a group or individual policy, subject to the following:

(1) The premium or identifiable charge collected from the borrower for such insurance shall not exceed an amount equal to the maximum premium rates fixed by the State Board of Insurance under the Article of the Insurance Code of Texas, which defines credit life insurance and credit health and accident insurance on a borrower under a group or individual policy, subject to the following:

(2) The terms, provisions, coverage and form of any such insurance policies shall satisfy and be in accordance with the particular requirements of the respective applicable statutes.

(3) The maximum premium rates fixed by the State Board of Insurance and other requirements of such Article shall apply to insurance required in connection with loans hereunder exceeding One Thousand Dollars ($1,000) with the same force as they apply to insurance required in connection with loans of One Thousand Dollars ($1,000) and less.

(4) If such Article of the Insurance Code is amended or repealed or a similar statute is enacted under which the State Board of Insurance is required to, or may fix, or approve maximum premium rates for credit life insurance and credit health and accident insurance, the premium or identifiable charge collected from the borrower for such insurance shall not exceed the maximum premium rate so fixed or approved.

(5) Such insurance shall be written and sold in accordance with the provisions of the Insurance Code of Texas, which apply to group policies or the provisions of the Insurance Code of Texas, which apply to individual policies.

(6) Any insurance written under this section shall be written for a term not in excess of one (1) month beyond the term of the loan contract. Life insurance shall be in an amount not in excess of the amount of the loan. Monthly indemnities provided by health and accident insurance shall not be in excess of the monthly installments on the loan contract. If the loan is repayable in other than equal monthly installments, such health and accident insurance shall provide for the equivalent of daily benefits not in excess of the amount of the loan divided by the number of days of the original term of the loan.

(7) Only one (1) policy of life insurance and one (1) policy of health and accident insurance may be in force with respect to any one (1) loan contract at one time.

(b) A licensee may, in addition, require a borrower, on loans with a cash advance of Two Hundred Dollars ($200.00) or more to insure tangible personal property, when offered as security for a loan, against any substantial risk of loss, damage or destruction for an amount not to exceed the actual cash value of such property, and for a term and upon conditions which are reasonable and appropriate considering the nature of the property and the maturity and other circumstances of the loan contract. Only insurance, the rates of which are fixed by or filed with the State Board of Insurance, or which are authorized to be written under pro.
visions of Article 21.38 of the Insurance Code, may be required on personal property offered as security for a loan under this Act.

(c) When insurance is written under this section, the licensee shall deliver, or cause to be delivered, to the borrower, within thirty (30) days from the date of the loan contract, a certificate or other memorandum showing the coverages and the cost of such insurance, if any, to the borrower.

(d) In accepting insurance provided by this section as security for a loan, the licensee, its agents, directors, agents or employees may deduct the premiums or identifiable charges for such insurance from the proceeds of the loan, which premiums or identifiable charges shall not exceed those fixed by or filed with the State Board of Insurance or which premiums or identifiable charges are those authorized to be placed under the provisions of Article 21.38 of the Insurance Code, and charged by the insurance company as to all kinds of insurance permitted hereunder, and immediately remit such premiums to the insurance company writing such insurance. Any gain or advantage in any form, to the licensee or any employee, officer, director, agent, affiliate or associate from such insurance or its provision or sale shall not be considered as additional interest or further charge in connection with any loan made under this Act. Arranging for insurance and collecting the premium or identifiable charge shall not be deemed a sale of insurance by the licensee.

(e) All insurance shall be written by a company authorized to conduct such business in this state; provided, however, nothing herein shall serve to limit the writing of insurance by companies as authorized under Article 21.38 of the Insurance Code. The licensee shall not require the purchase of insurance from an agent or broker designated by the licensee nor shall the licensee decline existing coverages which equal or exceed the standards of this section.

(f) No other kind or type of insurance other than that authorized in this section shall be sold in connection with any loan made under the authority of this Act.
A record vote was requested on the motion to table.

The motion to table the amendment offered by Mr. Preston to Committee Amendment No. 1 prevailed by the following vote:

**Yea—79**

Adams of Lubbock  Johnson of Dallas  Allen  Ballman  Bandfield, Mrs.  Barlow  Bartram  Blaine  Boyesen  Bridges  Butler  Caldwell  Cannon  Carriker  Cole of Harris  Collins  Connell  Craft  Crews  Dewey  Dunn, Miss  Duncan  Ekhart  Esquivel  Fletcher  Garrison  Gibbens  Groom  Guffey  Harding  Harrington  Haynes  Heflin  Hinson  Hollenwinkel  Hesbner  Hughes of Grayson  Isacks, Miss  James  Jamison

**Nay—65**

Adams of Titus  Alaniz  Andrews  Atwell  Bass  Berry  Buchanan  Burgess  Chapman  Cole of Hunt  Cook  Cory  Haltom  Harding  Healy  Hughes of Dallas  Jarvis  Jones of Dallas  Jones of Travis  Kilpatrick  Korkmas  Kochmann  Latimer  Longoria  McCoppin  McGregor  McElmurry  McElmurry  Smith of Bexar  Smith of Jefferson  Smith of Hill  Moore  Morris  Morris  Moss  Mr. Cory moved the previous question on the adoption of Committee Amendment No. 1, and passage of H. B. No. 3 to engrossment, and the motion was seconded.

The motion for the main question was lost.

Mr. Johnson of Bexar offered the following amendment to Committee Amendment No. 1:

Amend Committee Amendment No. 1 to H. B. 3 as follows:

1. Strike out the phrase "Texas Consumer Finance Act" wherever it appears in the bill and substitute in lieu thereof the phrase "Texas Small Loan Act."

2. Strike out the phrase "Consumer Finance Commissioner" wherever it appears in the bill and substitute in lieu thereof the phrase "Small Loan Commissioner."

The amendment was adopted without objection.

Mr. Chapman offered the following amendment to Committee Amendment No. 1:

Amend Committee Amendment No. 1 to H. B. 3 by striking there-
from all of subsection (b) of Section 71 on Page 14 of the printed bill, and substituting in lieu thereof the following:

(b) Any party in interest aggrieved by any order, ruling or decision of the Commissioner may within 30 days after the date of entry of such order, ruling or decision, file in the District Court of the county where such aggrieved party conducts his business or in the District Court of Travis County, Texas, as the aggrieved party may elect, a petition against the Commissioner officially as defendant alleging therein in brief detail the order, ruling or decision complained of and praying for the Court to set aside such order, ruling or decision and to enter such judgment as the Court finds to be warranted from the evidence.

In all appeals prosecuted in any of the Courts of this State pursuant to the provisions of this Act, such trials shall be de novo as that term is used and understood in appeals from Justice of the Peace Courts to County Courts. When such an appeal is filed and the Court thereby acquires jurisdiction, all administrative or executive action taken prior thereto shall be null and void and of no force and effect, and the rights of the parties thereto shall be determined by the Court upon a trial of the matters in controversy under rules governing the trial of other civil suits in the same manner and to the same extent as though the matter had been committed to the Court in the first instance and there had been no intervening administrative or executive action or decision. Under no circumstances shall the substantial evidence rule as interpreted and applied by the Courts of Texas in other cases ever be used or applied to appeals prosecuted under the provisions of this Act. The Legislature hereby specifically declares that the provisions of this Section shall not be severable from the balance of this Act, and further specifically declares that this Act would not have been passed without the inclusion of this Section. If this Section, or any part thereof, is for any reason ever held by any Court to be invalid, unconstitutional or imperitive in any way, such holding shall apply to this entire Act, and in such event this entire Act shall be null, void and of no force and effect.

The amendment was adopted without objection.

Mr. Chapman moved to reconsider the vote by which the above amendment offered by himself was adopted and to table the motion to reconsider.

The motion to table prevailed.

Mr. Hinson offered the following amendment to Committee Amendment No. 1:

Amend Committee Amendment No. 1 to H. B. 2, Section 71(b), Page 7, Line 6, by deleting the words, "or about to violate."

The amendment was adopted.

Mr. Hinson offered the following amendment to Committee Amendment No. 1:

Amend Committee Amendment No. 1 to H. B. 2, by striking out Section 6 and substituting in lieu thereof the following:

"Sec. 6. Exemptions.

(a) The provisions of this Act shall not apply to any of the following persons and the following transactions:

(1) Any person doing business under the authority of and as permitted by the Texas Banking Code of 1943, as amended.

(2) Any person doing business under the authority of and as permitted by Articles 862 through 881, Revised Civil Statutes of Texas, 1925, and Chapter 81, Acts of the 41st Legislature, Second Called Session, 1929, as amended, relating to Building and Loan Associations.

(3) Any person doing business under the authority of and as permitted by Articles 861 through 884, Revised Civil Statutes of Texas, 1925, as amended, relating to Credit Unions.

(4) Any person doing business under the authority of and as permitted by Articles 1814 through 1919, Revised Civil Statutes of Texas, 1935, relating to Agricultural Finance Corporations.

(5) Any person doing business...
under the authority of and as permitted by Articles 2485 through 2499, Revised Civil Statutes of Texas, 1925, as amended, relating to Agricultural and Livestock Pools.

(4) Any person doing business under the authority of and as permitted by Articles 2500 through 2507, Revised Civil Statutes of Texas, 1925, as amended, relating to Mutual Loan Corporations.

(7) Any person doing business under the authority of and as permitted by Articles 2508 through 2513, Revised Civil Statutes of Texas, 1925, relating to Cooperative Credit Associations.

(8) Any person doing business under the authority of and as permitted by Articles 2514 through 2524, Revised Civil Statutes of Texas, 1925, relating to Farmers Cooperative Societies.

(9) Any person doing business under the authority of Articles 5678 through 5611, Revised Civil Statutes of Texas, 1925, relating to Markets and Warehouse Corporations.

(b) The provisions of this Act shall not apply to any bona fide cash or credit sale of property permitted by the laws of the State of Texas, either at wholesale or retail.

c) Upon application to the Commissioner, any person enumerated in subdivisions (1), (2), or (3) of subsection (a) of this section shall be forthwith issued a license under this Act. Such license shall be authority for such persons to make loans at authorized charges authorized by Section 17 of this Act. Such persons shall not be required to pay any investigation fee, annual license fee or examination charge authorized or provided by this Act."

Mr. Barlow moved the previous question on the pending amendment offered by Mr. Hinson to Committee Amendment No. 1, Committee Amendment No. 1, and the passage to engrossment of H. B. No. 3.

The motion was seconded.

Mr. Barlow moved the previous question on the pending amendment offered by Mr. Hinson to Committee Amendment No. 1, Committee Amendment No. 1, and the passage to engrossment of H. B. No. 3.

The motion was seconded.

Mr. Kennard moved to table the amendment offered by Mr. Hinson to Committee Amendment No. 1.

The motion to table prevailed.

Mr. Chapman offered the following amendment to Committee Amendment No. 1:

Amend Committee Amendment No. 1 to H. B. No. 3 by striking out subsection (a) of Sec. 20 and re-lettering the following sub-sections of this section accordingly.

Mr. Adams of Lubbock moved to table the amendment offered by Mr. Chapman to Committee Amendment No. 1.

The motion to table prevailed.

Mr. Schwartz moved the previous question on the passage to engrossment of H. B. No. 3 and the motion was seconded.

The motion for the main question was lost.

House Bill on First Reading

The following House Bill was today laid before the House, read first time and referred to the appropriate Committee, as follows:

By Messrs. Buchanan and Bartram:

H. B. No. 12, A bill to be entitled "An Act amending Paragraphs (1) through (11), both inclusive, and Paragraphs (15) and (16) of Section One (1) of Chapter 357, Acts of the 53d Leg., Regular Session, 1953; changing the name of the...
Board of Water Engineers to the Texas Water Commission and prescribing certain duties, powers and functions thereof; providing for the appointment of a Chief Engineer and prescribing his duties, powers and functions; enacting other provisions in regard to the administration of the water resources of the State; providing a saving clause; and declaring an emergency."

Referred to the Committee on Conservation and Reclamation.

CONGRATULATING DOROTHY HALLMAN

Mr. Leaverton offered the following resolution:

H. S. R. No. 48

Whereas, Mrs. Dorothy Hallman, Chief Clerk of the House of Representatives, is a valuable, loyal and loved employee of the House; and

Whereas, Because of her pleasant smile and disposition these Halls where we toil are made immeasurably more attractive; and

Whereas, She is now a qualified elector, having satisfied the age requirement under the laws of this State; now, therefore, be it

Resolved, That the House of Representatives of the Fifty-seventh Legislature, Third Called Session, congratulates Dorothy Hallman and joins with her in observing her birthday, extending every good wish for many happy returns.

The resolution was read.

On the motion of Mr. Hale the names of all Members of the House were added to the resolution as signers thereof.

The resolution was unanimously adopted.

RECESS

Mr. Trevino moved that the House recess until 11:00 o'clock a.m. tomorrow.

Mr. Richardson moved that the House recess until 7:30 o'clock p.m. today.

Mr. James moved that the House recess until 10:00 o'clock a.m. tomorrow.

Mr. Trevino offered the following resolution:

H. S. R. No. 49

Whereas, Mrs. Dorothy Hallman, Chief Clerk of the House of Representatives, is a valuable, loyal and loved employee of the House; and

Whereas, Because of her pleasant smile and disposition these Halls where we toil are made immeasurably more attractive; and

Whereas, She is now a qualified elector, having satisfied the age requirement under the laws of this State; now, therefore, be it

Resolved, That the House of Representatives of the Fifty-seventh Legislature, Third Called Session, congratulates Dorothy Hallman and joins with her in observing her birthday, extending every good wish for many happy returns.

The resolution was read.

On the motion of Mr. Hale the names of all Members of the House were added to the resolution as signers thereof.

The resolution was unanimously adopted.

RECESS

Mr. Trevino moved that the House recess until 11:00 o'clock a.m. tomorrow.

Mr. Richardson moved that the House recess until 7:30 o'clock p.m. today.

Mr. James moved that the House recess until 10:00 o'clock a.m. tomorrow.

The motion to recess until 7:30 o'clock p.m. today was lost.

A record vote was requested on the motion to recess until 10:00 o'clock a.m. tomorrow.

The motion to recess until 10:00 o'clock a.m. tomorrow prevailed by the following vote:

Yeas—79

Adams of Titus
Alano
Andrews
Atwell
Barfield, Mrs.
Barlow
Barne
Blaine
Blaym
Boyce
Boyer
Bridges
Buchanan
Burgess
Cole of Hunt
Cook
Cory
Cotsea
Cowen
Craij
Crews
Curtin
de la Garza
Dewey
Duff, Miss
Ehrie
Esquered
Fairchild
Gladden
Glass
Glasing
Green
Grover
Guyer
Hale
Harding
Haring
Harrington
Hartson
Hastly
Heaton
Hinson

Nays—66

Adams of Lubbock
Chapman
Bailey
Ballman
Bartram
Berry
Beter
Caldwell
Cannon
Caraffi
Carr

Hewner
Hughes of Dallas
James
Jamison
Johnson of Bell
Jones of Travis
Koliba
Kovner
Kothmann
Leaverton
Longoria
McCoppin
McGregor
McLennan
Martin
Murray
Gaborn
Paxons
Pearsy
Feather
Pipkin
Price
Quillian
Skipp
Rafoliff
Read
Richards
Rosson
Schram
Shannon
Smith of Houston
Smedley
Sowell
Springer
Thurman
Thurmond
Tunnell
Ward
Woods

Recess until 11:00 o'clock a.m. tomorrow.
The Benediction was offered by the Reverend Clinton Kersey, Chaplain, as follows:

Hon. James A. Turman, Speaker of the House of Representatives.

Sir: Your Committee on Engrossed Bills to whom was referred H. B. No. 1, a bill to be entitled "An Act to amend Title 53, Revised Civil Statutes of Texas, 1925, by adding Article 3272b, to protect and preserve dormant deposits and inactive accounts of owners whose whereabouts are unknown to the depository; defining terms; prohibiting the conversion or reduction of such accounts while in dormant or inactive status; requiring advertising for lost owners and reporting to the State of certain accounts of owners who cannot be located; providing for conservation and disposition of funds delivered to the State, procedures for payment to owners at any time thereafter discovered; and other related rules and procedures; providing for presumptions and prima facie evidence; and declaring an emergency."

Has carefully compared same and finds it correctly engrossed.

H. G. WELLS, Chairman.

In accordance with the motion to recess, the House, at 5:36 o'clock p. m., took recess until 10:00 o'clock a. m. tomorrow.

APPENDIX

REPORTS OF THE COMMITTEE ON ENGROSSED BILLS

Austin, Texas, January 9, 1962

Hon. James A. Turman, Speaker of the House of Representatives.

Sir: Your Committee on Engrossed Bills to whom was referred H. B. No. 1, a bill to be entitled "An Act to amend Title 53, Revised Civil Statutes of Texas, 1925, by adding Article 3272b, to protect and preserve dormant deposits and inactive accounts of owners whose whereabouts are unknown to the depository; defining terms; prohibiting the conversion or reduction of such accounts while in dormant or inactive status; requiring advertising for lost owners and reporting to the State of certain accounts of owners who cannot be located; providing for conservation and disposition of funds delivered to the State, procedures for payment to owners at any time thereafter discovered; and other related rules and procedures; providing for presumptions and prima facie evidence; and declaring an emergency."

Has carefully compared same and finds it correctly engrossed.

H. G. WELLS, Chairman.

FIFTH DAY
(Continued)
(Thursday, January 11, 1962)

The House met at 10:00 o'clock a. m. and was called to order by the Speaker.

The Invocation was offered by the Reverend Clinton Kersey, Chaplain, as follows:

"Heavenly Father, thank Thee for the night that our bodies might be refreshed for the day's labor.

"Let us feel Thy spirit today guiding us in our decisions. Save us from the pressures that drive us and the tensions that break us down. Help us to love Thee; loving Thee we shall love one another, thus what we do will be right and pleasing to Thee. In Jesus' Name we pray.—Amen."