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P.L. 2003, CHAPTER 252, *approved January 14, 2004*
Senate, No. 1480 (*Third Reprint*)

1 **AN ACT** concerning licensed check cashers and amending P.L.1993,
2 c.383.

3

4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6

7 1. Section 2 of P.L.1993, c.383 (C.17:15A-31) is amended to read
8 as follows:

9 2. As used in this act:

10 "Applicant" means a person who has applied or is in the process of
11 applying for a license pursuant to this act.

12 "Automated cash machine" means an unmanned communications
13 terminal which dispenses cash, traveler's checks or both; does not
14 accept deposits; and through which transactions with banking
15 institutions are consummated.

16 "Automated check cashing machine" means an unmanned
17 communications terminal which ³only ³cashes checks for a fee.

18 "Check" includes a check, draft, money order, negotiable order of
19 withdrawal and similar types of negotiable instruments.

20 "Commissioner" means the Commissioner of Banking and
21 Insurance.

22 "Controlling interest" means ownership, control or interest in 25%
23 or more of the outstanding and issued voting stock of the check
24 cashing business.

25 "Customer" means any person who seeks to have a check cashed by
26 a licensee but does not include the maker of a check payable to
27 another person.

28 "Department" means the Department of Banking and Insurance.

29 "Fee" includes any fee, charge, cost, expense, or other
30 consideration.

31 "License" means a license issued pursuant to this act and held by a
32 licensee, which license authorizes the licensee to cash checks for a fee
33 as provided pursuant to this act.

34 "Licensee" means a person who holds, or who should hold, a
35 license pursuant to this act.

36 "Limited branch office" means a private premises where a licensee
37 maintains and makes available to the particular group specified in the
38 authorization, and to that group only, the facilities for cashing checks,

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ **Senate SCM committee amendments adopted March 17, 2003.**

² **Senate floor amendments adopted June 16, 2003.**

³ **Senate amendments adopted in accordance with Governor's recommendations December 15, 2003.**

1 drafts, or money orders on the designated premises for no more than
2 two days of each week as designated in the authorization pursuant to
3 subsection c. of section 12 of this act ³and also includes the premises
4 where payroll services are provided³.

5 "Mobile office" means any vehicle or other moveable means from
6 which the business of cashing checks is conducted.

7 "Natural person" does not include a payee identified on the payee
8 line of a check as a partnership, professional association, company,
9 corporation, or other business entity.

10 "Office" includes a principal office and a full branch office.

11 "Payroll service" means a service provided ³. pursuant to a written
12 agreement, ³ by a licensed check casher to an employer in which the
13 employer pays a fixed fee or rate for the on-site delivery of payroll or
14 cashing of payroll checks issued to its employees, at no cost to the
15 employees.

16 "Person" has the meaning given that word in R.S.1:1-2.

17 "Substantial stockholder" means any person who beneficially owns
18 or controls more than 10% of the outstanding voting shares of an
19 applicant or a licensee.

20 (cf: P.L.1993, c.383, s.2)

21
22 2. Section 6 of P.L.1993, c.383 (C.17:15A-35) is amended to read
23 as follows:

24 6. The application for a license shall include, but not be limited to,
25 the following:

26 a. The name, age, business address, residence and present and
27 previous occupations of each applicant or licensee and of each officer,
28 owner, director, partner, and substantial stockholder of the check
29 cashing business to be licensed;

30 b. The name and business address of each manager of each office,
31 mobile office or limited branch office that the applicant proposes to
32 operate;

33 c. The address of each stationary site, if the check cashing business,
34 or any portion thereof, is to be conducted from a stationary site or
35 sites;

36 d. The New Jersey motor vehicle registration number or other
37 identification of the mobile office and the exact location or locations,
38 if more than one, at which the applicant proposes to operate the
39 mobile office, if the check cashing business, or any portion thereof, is
40 to be conducted from a mobile office;

41 e. Any other information that the commissioner may reasonably
42 require; [and]

43 f. All licensees shall have an affirmative obligation to advise the
44 commissioner in writing within five days of any change in the
45 information required under subsections a., c. and d. of this section; and

46 ³[h. Except for the identity of the applicant, an application for

1 licensure for a limited branch office, and customer information,
2 customer lists, authorizations or customer contracts submitted at any
3 time to the department shall be confidential and not a public record.]
4 g. An applicant's customer information, customer lists,
5 authorizations and customer contracts submitted to or obtained by the
6 department in connection with an application for licensure for a limited
7 branch office shall be confidential and not public records subject to
8 public access, inspection or copying under P.L. 1963, c. 73 (C. 47:1A-
9 1 et seq.) or the common law concerning access to public records.
10 The applicant's name and address and an application for licensure for
11 a limited branch office shall be public records. Nothing contained in
12 this subsection shall restrict the authority of the department or any
13 other governmental entity to access documents, whether or not
14 deemed public records, submitted in connection with an application for
15 a limited branch office license.³

16 (cf: P.L.1993, c.383, s.6)

17

18 3. Section 8 of P.L.1993, c.383 (C.17:15A-37) is amended to read
19 as follows:

20 8. ³[a.]³ An applicant shall prove, [in a manner and form
21 satisfactory to the commissioner] ³[as required by subsection b. of
22 this section] in a manner and form satisfactory to the commissioner³,
23 that the applicant has available for the operation of its check cashing
24 business at each office [or], mobile office or automated check cashing
25 machine location, capital or net worth of at least \$50,000, and has
26 available for the operation of its check cashing business at each office
27 [or], mobile office or location, liquid assets of at least \$50,000.

28 ³[b. An applicant shall submit to the department a financial
29 statement prepared by a public accountant or certified public
30 accountant, in accordance with generally accepted accounting
31 principles, confirming that the applicant satisfies the capital and net
32 worth requirements of subsection a. of this section. This statement
33 shall reflect the financial status of the applicant as of a date not more
34 than 12 months prior to the date of the application. The public
35 accountant or certified public accountant issuing the statement shall be
36 in good standing with the New Jersey State Board of Accountancy or
37 other appropriate regulatory agency.]³

38 (cf: P.L.1993, c.383, s.8)

39

40 4. Section 11 of P.L.1993, c.383 (C.17:15A-40) is amended to read
41 as follows:

42 11. a. A license shall be valid until surrendered by the licensee, or
43 unless revoked or suspended pursuant to this act.

44 b. Each licensee shall pay to the department a biennial license fee of
45 not more than \$2,000 for each office and mobile office it maintains.
46 There shall not be a biennial license fee for a limited branch office.

1 The fee shall be due on January 1 of each alternate calendar year
 2 following the effective date of this act. When the initial license or
 3 certificate is issued in the second year of the biennial period, the fee
 4 shall be an amount equal to one-half the fee for the biennial period.
 5 The initial license fee for a limited branch office shall not exceed
 6 ³~~[\$50]~~ \$100³ .

7 ³~~[c. A licensee shall have a private right of action and standing to~~
 8 ~~challenge or participate in any legal, administrative or regulatory~~
 9 ~~action which would have an impact on the licensee's check cashing~~
 10 ~~business.]~~

11 c. A licensee may bring a civil action in Superior Court against
 12 another licensee, or against a depository institution subject to
 13 subsection b. of section 21 of P.L.1993, as amended, c.383 (C.
 14 17:15A-50) or subsection c. of section 21 of P.L.1993, as amended,
 15 c. 383 (C. 17:15A-50) for violating any of the following provisions, if
 16 that violation has an impact on the check cashing business of the
 17 licensee bringing the action: (1) section 3 of P.L.1993, c.383
 18 (C.17:15A-32); (2) the requirements set forth in paragraph (6) of
 19 subsection d. of section 12 of P.L.1993, c. 383 (C.17:15A-41); (3)
 20 subsection e. of section 12 of P.L.1993, c. 383 (C.17:15A-41); (4)
 21 subsection f. of section 18 of P.L.1993, c.383 (C.17:15A-47); (5)
 22 subsection b. of section 21 of P.L.1993, c.383 (C.17:15A-50); or (6)
 23 subsection c. of section 21 of P.L.1993, c.383 (C.17:15A-50).
 24 Nothing contained in this subsection shall be construed to restrict,
 25 limit or alter in any way the commissioner's authority to enforce the
 26 provisions of "The Check Cashers Regulatory Act of 1993," P.L.
 27 1993, c.383 (C.17:15A-30 et seq.) or any other law.³

28 d. If a licensee has not provided check cashing services during
 29 normal business hours at the location specified in the license for a
 30 period of 180 consecutive days or more, and if no application for
 31 renewal of the license or relocation of the licensed check casher is or
 32 shall have been filed prior to expiration of that 180-day period, the
 33 department³~~[shall]~~ may³ , after notice to the licensee and opportunity
 34 to be heard, revoke the license³or for good cause shown, the
 35 department may extend the 180 day period³ .

36 (cf: P.L.1993, c.383, s.11)

37

38 ¹[5. Section 12 of P.L.1993, c.383 (C.17:15A-41) is amended to
 39 read as follows:

40 12. a. Except as provided in subsections b., c. and d. of this section,
 41 a licensee shall have and maintain a single office at one address in the
 42 State for the transaction of business. No licensee shall change the
 43 address of an existing office without prior written approval from the
 44 commissioner.

45 b. The commissioner shall authorize a licensee, pursuant to an
 46 application approved by the commissioner, to establish and operate a

1 full branch office or offices at which may be conducted all of the
2 business which may be conducted at the principal office if:

3 (1) the licensee provides the name of the person who will manage
4 the full branch office;

5 (2) the licensee has paid a full branch application fee, as specified by
6 regulation;

7 (3) the licensee has submitted proof, as required pursuant to section
8 8 of this act, that there is sufficient net worth and liquid assets for the
9 operation of a full branch office;

10 (4) the site of the full branch office has been approved by the
11 commissioner and the commissioner has determined that the applicant
12 or licensee has the necessary equipment to record transactions and
13 maintain other records as required by this act; and

14 (5) the licensee or applicant has met any additional conditions which
15 the commissioner may require in the public interest.

16 c. The commissioner shall authorize a licensee, pursuant to an
17 application approved by the commissioner, to operate a limited branch
18 office or offices, the business of which shall be limited to cashing
19 checks for a particular group or groups at one or more private
20 premises, provided that the holder of a limited branch authorization
21 observes all of the rules and regulations issued by the commissioner
22 applicable to all licensees except that:

23 (1) the books and records required to be kept may be kept at the
24 principal office of the licensee; and

25 (2) the requirements of section 8 of this act concerning capital and
26 net worth shall not apply with respect to a limited branch office if the
27 licensee is in compliance with section 8 of this act with respect to its
28 principal office.

29 d. The commissioner shall authorize a licensee, pursuant to an
30 application approved by the commissioner, to operate a mobile office,
31 the business of which shall be conducted from a suitable motor vehicle
32 or similar mobile device, at a designated geographic location or
33 locations specified to the commissioner in its application and for the
34 purpose of serving the public in that specific location or locations if
35 the commissioner finds that:

36 (1) an applicant for a mobile office has met the requirements of
37 paragraphs (1) through (3) and (5) of subsection b. of this section;

38 (2) the mobile office facility has been approved by the commissioner
39 and the commissioner has determined that the applicant has the
40 necessary equipment to record transactions and maintain other records
41 as required by this act;

42 (3) the commissioner has approved the one or more geographic
43 locations and the days and hours of operation at each geographic
44 location at which the check cashing services of the mobile unit are to
45 be made available to the public for the cashing of checks, drafts or
46 money orders;

1 (4) the place where the books, records, and all information
2 pertaining to its business are to be kept and made available to
3 representatives of the department has been specified, which location
4 shall not be changed without first advising the department in writing
5 of the new location where those books, records and information shall
6 be kept;

7 (5) a licensee's application for multiple geographic locations for
8 operating a mobile unit is in the public interest; and

9 (6) the holder of a license to operate a mobile unit is in compliance
10 with the provisions of Title 39 of the Revised Statutes and the
11 ordinances and traffic regulations issued by municipal and other
12 authorities. If a municipality requires a special permit or license fee
13 for the purpose of operating a mobile unit, the applicant or licensee
14 shall obtain that permit or license as a condition for the issuance of the
15 authority to operate a mobile unit pursuant to this section.

16 e. No office or mobile office shall be located within 2,500 feet of an
17 existing office or mobile office, that distance being measured as the
18 radius of a circle with the entrance to the existing office or mobile
19 office considered the center point from which the radius is measured.

20 f. If a license was issued within 2,500 feet of an existing license
21 between August 6, 1999 and July 18, 2001, the licensee's compliance
22 with subsection e. of this section may be waived if each existing
23 licensee within the 2,500 foot radius referred to in subsection e. of this
24 section consents in writing. Written consent shall be notarized and
25 shall be submitted to the commissioner by the licensee.

26 (cf: P.L.1993, c.383, s.12)]¹

27
28 ¹[6.] 5.¹ Section 15 of P.L.1993, c.383 (C.17:15A-44) is amended
29 to read as follows:

30 15. A licensee shall:

31 a. Conspicuously display at each office, limited branch office or
32 mobile office it operates the original license, certificate or branch
33 authorization, as appropriate, issued by the commissioner.

34 b. Conspicuously display all signs and notifications which the
35 commissioner may require.

36 c. Provide each customer, at the time of a transaction, with a record
37 of each transaction as specified by regulation.

38 d. Produce a photographic record, on such equipment as the
39 commissioner may prescribe, of all of the checks cashed at the place
40 of business and maintain a true copy of each such record.

41 e. Endorse each check cashed with the actual name under which the
42 licensee is doing business and legibly write or stamp the words
43 "Licensed Cashier of Checks" immediately after or below the licensee's
44 name.

45 f. Conduct all check cashing business through a bank account or
46 accounts which are used solely for that purpose, and which have been

- 1 identified as such to the department.
- 2 g. ~~Inform the department if any bank account number changes or~~
3 ~~if any bank account is closed.]~~ ³~~[(Deleted by amendment, P.L. , c.~~
4 ~~.)]~~ Inform the department if any bank account number changes or if
5 any bank account is closed.³
- 6 h. Maintain adequate records of its check cashing business as
7 prescribed by the commissioner by regulation.
- 8 i. Retain for five years essential records, and retain all other records
9 for a shorter period as prescribed by the commissioner by regulation.
10 Such records shall be separate from the records of other businesses in
11 which the licensee may be engaged. Although separate records are
12 required, it is not required that the licensee's check cashing business
13 have a different legal identity from other businesses in which the
14 licensee is engaged.
- 15 j. ~~Suspend for at least six months the check cashing privileges of~~
16 ~~any customer who cashes, in any one calendar year, more than three~~
17 ~~checks which are returned by the payor bank because of insufficient~~
18 ~~funds, and notify the department in writing of the name of such~~
19 ~~customer and the action taken, except that for the purposes of this~~
20 ~~subsection, two or more checks of a single maker which are returned~~
21 ~~because of insufficient funds shall be counted as one check provided~~
22 ~~they were cashed the same day and deposited in the licensee's bank~~
23 ~~account on the same banking day.]~~ ³~~[(Deleted by amendment, P.L.~~
24 ~~, c. .)]~~ Suspend for at least six months the check cashing privileges
25 of any customer who cashes, in any one calendar year, more than three
26 checks which are returned by the payor bank because of insufficient
27 funds, and notify the department in writing of the name of such
28 customer and the action taken, except that for purposes of this
29 subsection two or more checks of a single maker which are returned
30 because of insufficient funds shall be counted as one check provided
31 they were cashed the same day and deposited in the licensee's bank
32 account on the same banking day.³
- 33 k. Maintain at all times a capital or net worth of at least \$50,000 for
34 the operation of the licensee's check cashing business at each office
35 ~~[and], mobile office~~ and automated check cashing machine location,
36 and maintain at all times liquid assets of at least \$50,000 for the
37 operation of the licensee's check cashing business at each office ~~[and],~~
38 mobile office and automated check cashing machine location.
- 39 l. (1) Maintain on its premises, a record keeping system by which
40 a licensee may track, and provide for inspection at the request of the
41 commissioner, checks which the licensee cashed and which were made
42 payable to a payee other than a natural person and checks which the
43 licensee cashed in the amount of \$2,500.00 or more ³~~[:]~~ ³.
- 44 (2) The record keeping system required pursuant to paragraph (1)
45 of this subsection l. shall include, but not be limited to, the following

1 information:

2 (a) the date of the transaction;

3 (b) the name of the payee;

4 (c) the federal tax payer identification number of the payee;

5 (d) the face amount of the check;

6 (e) the date of the check;

7 (f) the name or names of those presenting the check for payment;

8 (g) the name of the financial institution on which the check is drawn
9 and the financial institution's transit routing number;

10 (h) the amount of the fee charged; and

11 (i) a photograph, photostat, duplicate, microfilm, microfiche or any
12 other reproduction of the front and back of the fully endorsed check
13 [.]³ [made payable to a payee other than a natural person and each
14 check payable in the amount of \$2,500 or more;]³

15 (3) The record keeping system shall be made available to any State
16 or federal law enforcement agency upon written request and without
17 necessity of subpoena.

18 m. File with the Attorney General of New Jersey a duplicate copy
19 of any report a licensee is required to file regarding business
20 conducted in this State pursuant to 31 U.S.C.s.5311 et seq. and
21 31 C.F.R.s.103 et seq.

22 n. Supervise employees engaged in the operation of the check
23 cashing business to ensure the business is conducted lawfully and
24 pursuant to the provisions of this act and any order, rule or regulation
25 made or issued pursuant to this act.

26 (cf: P.L.1999, c.352, s.7)

27

28 ¹[7.] ²[6.¹ Section 17 of P.L.1993, c.383 (C.17:15A-46) is
29 amended to read as follows:

30 17. [The] a. Absent a determination by the commissioner that good
31 cause exists, the department shall, upon no less than 72 hours written
32 notice, and during business hours reasonably convenient to the
33 licensee, have the right to examine the books and records, and the
34 place or places of business of any licensee. The reasonable cost of the
35 examination shall be borne by the licensee. The department may order
36 [that the] in writing what books and records are to be made available,
37 and that the examination take place, at the office of the licensee's
38 public accountant.

39 b. Absent a determination by the commissioner that good cause
40 exists, the reasonable cost of the examination shall not exceed \$2,500.
41 The examination shall be conducted in accordance with generally
42 accepted examination procedures, and pursuant to established and
43 objective criteria developed by the commissioner. The department
44 shall issue to the licensee an itemized invoice setting forth the number
45 of hours and the work performed in connection with the examination.

46 (cf: P.L.1993, c.383, s.17)]²

1 ¹[8.] ²[~~7~~¹] ~~6~~² Section 21 of P.L.1993, c.383 (C.17:15A-50) is
2 amended to read as follows:

3 21. a. [Any person holding a license in good standing issued
4 pursuant to "The Check Cashing Law," P.L.1951, c.187 (C.17:15A-1
5 et seq.), and who wishes to continue to engage in the business of
6 cashing checks, shall, within 90 days of the effective date of this act,
7 submit to the commissioner a written statement certified to be true
8 under penalty of law that the licensee complies with the provisions of
9 this act; this statement shall include the information required by
10 section 6 and section 10 of this act. Upon submission of the
11 aforementioned statement under oath, a licensee's current license shall
12 continue in accordance with the provisions of subsection a. of section
13 11 of this act. The licensee shall not be required to comply with
14 subsection e. of section 12 or subsection f. of section 18 of this act.]

15 ³[(Deleted by amendment, P.L. _____, c. ____)] Any person holding a
16 license in good standing issued pursuant to "The Check Cashing Law,"
17 P.L.1951, c.187 (C.17:15A-1 et seq.), and who wishes to continue to
18 engage in the business of cashing checks, shall, within 90 days of the
19 effective date of this act, submit to the commissioner a written
20 statement certified to be true under penalty of law that the licensee
21 complies with the provisions of this act; this statement shall include the
22 information required by section 6 and section 10 of this act. Upon
23 submission of the aforementioned statement under oath, a licensee's
24 current license shall continue in accordance with the provisions of
25 subsection a. of section 11 of this act. The licensee shall not be
26 required to comply with subsection e. of section 12 or subsection f. of
27 section 18 of this act.³

28 b. This act shall not apply to any federal or State chartered bank,
29 savings bank, savings and loan association, credit union or to any
30 automated cash machine, ³including an automated cash machines that
31 cashes checks for a fee.³ or to any automated check cashing machine
32 operated at a principal office or branch location, except that no such
33 entity shall conduct the business of cashing checks for a fee at a
34 separate location, including by means of an automated check cashing
35 machine or operating subsidiary, if that separate location is used
36 primarily by any such entity for the purpose of cashing checks for a fee
37 and is closer than 2,500 feet to an existing licensee. ³For purposes of
38 this subsection, a separate location used primarily for the purpose of
39 cashing checks for a fee as referred to in the proceeding sentence shall
40 not include any location that offers services equivalent to or greater
41 than those provided by automated cash machines.³

42 c. ³[The] Notwithstanding the subsection b. of this section, the³
43 provisions of P.L.1993, c.383 (C.17:15A-30 et seq.), including the
44 distance restrictions set forth at subsection e. of section 12 of
45 P.L.1993, c.383 (C.17:15A-41), shall apply to the operation of
46 automated check cashing machines ³, except that automated check

1 cashing machines shall not be subject to subsection f. of section 18 of
 2 P.L.1993, c.383 (C.17:15A-47)³ . No person, partnership,
 3 association, corporation or other organization ³, other than a
 4 depository institution as defined in section 2 of P.L.1996, c.157
 5 (C.17:11C-2),³ shall operate an automated check cashing machine
 6 without being duly licensed by the commissioner to engage in that
 7 business pursuant to P.L.1993, c.383 (C.17:15A-30 et seq.).

8 d. Payroll service providers are not subject to the fee limitations
 9 provided in section 14 of P.L.1993, c.383 (C.17:15A-43) when
 10 providing those services.

11 ³e. If any of the provisions of subsections b. or c. of this section are
 12 judicially determined to be unenforceable, preempted or inapplicable
 13 as applied to non-New Jersey chartered depositories, these restrictions
 14 shall be void and shall not be applicable to any depository institution.³
 15 (cf: P.L.1993, c.383, s.21)

16

17 ¹[9.] ²[8. ¹] ^{7.}² Section 23 of P.L.1993, c.383 (C.17:15A-52) is
 18 amended to read as follows:

19 23. a. The commissioner shall promulgate rules and regulations
 20 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
 21 (C.52:14B-1 et seq.), necessary to effectuate the purposes of this act.

22 b. If the commissioner finds that reasonable grounds exist for
 23 requiring additional record keeping and reporting in order to carry out
 24 the purposes of this act, the commissioner may:

25 (1) issue an order requiring any group of licensees in a geographic
 26 area to provide information regarding transactions that involve a total
 27 dollar amount or denomination of \$2,500 or more, including the names
 28 of the persons participating in those transactions; and

29 (2) establish by regulation a reasonable fee for filing any report
 30 required by this subsection.

31 ³[c. The commissioner shall provide reasonable notice to licensees
 32 of pending legal, administrative and regulatory matters which may
 33 effect the check cashing industry, including, upon request, on a
 34 monthly basis, a list of all new licensees and pending applications for
 35 licensure or relocation.]³

36 (cf: P.L.1993, c.383, s.23)

37

38 ¹[10.] ²[9. ¹] ^{8.}² This act shall take effect immediately. ³The
 39 provisions of this act (P.L. , c.) shall expire on the first day of the
 40 first month on the tenth year after the effective date of this act, unless
 41 prior to that date the Legislature reauthorizes this act.³

1

2

3 Modifies provisions of "The Check Cashers Regulatory Act of 1993."

SENATE, No. 1480

STATE OF NEW JERSEY
210th LEGISLATURE

INTRODUCED MAY 13, 2002

Sponsored by:
Senator GERALD CARDINALE
District 39 (Bergen)

SYNOPSIS

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CURRENT VERSION OF TEXT

As introduced.



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40 two days of each week as designated in the authorization pursuant to
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42 "Mobile office" means any vehicle or other moveable means from
43 which the business of cashing checks is conducted.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

S1480 CARDINALE

3

1 "Natural person" does not include a payee identified on the payee
2 line of a check as a partnership, professional association, company,
3 corporation, or other business entity.

4 "Office" includes a principal office and a full branch office.

5 "Payroll service" means a service provided by a licensed check
6 casher to an employer in which the employer pays a fixed fee or rate
7 for the on-site delivery of payroll or cashing of payroll checks issued
8 to its employees, at no cost to the employees.

9 "Person" has the meaning given that word in R.S.1:1-2.

10 "Substantial stockholder" means any person who beneficially owns
11 or controls more than 10% of the outstanding voting shares of an
12 applicant or a licensee.

13 (cf: P.L.1993, c.383, s.2)

14

15 2. Section 6 of P.L.1993, c.383 (C.17:15A-35) is amended to read
16 as follows:

17 6. The application for a license shall include, but not be limited to,
18 the following:

19 a. The name, age, business address, residence and present and
20 previous occupations of each applicant or licensee and of each officer,
21 owner, director, partner, and substantial stockholder of the check
22 cashing business to be licensed;

23 b. The name and business address of each manager of each office,
24 mobile office or limited branch office that the applicant proposes to
25 operate;

26 c. The address of each stationary site, if the check cashing
27 business, or any portion thereof, is to be conducted from a stationary
28 site or sites;

29 d. The New Jersey motor vehicle registration number or other
30 identification of the mobile office and the exact location or locations,
31 if more than one, at which the applicant proposes to operate the
32 mobile office, if the check cashing business, or any portion thereof, is
33 to be conducted from a mobile office;

34 e. Any other information that the commissioner may reasonably
35 require; **[and]**

36 f. All licensees shall have an affirmative obligation to advise the
37 commissioner in writing within five days of any change in the
38 information required under subsections a., c. and d. of this section; and

39 h. Except for the identity of the applicant, an application for
40 licensure for a limited branch office, and customer information,
41 customer lists, authorizations or customer contracts submitted at any
42 time to the department shall be confidential and not a public record.

43 (cf: P.L.1993, c.383, s.6)

44

45 3. Section 8 of P.L.1993, c.383 (C.17:15A-37) is amended to read
46 as follows:

S1480 CARDINALE

1 8. a. An applicant shall prove, [in a manner and form satisfactory
2 to the commissioner] as required by subsection b. of this section, that
3 the applicant has available for the operation of its check cashing
4 business at each office [or], mobile office or automated check cashing
5 machine location, capital or net worth of at least \$50,000, and has
6 available for the operation of its check cashing business at each office
7 [or], mobile office or location, liquid assets of at least \$50,000.

8 b. An applicant shall submit to the department a financial statement
9 prepared by a public accountant or certified public accountant, in
10 accordance with generally accepted accounting principles, confirming
11 that the applicant satisfies the capital and net worth requirements of
12 subsection a. of this section. This statement shall reflect the financial
13 status of the applicant as of a date not more than 12 months prior to
14 the date of the application. The public accountant or certified public
15 accountant issuing the statement shall be in good standing with the
16 New Jersey State Board of Accountancy or other appropriate
17 regulatory agency.

18 (cf: P.L.1993, c.383, s.8)

19
20 4. Section 11 of P.L.1993, c.383 (C.17:15A-40) is amended to
21 read as follows:

22 11. a. A license shall be valid until surrendered by the licensee, or
23 unless revoked or suspended pursuant to this act.

24 b. Each licensee shall pay to the department a biennial license fee
25 of not more than \$2,000 for each office and mobile office it maintains.
26 There shall not be a biennial license fee for a limited branch office.
27 The fee shall be due on January 1 of each alternate calendar year
28 following the effective date of this act. When the initial license or
29 certificate is issued in the second year of the biennial period, the fee
30 shall be an amount equal to one-half the fee for the biennial period.
31 The initial license fee for a limited branch office shall not exceed \$50.

32 c. A licensee shall have a private right of action and standing to
33 challenge or participate in any legal, administrative or regulatory
34 action which would have an impact on the licensee's check cashing
35 business.

36 d. If a licensee has not provided check cashing services during
37 normal business hours at the location specified in the license for a
38 period of 180 consecutive days or more, and if no application for
39 renewal of the license or relocation of the licensed check casher is or
40 shall have been filed prior to expiration of that 180-day period, the
41 department shall, after notice to the licensee and opportunity to be
42 heard, revoke the license.

43 (cf: P.L.1993, c.383, s.11)

44
45 5. Section 12 of P.L.1993, c.383 (C.17:15A-41) is amended to
46 read as follows:

1 12. a. Except as provided in subsections b., c. and d. of this
2 section, a licensee shall have and maintain a single office at one
3 address in the State for the transaction of business. No licensee shall
4 change the address of an existing office without prior written approval
5 from the commissioner.

6 b. The commissioner shall authorize a licensee, pursuant to an
7 application approved by the commissioner, to establish and operate a
8 full branch office or offices at which may be conducted all of the
9 business which may be conducted at the principal office if:

10 (1) the licensee provides the name of the person who will manage
11 the full branch office;

12 (2) the licensee has paid a full branch application fee, as specified
13 by regulation;

14 (3) the licensee has submitted proof, as required pursuant to
15 section 8 of this act, that there is sufficient net worth and liquid assets
16 for the operation of a full branch office;

17 (4) the site of the full branch office has been approved by the
18 commissioner and the commissioner has determined that the applicant
19 or licensee has the necessary equipment to record transactions and
20 maintain other records as required by this act; and

21 (5) the licensee or applicant has met any additional conditions
22 which the commissioner may require in the public interest.

23 c. The commissioner shall authorize a licensee, pursuant to an
24 application approved by the commissioner, to operate a limited branch
25 office or offices, the business of which shall be limited to cashing
26 checks for a particular group or groups at one or more private
27 premises, provided that the holder of a limited branch authorization
28 observes all of the rules and regulations issued by the commissioner
29 applicable to all licensees except that:

30 (1) the books and records required to be kept may be kept at the
31 principal office of the licensee; and

32 (2) the requirements of section 8 of this act concerning capital and
33 net worth shall not apply with respect to a limited branch office if the
34 licensee is in compliance with section 8 of this act with respect to its
35 principal office.

36 d. The commissioner shall authorize a licensee, pursuant to an
37 application approved by the commissioner, to operate a mobile office,
38 the business of which shall be conducted from a suitable motor vehicle
39 or similar mobile device, at a designated geographic location or
40 locations specified to the commissioner in its application and for the
41 purpose of serving the public in that specific location or locations if
42 the commissioner finds that:

43 (1) an applicant for a mobile office has met the requirements of
44 paragraphs (1) through (3) and (5) of subsection b. of this section;

45 (2) the mobile office facility has been approved by the commissioner
46 and the commissioner has determined that the applicant has the

1 necessary equipment to record transactions and maintain other records
2 as required by this act;

3 (3) the commissioner has approved the one or more geographic
4 locations and the days and hours of operation at each geographic
5 location at which the check cashing services of the mobile unit are to
6 be made available to the public for the cashing of checks, drafts or
7 money orders;

8 (4) the place where the books, records, and all information
9 pertaining to its business are to be kept and made available to
10 representatives of the department has been specified, which location
11 shall not be changed without first advising the department in writing
12 of the new location where those books, records and information shall
13 be kept;

14 (5) a licensee's application for multiple geographic locations for
15 operating a mobile unit is in the public interest; and

16 (6) the holder of a license to operate a mobile unit is in compliance
17 with the provisions of Title 39 of the Revised Statutes and the
18 ordinances and traffic regulations issued by municipal and other
19 authorities. If a municipality requires a special permit or license fee
20 for the purpose of operating a mobile unit, the applicant or licensee
21 shall obtain that permit or license as a condition for the issuance of the
22 authority to operate a mobile unit pursuant to this section.

23 e. No office or mobile office shall be located within 2,500 feet of
24 an existing office or mobile office, that distance being measured as the
25 radius of a circle with the entrance to the existing office or mobile
26 office considered the center point from which the radius is measured.

27 f. If a license was issued within 2,500 feet of an existing license
28 between August 6, 1999 and July 18, 2001, the licensee's compliance
29 with subsection e. of this section may be waived if each existing
30 licensee within the 2,500 foot radius referred to in subsection e. of this
31 section consents in writing. Written consent shall be notarized and
32 shall be submitted to the commissioner by the licensee.

33 (cf: P.L.1993, c.383, s.12)

34

35 6. Section 15 of P.L.1993, c.383 (C.17:15A-44) is amended to
36 read as follows:

37 15. A licensee shall:

38 a. Conspicuously display at each office, limited branch office or
39 mobile office it operates the original license, certificate or branch
40 authorization, as appropriate, issued by the commissioner.

41 b. Conspicuously display all signs and notifications which the
42 commissioner may require.

43 c. Provide each customer, at the time of a transaction, with a
44 record of each transaction as specified by regulation.

45 d. Produce a photographic record, on such equipment as the
46 commissioner may prescribe, of all of the checks cashed at the place

- 1 of business and maintain a true copy of each such record.
- 2 e. Endorse each check cashed with the actual name under which
3 the licensee is doing business and legibly write or stamp the words
4 "Licensed Cashier of Checks" immediately after or below the licensee's
5 name.
- 6 f. Conduct all check cashing business through a bank account or
7 accounts which are used solely for that purpose, and which have been
8 identified as such to the department.
- 9 g. [Inform the department if any bank account number changes or
10 if any bank account is closed.] (~~Deleted by amendment, P.L. , c. .~~)
- 11 h. Maintain adequate records of its check cashing business as
12 prescribed by the commissioner by regulation.
- 13 i. Retain for five years essential records, and retain all other
14 records for a shorter period as prescribed by the commissioner by
15 regulation. Such records shall be separate from the records of other
16 businesses in which the licensee may be engaged. Although separate
17 records are required, it is not required that the licensee's check cashing
18 business have a different legal identity from other businesses in which
19 the licensee is engaged.
- 20 j. [Suspend for at least six months the check cashing privileges of
21 any customer who cashes, in any one calendar year, more than three
22 checks which are returned by the payor bank because of insufficient
23 funds, and notify the department in writing of the name of such
24 customer and the action taken, except that for the purposes of this
25 subsection, two or more checks of a single maker which are returned
26 because of insufficient funds shall be counted as one check provided
27 they were cashed the same day and deposited in the licensee's bank
28 account on the same banking day.] (~~Deleted by amendment, P.L. ,~~
29 ~~c. .~~)
- 30 k. Maintain at all times a capital or net worth of at least \$50,000
31 for the operation of the licensee's check cashing business at each office
32 [~~and~~], mobile office and automated check cashing machine location,
33 and maintain at all times liquid assets of at least \$50,000 for the
34 operation of the licensee's check cashing business at each office [~~and~~],
35 mobile office and automated check cashing machine location.
- 36 l. (1) Maintain on its premises, a record keeping system by which
37 a licensee may track, and provide for inspection at the request of the
38 commissioner, checks which the licensee cashed and which were made
39 payable to a payee other than a natural person and checks which the
40 licensee cashed in the amount of \$2,500.00 or more;
- 41 (2) The record keeping system required pursuant to paragraph (1)
42 of this subsection l. shall include, but not be limited to, the following
43 information:
- 44 (a) the date of the transaction;
- 45 (b) the name of the payee;
- 46 (c) the federal tax payer identification number of the payee;

- 1 (d) the face amount of the check;
2 (e) the date of the check;
3 (f) the name or names of those presenting the check for payment;
4 (g) the name of the financial institution on which the check is
5 drawn and the financial institution's transit routing number;
6 (h) the amount of the fee charged; and
7 (i) a photograph, photostat, duplicate, microfilm, microfiche or any
8 other reproduction of the front and back of the fully endorsed check
9 [.] made payable to a payee other than a natural person and each
10 check payable in the amount of \$2,500 or more;

11 (3) The record keeping system shall be made available to any State
12 or federal law enforcement agency upon written request and without
13 necessity of subpoena.

14 m. File with the Attorney General of New Jersey a duplicate copy
15 of any report a licensee is required to file regarding business
16 conducted in this State pursuant to 31 U.S.C.s.5311 et seq. and
17 31 C.F.R.s.103 et seq.

18 n. Supervise employees engaged in the operation of the check
19 cashing business to ensure the business is conducted lawfully and
20 pursuant to the provisions of this act and any order, rule or regulation
21 made or issued pursuant to this act.

22 (cf: P.L.1999, c.352, s.7)

23

24 7. Section 17 of P.L.1993, c.383 (C.17:15A-46) is amended to
25 read as follows:

26 17. **[The]** a. Absent a determination by the commissioner that
27 good cause exists, the department shall, upon no less than 72 hours
28 written notice, and during business hours reasonably convenient to the
29 licensee, have the right to examine the books and records, and the
30 place or places of business of any licensee. The reasonable cost of the
31 examination shall be borne by the licensee. The department may order
32 **[that the]** in writing what books and records are to be made available,
33 and that the examination take place, at the office of the licensee's
34 public accountant.

35 b. Absent a determination by the commissioner that good cause
36 exists, the reasonable cost of the examination shall not exceed \$2,500.
37 The examination shall be conducted in accordance with generally
38 accepted examination procedures, and pursuant to established and
39 objective criteria developed by the commissioner. The department
40 shall issue to the licensee an itemized invoice setting forth the number
41 of hours and the work performed in connection with the examination.

42 (cf: P.L.1993, c.383, s.17)

43

44 8. Section 21 of P.L. 1993, c. 383 (C. 17:15A-50) is amended to
45 read as follows:

46 21. a. **[Any person holding a license in good standing issued**

1 pursuant to "The Check Cashing Law," P.L.1951, c.187 (C.17:15A-1
2 et seq.), and who wishes to continue to engage in the business of
3 cashing checks, shall, within 90 days of the effective date of this act,
4 submit to the commissioner a written statement certified to be true
5 under penalty of law that the licensee complies with the provisions of
6 this act; this statement shall include the information required by
7 section 6 and section 10 of this act. Upon submission of the
8 aforementioned statement under oath, a licensee's current license shall
9 continue in accordance with the provisions of subsection a. of section
10 11 of this act. The licensee shall not be required to comply with
11 subsection e. of section 12 or subsection f. of section 18 of this act.]
12 (Deleted by amendment, P.L. , c. .)

13 b. This act shall not apply to any federal or State chartered bank,
14 savings bank, savings and loan association, credit union or to any
15 automated cash machine, or to any automated check cashing machine
16 operated at a principal office or branch location, except that no such
17 entity shall conduct the business of cashing checks for a fee at a
18 separate location, including by means of an automated check cashing
19 machine or operating subsidiary, if that separate location is used
20 primarily by any such entity for the purpose of cashing checks for a fee
21 and is closer than 2,500 feet to an existing licensee.

22 c. The provisions of P.L.1993, c.383 (C.17:15A-30 et seq.),
23 including the distance restrictions set forth at subsection e. of section
24 12 of P.L.1993, c.383 (C.17:15A-41), shall apply to the operation of
25 automated check cashing machines. No person, partnership,
26 association, corporation or other organization shall operate an
27 automated check cashing machine without being duly licensed by the
28 commissioner to engage in that business pursuant to P.L.1993, c.383
29 (C.17:15A-30 et seq.).

30 d. Payroll service providers are not subject to the fee limitations
31 provided in section 14 of P.L.1993, c.383 (C.17:15A-43) when
32 providing those services.

33 (cf: P.L.1993, c.383, s.21)

34

35 9. Section 23 of P.L.1993, c.383 (C.17:15A-52) is amended to
36 read as follows:

37 23. a. The commissioner shall promulgate rules and regulations
38 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
39 (C.52:14B-1 et seq.), necessary to effectuate the purposes of this act.

40 b. If the commissioner finds that reasonable grounds exist for
41 requiring additional record keeping and reporting in order to carry out
42 the purposes of this act, the commissioner may:

43 (1) issue an order requiring any group of licensees in a geographic
44 area to provide information regarding transactions that involve a total
45 dollar amount or denomination of \$2,500 or more, including the names
46 of the persons participating in those transactions; and

1 (2) establish by regulation a reasonable fee for filing any report
2 required by this subsection.

3 c. The commissioner shall provide reasonable notice to licensees
4 of pending legal, administrative and regulatory matters which may
5 affect the check cashing industry, including, upon request, on a
6 monthly basis, a list of all new licensees and pending applications for
7 licensure or relocation.

8 (cf: P.L.1993, c.383, s.23)

9
10 10. This act shall take effect immediately.

11
12
13 STATEMENT

14
15 This bill amends "The Check Cashers Regulatory Act of 1993" to:

16 (1) Provide that nonconforming licenses issued or relocated by the
17 Department of Banking and Insurance within 2,500 feet of existing
18 licensees between August 6, 1999 and July 18, 2001 shall be deemed
19 conforming if consented to by each existing licensee within the 2,500
20 foot radius;

21 (2) Require that automated check cashing machines operated by
22 licensed check cashers be subject to the same licensing, capital and
23 distance requirements as check casher offices;

24 (3) Exempt check cashers who provide payroll services on the site
25 of an employer at no expense to the employees from the fee limitation
26 under that law;

27 (4) Provide that customer information submitted to the department
28 with an application for a limited branch office is confidential;

29 (5) Revoke the check cashing license of a licensee who ceases
30 business for 180 consecutive days and for whom no application for
31 license renewal or relocation has been filed within that 180 days;

32 (6) Limit examination fees to \$2,500 per location in most
33 circumstances;

34 (7) Require license applicants to submit to the department a
35 financial statement prepared by a public accountant or certified public
36 accountant in accordance with generally accepted accounting
37 principles;

38 (8) Require the department to report to the check cashing industry
39 on all pending legal and regulatory matters which may effect the
40 industry; and

41 (9) Provide standing to a licensed check casher to challenge a
42 legal, administrative or regulatory action that would have an impact on
43 the check casher's business or area.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

[Second Reprint]

SENATE, No. 1480

STATE OF NEW JERSEY

DATED: JULY 1, 2003

The Assembly Budget Committee reports favorably Senate Bill No. 1480 (2R).

Senate Bill No. 1480 revises "The Check Cashers Regulatory Act of 1993" to:

(1) Require that automated check cashing machines operated by licensed check cashers be subject to the same licensing, capital and distance requirements as check casher offices;

(2) Exempt check cashers who provide payroll services on the site of an employer at no expense to the employees from the fee limitation under that law;

(3) Limit licensing fees for limited branch offices to not more than \$50;

(4) Provide that customer information submitted to the Department of Banking and Insurance with an application for a limited branch office is confidential;

(5) Revoke the check cashing license of a licensee who ceases business for 180 consecutive days and for whom no application for license renewal or relocation has been filed within that 180 days;

(6) Eliminate the requirement that a check casher suspend check cashing services to a customer who has cashed three or more checks returned for insufficient funds;

(7) Require license applicants to submit to the department a financial statement prepared by a public accountant or certified public accountant in accordance with generally accepted accounting principles;

(8) Eliminate the requirement that check cashers report each change in bank accounts to the department;

(9) Require a copy of any check payable to a payee who is not a natural person or in the amount of \$2,500 or more;

(10) Require the department to report to the check cashing industry on all pending legal and regulatory matters which may effect the industry;

(11) Provide standing to a licensed check casher to challenge a legal, administrative or regulatory action that would have an impact on the check casher's business or area; and

(12) Prohibit the location of an automated check cashing machine operated at a principal office or branch location by a financial institution within 2,500 feet of an existing check cashing business if that location is used primarily for the purpose of cashing checks for a fee.

As reported by the committee, this bill is identical to Assembly Bill No. 3199 as amended and reported by the committee.

FISCAL IMPACT:

This bill was not certified as requiring a fiscal note.

SENATE COMMERCE COMMITTEE

STATEMENT TO

SENATE, No. 1480

with committee amendments

STATE OF NEW JERSEY

DATED: MARCH 17, 2003

The Senate Commerce Committee reports favorably and with committee amendments Senate Bill No. 1480.

This bill, as amended by the committee, amends "The Check Cashers Regulatory Act of 1993" to:

(1) Require that automated check cashing machines operated by licensed check cashers be subject to the same licensing, capital and distance requirements as check casher offices;

(2) Exempt check cashers who provide payroll services on the site of an employer at no expense to the employees from the fee limitation for cashing checks under that law;

(3) Limit initial licensing fees for limited branch offices to not more than \$50;

(4) Provide that customer information submitted to the Department of Banking and Insurance with an application for a limited branch office is confidential;

(5) Revoke the check cashing license of a licensee who ceases business for 180 consecutive days and for whom no application for license renewal or relocation has been filed within that 180 days;

(6) Limit examination fees to \$2,500 per location in most circumstances;

(7) Require the department to give 72 hours' notice before an examination, absent a determination by the commissioner that good cause exists for less or no notice;

(8) Eliminate the requirement that a check casher suspend check cashing services to a customer who has cashed three or more checks returned for insufficient funds;

(9) Require license applicants to submit to the department a financial statement prepared by a public accountant or certified public accountant in accordance with generally accepted accounting principles;

(10) Eliminate the requirement that check cashers report each change in bank accounts to the department;

(11) Require a copy of any check payable to a payee who is not a natural person or in the amount of \$2,500 or more;

(12) Require the department to report to the check cashing industry on all pending legal and regulatory matters which may effect the industry;

(13) Provide standing to a licensed check casher to challenge a legal, administrative or regulatory action that would have an impact on the check casher's business or area; and

(14) Prohibit a financial institution from operating an automated check cashing machine at a separate location from its principal office or branch location within 2,500 feet of an existing check cashing business if that location is used primarily for the purpose of cashing checks for a fee.

The committee deleted the provision in the bill that provided that nonconforming licenses issued or relocated by the Department of Banking and Insurance within 2,500 feet of existing licenses between August 6, 1999 and July 18, 2001 shall be deemed conforming if consented to by each licensee within the 2,500 foot radius.

STATEMENT TO

[First Reprint]

SENATE, No. 1480

with Senate Floor Amendments
(Proposed By Senator CARDINALE)

ADOPTED: JUNE 16, 2003

This amendment eliminates the \$2,500 limit on examination fees by the department per check casher location and the requirement that the department must give 72 hours' notice before an examination.

ASSEMBLY, No. 3199

STATE OF NEW JERSEY 210th LEGISLATURE

INTRODUCED JANUARY 23, 2003

Sponsored by:

Assemblyman NEIL M. COHEN

District 20 (Union)

Assemblyman CHRISTOPHER "KIP" BATEMAN

District 16 (Morris and Somerset)

SYNOPSIS

Revises "The Check Cashers Regulatory Act of 1993."

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/25/2003)

1 AN ACT concerning licensed check cashers and amending P.L.1993,
2 c.383.

3
4 **BE IT ENACTED** by the Senate and General Assembly of the State
5 of New Jersey:

6
7 1. Section 2 of P.L.1993, c.383 (C.17:15A-31) is amended to read
8 as follows:

9 2. As used in this act:

10 "Applicant" means a person who has applied or is in the process of
11 applying for a license pursuant to this act.

12 "Automated cash machine" means an unmanned communications
13 terminal which dispenses cash, traveler's checks or both; does not
14 accept deposits; and through which transactions with banking
15 institutions are consummated.

16 "Automated check cashing machine" means an unmanned
17 communications terminal which cashes checks for a fee.

18 "Check" includes a check, draft, money order, negotiable order of
19 withdrawal and similar types of negotiable instruments.

20 "Commissioner" means the Commissioner of Banking and
21 Insurance.

22 "Controlling interest" means ownership, control or interest in 25%
23 or more of the outstanding and issued voting stock of the check
24 cashing business.

25 "Customer" means any person who seeks to have a check cashed by
26 a licensee but does not include the maker of a check payable to
27 another person.

28 "Department" means the Department of Banking and Insurance.

29 "Fee" includes any fee, charge, cost, expense, or other
30 consideration.

31 "License" means a license issued pursuant to this act and held by a
32 licensee, which license authorizes the licensee to cash checks for a fee
33 as provided pursuant to this act.

34 "Licensee" means a person who holds, or who should hold, a
35 license pursuant to this act.

36 "Limited branch office" means a private premises where a licensee
37 maintains and makes available to the particular group specified in the
38 authorization, and to that group only, the facilities for cashing checks,
39 drafts, or money orders on the designated premises for no more than
40 two days of each week as designated in the authorization pursuant to
41 subsection c. of section 12 of this act.

42 "Mobile office" means any vehicle or other moveable means from
43 which the business of cashing checks is conducted.

EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 "Natural person" does not include a payee identified on the payee
2 line of a check as a partnership, professional association, company,
3 corporation, or other business entity.

4 "Office" includes a principal office and a full branch office.

5 "Payroll service" means a service provided by a licensed check
6 casher to an employer in which the employer pays a fixed fee or rate
7 for the on-site delivery of payroll or cashing of payroll checks issued
8 to its employees, at no cost to the employees.

9 "Person" has the meaning given that word in R.S.1:1-2.

10 "Substantial stockholder" means any person who beneficially owns
11 or controls more than 10% of the outstanding voting shares of an
12 applicant or a licensee.

13 (cf: P.L.1993, c.383, s.2)

14

15 2. Section 6 of P.L.1993, c.383 (C.17:15A-35) is amended to read
16 as follows:

17 6. The application for a license shall include, but not be limited to,
18 the following:

19 a. The name, age, business address, residence and present and
20 previous occupations of each applicant or licensee and of each officer,
21 owner, director, partner, and substantial stockholder of the check
22 cashing business to be licensed;

23 b. The name and business address of each manager of each office,
24 mobile office or limited branch office that the applicant proposes to
25 operate;

26 c. The address of each stationary site, if the check cashing
27 business, or any portion thereof, is to be conducted from a stationary
28 site or sites;

29 d. The New Jersey motor vehicle registration number or other
30 identification of the mobile office and the exact location or locations,
31 if more than one, at which the applicant proposes to operate the
32 mobile office, if the check cashing business, or any portion thereof, is
33 to be conducted from a mobile office;

34 e. Any other information that the commissioner may reasonably
35 require; [and]

36 f. All licensees shall have an affirmative obligation to advise the
37 commissioner in writing within five days of any change in the
38 information required under subsections a., c. and d. of this section; and

39 h. Except for the identity of the applicant, an application for
40 licensure for a limited branch office, and customer information,
41 customer lists, authorizations or customer contracts submitted at any
42 time to the department shall be confidential and not a public record.

43 (cf: P.L.1993, c.383, s.6)

44

45 3. Section 8 of P.L.1993, c.383 (C.17:15A-37) is amended to read
46 as follows:

1 8. a. An applicant shall prove, [in a manner and form satisfactory
2 to the commissioner] as required by subsection b. of this section, that
3 the applicant has available for the operation of its check cashing
4 business at each office [or], mobile office or automated check cashing
5 machine location, capital or net worth of at least \$50,000, and has
6 available for the operation of its check cashing business at each office
7 [or], mobile office or location, liquid assets of at least \$50,000.

8 b. An applicant shall submit to the department a financial statement
9 prepared by a public accountant or certified public accountant, in
10 accordance with generally accepted accounting principles, confirming
11 that the applicant satisfies the capital and net worth requirements of
12 subsection a. of this section. This statement shall reflect the financial
13 status of the applicant as of a date not more than 12 months prior to
14 the date of the application. The public accountant or certified public
15 accountant issuing the statement shall be in good standing with the
16 New Jersey State Board of Accountancy or other appropriate
17 regulatory agency.

18 (cf: P.L.1993, c.383, s.8)

19
20 4. Section 11 of P.L.1993, c.383 (C.17:15A-40) is amended to
21 read as follows:

22 11. a. A license shall be valid until surrendered by the licensee, or
23 unless revoked or suspended pursuant to this act.

24 b. Each licensee shall pay to the department a biennial license fee
25 of not more than \$2,000 for each office and mobile office it maintains.
26 There shall not be a biennial license fee for a limited branch office.
27 The fee shall be due on January 1 of each alternate calendar year
28 following the effective date of this act. When the initial license or
29 certificate is issued in the second year of the biennial period, the fee
30 shall be an amount equal to one-half the fee for the biennial period.
31 The initial license fee for a limited branch office shall not exceed \$50.

32 c. A licensee shall have a private right of action and standing to
33 challenge or participate in any legal, administrative or regulatory
34 action which would have an impact on the licensee's check cashing
35 business.

36 d. If a licensee has not provided check cashing services during
37 normal business hours at the location specified in the license for a
38 period of 180 consecutive days or more, and if no application for
39 renewal of the license or relocation of the licensed check casher is or
40 shall have been filed prior to expiration of that 180-day period, the
41 department shall, after notice to the licensee and opportunity to be
42 heard, revoke the license.

43 (cf: P.L.1993, c.383, s.11)

44
45 5. Section 15 of P.L.1993, c.383 (C.17:15A-44) is amended to
46 read as follows:

- 1 15. A licensee shall:
- 2 a. Conspicuously display at each office, limited branch office or
- 3 mobile office it operates the original license, certificate or branch
- 4 authorization, as appropriate, issued by the commissioner.
- 5 b. Conspicuously display all signs and notifications which the
- 6 commissioner may require.
- 7 c. Provide each customer, at the time of a transaction, with a
- 8 record of each transaction as specified by regulation.
- 9 d. Produce a photographic record, on such equipment as the
- 10 commissioner may prescribe, of all of the checks cashed at the place
- 11 of business and maintain a true copy of each such record.
- 12 e. Endorse each check cashed with the actual name under which
- 13 the licensee is doing business and legibly write or stamp the words
- 14 "Licensed Cashier of Checks" immediately after or below the licensee's
- 15 name.
- 16 f. Conduct all check cashing business through a bank account or
- 17 accounts which are used solely for that purpose, and which have been
- 18 identified as such to the department.
- 19 g. ~~[Inform the department if any bank account number changes or~~
- 20 ~~if any bank account is closed.] (Deleted by amendment, P.L. __, c. __.)~~
- 21 h. Maintain adequate records of its check cashing business as
- 22 prescribed by the commissioner by regulation.
- 23 i. Retain for five years essential records, and retain all other
- 24 records for a shorter period as prescribed by the commissioner by
- 25 regulation. Such records shall be separate from the records of other
- 26 businesses in which the licensee may be engaged. Although separate
- 27 records are required, it is not required that the licensee's check cashing
- 28 business have a different legal identity from other businesses in which
- 29 the licensee is engaged.
- 30 j. ~~[Suspend for at least six months the check cashing privileges of~~
- 31 ~~any customer who cashes, in any one calendar year, more than three~~
- 32 ~~checks which are returned by the payor bank because of insufficient~~
- 33 ~~funds, and notify the department in writing of the name of such~~
- 34 ~~customer and the action taken, except that for the purposes of this~~
- 35 ~~subsection, two or more checks of a single maker which are returned~~
- 36 ~~because of insufficient funds shall be counted as one check provided~~
- 37 ~~they were cashed the same day and deposited in the licensee's bank~~
- 38 ~~account on the same banking day.] (Deleted by amendment, P.L. __,~~
- 39 ~~c. __.)~~
- 40 k. Maintain at all times a capital or net worth of at least \$50,000
- 41 for the operation of the licensee's check cashing business at each office
- 42 ~~[and], mobile office and automated check cashing machine location,~~
- 43 and maintain at all times liquid assets of at least \$50,000 for the
- 44 operation of the licensee's check cashing business at each office ~~[and],~~
- 45 mobile office ~~and automated check cashing machine location.~~
- 46 l. (1) Maintain on its premises, a record keeping system by which

1 a licensee may track, and provide for inspection at the request of the
2 commissioner, checks which the licensee cashed and which were made
3 payable to a payee other than a natural person and checks which the
4 licensee cashed in the amount of \$2,500.00 or more;

5 (2) The record keeping system required pursuant to paragraph (1)
6 of this subsection l. shall include, but not be limited to, the following
7 information:

8 (a) the date of the transaction;

9 (b) the name of the payee;

10 (c) the federal tax payer identification number of the payee;

11 (d) the face amount of the check;

12 (e) the date of the check;

13 (f) the name or names of those presenting the check for payment;

14 (g) the name of the financial institution on which the check is
15 drawn and the financial institution's transit routing number;

16 (h) the amount of the fee charged; and

17 (i) a photograph, photostat, duplicate, microfilm, microfiche or any
18 other reproduction of the front and back of the fully endorsed check
19 [.] made payable to a payee other than a natural person and each
20 check payable in the amount of \$2,500 or more;

21 (3) The record keeping system shall be made available to any State
22 or federal law enforcement agency upon written request and without
23 necessity of subpoena.

24 m. File with the Attorney General of New Jersey a duplicate copy
25 of any report a licensee is required to file regarding business
26 conducted in this State pursuant to 31 U.S.C.s.5311 et seq. and
27 31 C.F.R.s.103 et seq.

28 n. Supervise employees engaged in the operation of the check
29 cashing business to ensure the business is conducted lawfully and
30 pursuant to the provisions of this act and any order, rule or regulation
31 made or issued pursuant to this act.

32 (cf: P.L.1999, c.352, s.7)

33
34 6. Section 17 of P.L.1993, c.383 (C.17:15A-46) is amended to
35 read as follows:

36 17. ~~[The]~~ a. Absent a determination by the commissioner that
37 good cause exists, the department shall, upon no less than 72 hours
38 written notice, and during business hours reasonably convenient to the
39 licensee, have the right to examine the books and records, and the
40 place or places of business of any licensee. The reasonable cost of the
41 examination shall be borne by the licensee. The department may order
42 [that the] in writing what books and records are to be made available,
43 and that the examination take place, at the office of the licensee's
44 public accountant.

45 b. Absent a determination by the commissioner that good cause
46 exists, the reasonable cost of the examination shall not exceed \$2,500.

1 The examination shall be conducted in accordance with generally
2 accepted examination procedures, and pursuant to established and
3 objective criteria developed by the commissioner. The department
4 shall issue to the licensee an itemized invoice setting forth the number
5 of hours and the work performed in connection with the examination.
6 (cf: P.L.1993, c.383, s.17)

7
8 7. Section 21 of P.L.1993, c.383 (C.17:15A-50) is amended to
9 read as follows:

10 21. a. [Any person holding a license in good standing issued
11 pursuant to "The Check Cashing Law," P.L.1951, c.187 (C.17:15A-1
12 et seq.), and who wishes to continue to engage in the business of
13 cashing checks, shall, within 90 days of the effective date of this act,
14 submit to the commissioner a written statement certified to be true
15 under penalty of law that the licensee complies with the provisions of
16 this act; this statement shall include the information required by
17 section 6 and section 10 of this act. Upon submission of the
18 aforementioned statement under oath, a licensee's current license shall
19 continue in accordance with the provisions of subsection a. of section
20 11 of this act. The licensee shall not be required to comply with
21 subsection e. of section 12 or subsection f. of section 18 of this act.]
22 (Deleted by amendment, P.L. , c.)

23 b. This act shall not apply to any federal or State chartered bank,
24 savings bank, savings and loan association, credit union or to any
25 automated cash machine, or to any automated check cashing machine
26 operated at a principal office or branch location, except that no such
27 entity shall conduct the business of cashing checks for a fee at a
28 separate location, including by means of an automated check cashing
29 machine or operating subsidiary, if that separate location is used
30 primarily by any such entity for the purpose of cashing checks for a fee
31 and is closer than 2,500 feet to an existing licensee.

32 c. The provisions of P.L.1993, c.383 (C.17:15A-30 et seq.),
33 including the distance restrictions set forth at subsection e. of section
34 12 of P.L.1993, c.383 (C.17:15A-41), shall apply to the operation of
35 automated check cashing machines. No person, partnership,
36 association, corporation or other organization shall operate an
37 automated check cashing machine without being duly licensed by the
38 commissioner to engage in that business pursuant to P.L.1993, c.383
39 (C.17:15A-30 et seq.).

40 d. Payroll service providers are not subject to the fee limitations
41 provided in section 14 of P.L.1993, c.383 (C.17:15A-43) when
42 providing those services.

43 (cf: P.L.1993, c.383, s.21)

44
45 8. Section 23 of P.L.1993, c.383 (C.17:15A-52) is amended to
46 read as follows:

1 23. a. The commissioner shall promulgate rules and regulations
2 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
3 (C.52:14B-1 et seq.), necessary to effectuate the purposes of this act.

4 b. If the commissioner finds that reasonable grounds exist for
5 requiring additional record keeping and reporting in order to carry out
6 the purposes of this act, the commissioner may:

7 (1) issue an order requiring any group of licensees in a geographic
8 area to provide information regarding transactions that involve a total
9 dollar amount or denomination of \$2,500 or more, including the names
10 of the persons participating in those transactions; and

11 (2) establish by regulation a reasonable fee for filing any report
12 required by this subsection.

13 c. The commissioner shall provide reasonable notice to licensees
14 of pending legal, administrative and regulatory matters which may
15 affect the check cashing industry, including, upon request, on a
16 monthly basis, a list of all new licensees and pending applications for
17 licensure or relocation.

18 (cf: P.L.1993, c.383, s.23)

19
20 9. This act shall take effect immediately.

21
22 STATEMENT

23
24 This bill amends "The Check Cashers Regulatory Act of 1993" to:

25 (1) Require that automated check cashing machines operated by
26 licensed check cashers be subject to the same licensing, capital and
27 distance requirements as check casher offices;

28 (2) Exempt check cashers who provide payroll services on the site
29 of an employer at no expense to the employees from the fee limitation
30 under that law;

31 (3) Provide that customer information submitted to the department
32 with an application for a limited branch office is confidential;

33 (4) Revoke the check cashing license of a licensee who ceases
34 business for 180 consecutive days and for whom no application for
35 license renewal or relocation has been filed within that 180 days;

36 (5) Limit examination fees to \$2,500 per location in most
37 circumstances;

38 (6) Require license applicants to submit to the department a
39 financial statement prepared by a public accountant or certified public
40 accountant in accordance with generally accepted accounting
41 principles;

42 (7) Require the department to report to the check cashing industry
43 on all pending legal and regulatory matters which may effect the
44 industry; and

45 (8) Provide standing to a licensed check casher to challenge a
46 legal, administrative or regulatory action that would have an impact on
47 the check casher's business or area.

ASSEMBLY BUDGET COMMITTEE

STATEMENT TO

ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, No. 3199

STATE OF NEW JERSEY

DATED: JUNE 30, 2003

The Assembly Budget Committee reports favorably an Assembly Committee Substitute for Assembly Bill No. 3199.

This bill, an Assembly Committee Substitute for Assembly Bill No. 3199, modifies the provisions of "The Check Cashers Regulatory Act of 1993" to:

(1) Require that automated check cashing machines operated by licensed check cashers be subject to the same licensing, capital and distance requirements as check casher offices;

(2) Exempt check cashers who provide payroll services on the site of an employer at no expense to the employees from the fee limitation under that law;

(3) Limit licensing fees for limited branch offices to not more than \$50;

(4) Provide that customer information submitted to the Department of Banking and Insurance with an application for a limited branch office is confidential;

(5) Revoke the check cashing license of a licensee who ceases business for 180 consecutive days and for whom no application for license renewal or relocation has been filed within that 180 days;

(6) Eliminate the requirement that a check casher suspend check cashing services to a customer who has cashed three or more checks returned for insufficient funds;

(7) Require license applicants to submit to the department a financial statement prepared by a public accountant or certified public accountant in accordance with generally accepted accounting principles;

(8) Eliminate the requirement that check cashers report each change in bank accounts to the department;

(9) Require a copy of any check payable to a payee who is not a natural person or in the amount of \$2,500 or more;

(10) Require the department to report to the check cashing industry on all pending legal and regulatory matters which may effect the industry;

(11) Provide standing to a licensed check casher to challenge a legal, administrative or regulatory action that would have an impact on

the check cashier's business or area; and

(12) Prohibit the location of an automated check cashing machine operated at a principal office or branch location by a financial institution within 2,500 feet of an existing check cashing business if that location is used primarily for the purpose of cashing checks for a fee.

As reported by the committee, this substitute bill is identical to Senate Bill No. 1480(2R) as also reported by the committee.

FISCAL IMPACT:

Senate Bill No. 1480(2R) to which this substitute bill is identical, was not certified as requiring a fiscal note.

ASSEMBLY BANKING AND INSURANCE COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3199

STATE OF NEW JERSEY

DATED: FEBRUARY 3, 2003

The Assembly Banking and Insurance Committee reports favorably Assembly Bill No. 3199.

This bill amends "The Check Cashers Regulatory Act of 1993" to:

(1) Require that automated check cashing machines operated by licensed check cashers be subject to the same licensing, capital and distance requirements as check casher offices;

(2) Exempt check cashers who provide payroll services on the site of an employer at no expense to the employees from the fee limitation under that law;

(3) Limit licensing fees for limited branch offices to not more than \$50;

(4) Provide that customer information submitted to the Department of Banking and Insurance with an application for a limited branch office is confidential;

(5) Revoke the check cashing license of a licensee who ceases business for 180 consecutive days and for whom no application for license renewal or relocation has been filed within that 180 days;

(6) Limit examination fees to \$2,500 per location in most circumstances;

(7) Require the department to give 72 hours' notice before an examination, absent a determination by the commissioner that good cause exists for less or no notice;

(8) Eliminate the requirement that a check casher suspend check cashing services to a customer who has cashed three or more checks returned for insufficient funds;

(9) Require license applicants to submit to the department a financial statement prepared by a public accountant or certified public accountant in accordance with generally accepted accounting principles;

(10) Eliminate the requirement that check cashers report each change in bank accounts to the department;

(11) Require a copy of any check payable to a payee who is not a natural person or in the amount of \$2,500 or more;

(12) Require the department to report to the check cashing industry on all pending legal and regulatory matters which may effect the industry;

(13) Provide standing to a licensed check casher to challenge a legal, administrative or regulatory action that would have an impact on the check casher's business or area; and

(14) Prohibit the location of an automated check cashing machine operated at a principal office or branch location by a financial institution within 2,500 feet of an existing check cashing business if that location is used primarily for the purpose of cashing checks for a fee.

SENATE BILL NO. 1480
(Second Reprint)

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning Senate Bill No. 1480 (Second Reprint) with my recommendations for reconsideration.

A. Summary of Bill

This bill makes various amendments to the "The Check Cashers Regulatory Act of 1993," which significantly enhanced the regulatory requirements imposed on the check cashing industry. This bill would repeal some of those requirements and limit others, in response to the check cashing industry's concerns that some of the regulatory requirements are overly burdensome.

Among other provisions, the bill will exempt check cashers who provide payroll check cashing services at an employer's place of business, with fees to be paid by the employer, from the otherwise applicable fee limitations for cashing checks; eliminate certain record keeping requirements; and eliminate the requirement that check cashers provide audited account statements to the Department of Banking and Insurance. Additionally, the bill would accord standing to a check-cashing licensee to file or participate in a legal action in regard to any issue that may affect the licensee's business.

B. Recommended Action

I commend the sponsors of this bill and the Legislature for recognizing the important role check cashing businesses play in our State, and for working with this industry toward establishing a reasonable regulatory scheme. Nevertheless, I believe that some of the current regulatory requirements that would be reduced or eliminated by this bill should be maintained in order to allow the Department of Banking and Insurance to continue effective oversight of the industry, and to ensure that the industry operates appropriately. Certain of the current monitoring and record retention requirements must be preserved so that the State can detect whether criminal and other illegitimate enterprises are attempting to misuse legitimate check cashing businesses to hide the proceeds of their illicit activities or disguise their financial transactions. Furthermore, I am advised that certain provisions should be amended for technical or legal reasons, including the provision according check cashier's standing, which I recommend be redrafted to more precisely address the specific issue raised in court decisions denying standing to check cashers. I am further advised by the Department of Banking and Insurance that the provision of the bill that applies the check cashing business distance restrictions to banks that primarily provide check cashing services could unintentionally discourage full service banks from opening branches in traditionally underserved areas. Because this could prohibit economic progress where it is needed most and inhibit bank competition, I recommend a change to this provision to exclude banks that offer a range of financial services, to minimize the potential for such a deleterious impact. Finally, I recommend that a ten-year "sunset" provision be added to this bill so that the Legislature can revisit it after its changes have been effective for a period of time.

Therefore, I herewith return Senate Bill No. 1480 (Second Reprint) and recommend that it be amended as follows:

- Page 2, Section 1, Line 17: After "which" insert "only"
- Page 2, Section 1, Line 41: After "act" insert "and also includes the premises where payroll services are provided"
- Page 3, Section 1, Line 7: After "provided" insert ", pursuant to a written agreement,"
- Page 3, Section 2, Lines 41-44: Delete in their entirety and replace with "h. An applicant's customer information, customer lists, authorizations and customer contracts submitted to or obtained by the department in connection with an application for licensure for a limited branch office shall be confidential and not public records subject to public access, inspection or copying under P.L.1963, c. 73 (C.47:1A-1 et seq.) or the common law concerning access to public records. The applicant's name and address and an application for licensure for a limited branch office shall be public records. Nothing contained in this subsection shall restrict the authority of the department or any other governmental entity to access documents, whether or not deemed public records, submitted in connection with an application for a limited branch office license."
- Page 4, Section 3, Line 3: Delete "a."
- Page 4, Section 3, Line 3: Delete "as required by subsection b. of this subsection" insert "in a manner and form satisfactory to the commissioner;"
- Page 4, Section 3, Lines 10-19: Delete in their entirety;
- Page 4, Section 4, Line 33: Delete "\$50" and insert "\$100"
- Page 4, Section 4, Lines 34-37: Delete in their entirety; insert "c. A licensee may bring a civil action in Superior Court against another licensee, or against a

depository institution subject to subsection b. of section 21 of P.L. 1993, as amended, c. 383 (C.17:15A-50) or subsection c. of section 21 of P.L. 1993, as amended, c. 383 (C.17:15A-50) for violating any of the following provisions, if that violation has an impact on the check cashing business of the licensee bringing the action: (1) section 3 of P.L. 1993, c. 383 (C.17:15A-32); (2) the requirements set forth in paragraph (6) of subsection d. of section 12 of P.L. 1993, c. 383 (C.17:15A-41); (3) subsection e. of section 12 of P.L. 1993, c. 383 (C.17:15A-41); (4) subsection f. of section 18 of P.L. 1993, c. 383 (C.17:15A-47); (5) subsection b. of section 21 of P.L. 1993, c. 383 (C.17:15A-50); or (6) subsection c. of section 21 of P.L. 1993, c. 383 (C.17:15A-50). Nothing contained in this subsection shall be construed to restrict, limit or alter in any way the Commissioner's authority to enforce the provisions of "The Check Cashers Regulatory Act of 1993, P.L. 1993, c. 383 (C.17:15A-30), or any other law."

Page 4, Section 4, Line 43:

Delete "shall" insert "may"

Page 4, Section 4, Line 44:

After "license" insert "or for good cause shown, the department may extend the 180 day period"

Page 7, Section 5, Line 12:

Delete "(Deleted by amendment, P.L.____ c.____.)" insert "Inform the department if any bank account number changes or if any bank account is closed."

Page 7, Section 5, Lines 30-31:

Delete "(Deleted by amendment, P.L. __, c.____)" insert "Suspend for at least six months the check cashing privileges of any customer who cashes, in any one calendar year, more than three checks which are returned by the payor bank because of insufficient funds, and notify the department in writing of the name of such customer and the action taken, except that

for purposes of this subsection two or more checks of a single maker which are returned because of insufficient funds shall be counted as one check provided they were cashed the same day and deposited in the licensee's bank account on the same banking day."

Page 7, Section 5, Line 42:

Delete ";" insert "."

Page 8, Section 5, Lines 12-13:

After "[.]" delete in their entirety; insert "."

Page 9, Section 6, Line 15:

Delete "(Deleted by amendment, P.L.____ c.____.)" insert "Any person holding a license in good standing issued pursuant to "The Check Cashing Law," P.L.1951, c.187 (C.17:15A-1 et seq.), and who wishes to continue to engage in the business of cashing checks, shall, within 90 days of the effective date of this act, submit to the commissioner a written statement certified to be true under penalty of law that the licensee complies with the provisions of this act; this statement shall include the information required by section 6 and section 10 of this act. Upon submission of the aforementioned statement under oath, a licensee's current license shall continue in accordance with the provisions of subsection a. of section 11 of this act. The licensee shall not be required to comply with subsection e. of section 12 or subsection f. of section 18 of this act."

Page 9, Section 6, Line 18:

After "machine" and before "or" insert "including an automated cash machines that cashes checks for a fee,"

Page 9, Section 6, Line 24:

After "license." insert "For purposes of this subsection, a separate location used primarily for the purpose of cashing checks for a fee as referred to in the proceeding sentence shall not include any location that offers services equivalent to or greater than those provided by automated cash machines."

- Page 9, Section 6, Line 25: Delete "The" insert "Notwithstanding the subsection b. of this section, the"
- Page 9, Section 6, Line 28: After "machines" insert "except that automated check cashing machines shall not be subject to subsection f. of section 18 of P.L. 1993, c. 383 (C.17:15A-47)"
- Page 9, Section 6, Line 29: After "organization" insert ", other than a depository institution as defined in section 2 of P.L. 1996, c. 157 (C.17:11C-2),"
- Page 9, Section 6, Line 35: After line 35 insert "e. If any of the provisions of subsections b. or c. of this section are judicially determined to be unenforceable, preempted or inapplicable as applied to non-New Jersey chartered depositories, these restrictions shall be void and shall not be applicable to any depository institution. "
- Page 10, Section 7, Lines 6-10: Delete in their entirety.

Page 10, Section 8, Line 13:

After "immediately." insert
"The provisions of this Act
(P.L. _____, C. _____) shall
expire on the first day of the
first month on the tenth year
after the effective date of
this Act, unless prior to that
date the Legislature
reauthorizes this Act."

Respectfully,

James E. McGreevey
Governor

Attest:

Michael R. DeCotiis
Chief Counsel to the Governor