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**HOUSE BILL NO. 412**

Offered January 13, 2010

Prefiled January 12, 2010

A *BILL to amend the Code of Virginia by adding sections numbered 6.1-330.78:2 and 6.1-470.1, relating to local limitations on the number of payday lenders and open-end credit lenders.*

Patrons—Oder, Ebbin and O'Bannon

Referred to Committee on Commerce and Labor

**Be it enacted by the General Assembly of Virginia:**

**1. That the Code of Virginia is amended by adding sections numbered 6.1-330.78:2 and 6.1-470.1 as follows:**

§ 6.1-330.78:2. *Local limitations as to number of open-end credit lenders.*

A. *In addition to all limitations and restrictions and notwithstanding any other relevant provisions of this chapter, the governing body of any locality may reasonably limit by resolution or ordinance the number of lenders engaged in the business of extending credit under an open-end or similar plan pursuant to § 6.1-330.78, whether such loans are secured or not, hereafter referred to as open-end credit lenders, that may operate at any one time within its territorial limits.*

B. *If the locality has adopted an ordinance that requires a business to obtain a license pursuant to Chapter 37 (§ 58.1-3700 et seq.) of Title 58.1, the officer of a locality that has, by resolution or ordinance, limited the number of open-end credit lenders therein shall not authorize or issue any license to any open-end credit lender after the attorney for the locality has filed with such officer a statement that the number of licensed open-end credit lenders within the locality has reached the maximum number of open-end credit lenders authorized to be operated therein, unless the number has been reduced below the maximum prescribed. If a properly licensed open-end credit lender sells his business, the officer of the locality in which such business operates shall be authorized to issue to the purchaser a new license for the same location if the purchaser has not been convicted of a felony or a crime involving moral turpitude in the last 10 years. Prior to the issuance of the license, the purchaser shall furnish his date of birth and such other information to the licensing officer as may be required by the local governing body.*

§ 6.1-470.1. *Local limitations as to number of payday loan offices.*

A. *In addition to all limitations and restrictions and notwithstanding any other relevant provisions of this chapter, the governing body of any locality may reasonably limit by resolution or ordinance the number of offices or other places of business that may be operated by licensees at any one time within its territorial limits.*

B. *The Commission shall not authorize or issue any license authorizing a licensee to make payday loans from a location within a locality after the attorney for the locality has filed with the Commission a statement that the number of places of business operated by licensees within the locality has reached the maximum number of such places of business authorized to be operated therein, unless the number has been reduced below the maximum prescribed.*

INTRODUCED

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