

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 460 Session of
2001

INTRODUCED BY MOWERY, HOLL, ROBBINS, MUSTO, O'PAKE, M. WHITE,
CORMAN, RHOADES AND LOGAN, FEBRUARY 15, 2001

AS REPORTED FROM COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT,
HOUSE OF REPRESENTATIVES, AS AMENDED, OCTOBER 21, 2002

AN ACT

1 Amending the act of February 18, 1998 (P.L.146, No.22), entitled
2 "An act regulating the check-cashing industry; providing for
3 the licensing of check cashers, for additional duties of the
4 Department of Banking and for certain terms and conditions of
5 the business of check cashing; and providing penalties for
6 money-laundering activities and violations of the act,"
7 further providing FOR LICENSE TERMS AND FEES, for fees and <—
8 charges and for applicability.

9 The General Assembly of the Commonwealth of Pennsylvania
10 hereby enacts as follows:

11 Section 1. Sections 302(B), 503, 509 and 1101 of the act of <—
12 February 18, 1998 (P.L.146, No.22), known as the Check Casher
13 Licensing Act, are amended to read:

14 SECTION 302. LICENSE TERMS AND FEES. <—

15 * * *

16 (B) [RENEWAL FEE.--ON OR BEFORE MARCH 1 OF EVERY YEAR, A
17 LICENSEE SHALL APPLY FOR LICENSE RENEWAL ON A FORM PROVIDED BY
18 THE DEPARTMENT AND PAY A RENEWAL FEE OF \$350 FOR EACH FIXED
19 LOCATION OR MOBILE UNIT. THE DEPARTMENT SHALL RENEW THE LICENSE

1 IF THE LICENSEE IS IN COMPLIANCE WITH THE PROVISIONS OF THIS
2 ACT.] LICENSE RENEWAL.--ON MAY 1 OF EACH YEAR, UPON PAYMENT OF
3 AN ANNUAL RENEWAL FEE OF \$350 FOR EACH FIXED LOCATION OR MOBILE
4 UNIT, THE DEPARTMENT SHALL RENEW THE LICENSE IF THE LICENSEE IS
5 IN COMPLIANCE WITH THE PROVISIONS OF THIS ACT.

6 * * *

7 Section 503. Fees and charges.

8 (a) Allowable fees.--The licensee or any person subject to
9 any provision of this act may collect the following fees for
10 cashing a check:

11 (1) A sum not exceeding 2.5% of the face amount of a
12 government assistance check, provided the payee submits valid
13 identification in the form of a driver's license, an
14 identification card issued by the Department of
15 Transportation or the equivalent; or

16 (2) A sum not exceeding 3% of the face amount of a
17 payroll check.

18 (3) A sum not exceeding 10% of the face amount of a
19 personal check.

20 (b) New customer fee.--Notwithstanding anything in this
21 section to the contrary, the licensee or any person subject to
22 any provision of this act may charge an initial fee not to
23 exceed \$10 to a new customer to cover the cost of investigating
24 the customer's credit.

25 (c) Receipt of transaction.--The licensee or any person
26 subject to any provision of this act shall provide a receipt of
27 the transaction.

28 (d) Other goods and services.--

29 (1) The licensee or any person subject to any provision
30 of this act shall not require consumers to purchase other

1 goods or services in order to cash a check.

2 (2) Nothing in this section shall prevent [licensees] a
3 licensee or any person subject to this act from offering
4 additional goods and services.

5 (e) Definition.--As used in this section, the term
6 "government assistance check" means a check issued on a
7 continuing periodic basis by a government agency for payment to
8 the recipient payee of Federal or State assistance, Social
9 Security, workers' compensation, unemployment compensation,
10 railroad retirement benefits or veterans' disability.

11 Section 509. Private remedy.

12 (a) Liability.--Any person who willfully violates any
13 provision of this act with respect to any consumer is liable to
14 the consumer for an amount equal to three times any actual
15 damage sustained by the consumer as a result of the failure or
16 the sum of \$250, whichever is greater.

17 (b) Recovery of costs.--In the case of any successful action
18 to enforce liability under subsection (a), the consumer shall
19 recover from the licensee or any person subject to this act the
20 costs of the action, together with a reasonable attorney fee as
21 determined by the court.

22 Section 1101. Applicability.

23 This act shall not apply to any insured depository
24 institution or affiliate or service corporation of any
25 depository institution supervised or regulated by the Department
26 of Banking, the National Credit Union Administration, the Office
27 of Thrift Supervision, the Federal Deposit Insurance
28 Corporation, the Comptroller of the Currency or the Board of
29 Governors of the Federal Reserve or the Federal Reserve Banks.

30 It also shall not apply to companies licensed by the Department

1 of Banking under the act of April 8, 1937 (P.L.262, No.66),
2 known as the Consumer Discount Company Act, the act of September
3 2, 1965 (P.L.490, No.249), referred to as the Money Transmission
4 Business Licensing Law, unless conducting activities regulated
5 by this act, the act of December 12, 1980 (P.L.1179, No.219),
6 known as the Secondary Mortgage Loan Act, and the act of
7 December 22, 1989 (P.L.687, No.90), known as the Mortgage
8 Bankers and Brokers Act, in the normal course of business with
9 specific relation to lending transactions and when engaged in
10 the activities regulated under these acts. It also shall not
11 apply to a retail food store licensed as a food establishment,
12 as defined in section 2 of the act of July 7, 1994 (P.L.421,
13 No.70), known as the Food Act, or a retail food store licensed
14 as a public eating or drinking place, as defined in section 1 of
15 the act of May 23, 1945 (P.L.926, No.369), referred to as the
16 Public Eating and Drinking Place Law, that receives less than 1%
17 of its annual gross revenue from cashing checks, except that the <—
18 provisions of sections 503, 507 and 509 shall apply to such a
19 business entity. <—
20 A RETAIL FOOD STORE LOCATION MUST REGISTER
21 ANNUALLY WITH THE DEPARTMENT AND THE PROVISIONS OF SECTIONS
22 301(B)(4), 304(C)(3), 503, 507 AND 509 SHALL APPLY TO SUCH A
23 BUSINESS ENTITY. EACH RETAIL FOOD STORE LOCATION SHALL PROVIDE
24 THE DEPARTMENT WITH THE COMPANY NAME, ADDRESS AND TELEPHONE
25 NUMBER ON A FORM PRESCRIBED BY THE DEPARTMENT AND A \$100 ANNUAL
26 REGISTRATION FEE. UPON REQUEST, A RETAIL FOOD STORE LOCATION
27 SHALL DEMONSTRATE TO THE SATISFACTION OF THE DEPARTMENT THAT IT
28 RECEIVES LESS THAN 1% OF ITS ANNUAL GROSS INCOME REVENUE FROM
29 CASHING CHECKS.

29 Section 2. This act shall take effect in 60 days.