

PLANNING COMMISSION RECOMMENDATIONS

ORDINANCE NO.

AN ORDINANCE AMENDING CITY CODE SECTIONS 25-2-4 AND 25-2-491 AND ADDING A NEW SECTION 25-2-816 RELATING TO REQUIREMENTS FOR ALTERNATIVE FINANCIAL SERVICES.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. Subsection 25-2-4(B)(29) (*Commerical Uses Described*) of the City Code is amended to read:

- (29) FINANCIAL SERVICES use is the use of a site for the provision of financial and banking services. This use includes banks, savings and loan institutions, stock and bond brokers, loan and lending activities, and similar services. This use excludes alternative financial services businesses uses as defined in this section.

PART 2. Section 25-2-4 (*Commercial Uses Described*) of the City Code is amended to add a new commercial use, Alternative Financial Services Businesses, to read as follows and added as Subsection 25-2-4(B)(3) with all subsequent commercial uses renumbered accordingly:

- (3) ALTERNATIVE FINANCIAL SERVICES BUSINESSES use is the use of a site for a check cashing business, payday advance or loan business, money transfer business, motor vehicle title loan business, or a credit access business as defined in this section.
- (a) This use excludes:
- (1) a state or federally chartered bank, savings and loan association or credit union, or a pawnshop, and
 - (2) a convenience store, supermarket, or other retail establishment where consumer retail sales constitute at least 75% of the total gross revenue generated on site.
- (b) A check cashing business is an establishment that provides one or more of the following:
- (1) an amount of money that is equal to the face of a check or the amount specified in a written authorization for an electronic transfer of money, less any fee charged for the transaction;

- (2) an agreement not to cash a check or execute an electronic transfer of money for a specified period of time; or
 - (3) the cashing of checks, warrants, drafts, money orders, or other commercial paper for compensation by any other person or entity for a fee.
- (c) A payday advance or loan business is an establishment that makes small consumer loans of \$2,500 or less, usually backed by postdated check or authorization to make an electronic debit against an existing financial account, where the check or debit is held for an agreed-upon term or until a customer's next payday and then cashed unless the customer repays the loan to reclaim the check or debit. Such establishments may charge a flat fee or other service charge and/or a fee or interest rate based on the size of the loan amount.
- (d) A motor title loan business is an establishment that makes small consumer loans of \$2,500 or less that leverage the equity value of a car or other vehicle as collateral where the title to such vehicle is owned free and clear by the loan applicant and any existing liens on the vehicle cancel the application. Failure to repay the loan or make interest payments to extend the loan allows the lender to take possession of the vehicle.
- (e) A credit access business has the same meaning as defined in Section 393.601 of the Texas Finance Code.

PART 3. Chapter 25-2 (*Zoning*) of the City Code is amended to add a new Section 25-2-816 to read:

§ 25-2-816 ALTERNATIVE FINANCIAL SERVICES BUSINESSES.

- (A) This section applies to an alternative financial services business use.
- (B) A use may not be located on a site that is:
- (1) within 1,000 feet of a site that contains another alternative financial services business use;
 - (2) within 200 feet of a property in a residential zoning district or on which a residential use is located;
 - (3) within 500 feet of the rights-of-way of Interstate Highway 35, U.S. Highway 183, U.S. Highway 290, Texas State Highway Loop 360, Texas State Highway Loop 1, Texas State Highway 130, or Texas State Highway 45; or

- (4) within the waterfront overlay district, the university neighborhood overlay district, or the area bounded by Interstate Highway 35, Airport Boulevard, and Town Lake.
- (C) A use may be located only within a freestanding structure and may not be co-located in the same structure with other uses.

PART 4. The table in Subsection (C) of Section 25-2-491 (*Permitted, Conditional, and Prohibited Uses*) of the City Code is amended to add the alternative financial services businesses use and to indicate that the alternative financial services businesses use is permitted in the community commercial (GR) and general commercial services (CS) zoning districts, subject to Section 25-2-816 (*Alternative Financial Services Businesses*) of the City Code, and conditional in the neighborhood commercial (LR) and downtown mixed use (DMU) zoning districts, subject to Section 25-2-816 (*Alternative Financial Services Businesses*) of the City Code.

PART 5. This ordinance takes effect on _____, 2012.

PASSED AND APPROVED

_____, 2012 §
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 Lee Leffingwell
 Mayor

APPROVED: _____
 Karen M. Kennard
 City Attorney

ATTEST: _____
 Shirley A. Gentry
 City Clerk