

Senate Bill 198

By: Senators Parent of the 42nd, Jeffares of the 17th, Hufstetler of the 52nd, Jones of the 10th and Henson of the 41st

A BILL TO BE ENTITLED
AN ACT

1 To amend Code Section 7-3-13 of the Official Code of Georgia Annotated, relating to
2 prohibited false advertising relative to industrial loans, so as to prohibit persons engaged in
3 the business of making industrial loans from issuing payment instruments which create a loan
4 contract upon redemption, unless a previous contract has been entered into between the two
5 parties; to provide for related matters; to repeal conflicting laws; and for other purposes.

6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 **SECTION 1.**

8 Code Section 7-3-13 of the Official Code of Georgia Annotated, relating to prohibited false
9 advertising relative to industrial loans, is amended as follows:

10 "7-3-13.

11 (a) No person shall advertise, display, distribute, or broadcast in any manner whatsoever
12 any false, misleading, or deceptive statement or representation with regard to the rates,
13 terms, or conditions for loans subject to this chapter.

14 (b) No licensee shall provide a payment instrument to any person other than a borrower
15 who has previously entered into a contract pursuant to this chapter.

16 (c) For purposes of this Code section, the term 'payment instrument' means any check,
17 money order, draft, or negotiable demand instrument which, when redeemed by the person
18 named on such instrument, results in a contract with the issuer."

19 **SECTION 2.**

20 All laws and parts of laws in conflict with this Act are repealed.