

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

**SENATE BILL**No. **489** Session of  
2015

INTRODUCED BY YAW, ALLOWAY, WHITE AND MENSCH, FEBRUARY 13, 2015

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES,  
MAY 23, 2016

## 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 definitions, for authority of  
8 department, for conditions for licensing and for fees and  
9 charges; and providing for recovery of losses due to theft  
10 and fraudulent misrepresentation.

11 The General Assembly of the Commonwealth of Pennsylvania  
12 hereby enacts as follows:

13 Section 1. The definition of "department" in section 103 of  
14 the act of February 18, 1998 (P.L.146, No.22), known as the  
15 Check Casher Licensing Act, is amended to read:

16 Section 103. Definitions.

17 The following words and phrases when used in this act shall  
18 have the meanings given to them in this section unless the  
19 context clearly indicates otherwise:

20 \* \* \*

21 "Department." The Department of Banking and Securities of

1 the Commonwealth.

2 \* \* \*

3 Section 2. Sections 104 and 304(a) of the act are amended to  
4 read:

5 Section 104. Authority of department.

6 (a) General rule.--The department shall have the authority  
7 to:

8 (1) Issue rules, regulations and orders as may be  
9 necessary for the administration and enforcement of this act.

10 (2) Examine any check, document, account, book, record  
11 or file relating to a check casher's business or operation  
12 during regular business hours at the check casher's principal  
13 office or to make such other investigation as may be  
14 reasonably necessary to administer and enforce this act.

15 (3) Conduct administrative hearings on any matter  
16 pertaining to this act, issue subpoenas to compel the  
17 attendance of witnesses and the production of checks,  
18 documents, accounts, books and records at any such hearing,  
19 which may be retained by the department until the proceedings  
20 are completed, and administer oaths and affirmations to any  
21 person whose testimony is required. In the event a person  
22 fails to comply with a subpoena issued by the department or  
23 to testify on any matter concerning which that person may be  
24 lawfully interrogated, on application by the department the  
25 Commonwealth Court may issue an order requiring the  
26 attendance and testimony of such person and requiring the  
27 production of checks, documents, accounts, books and records  
28 or may institute contempt of court penalties.

29 (b) Limitation.--The department may not require retail food  
30 stores which must register with the department to register with

1 ~~the National Mortgage Licensing System~~ NATIONWIDE MULTISTATE  
2 LICENSING SYSTEM AND REGISTRY.

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3 Section 304. Conditions for licensing.

4 (a) Conditions for license.--

5 (1) Except as provided in subsection (b), if the  
6 department finds that the financial responsibility,  
7 experience, character and general fitness of the applicant  
8 warrants the conclusion that the business will be operated  
9 honestly and fairly within the purpose of the act, the  
10 department shall issue a check-casher license in accordance  
11 with this act.

12 (2) A license shall be issued for the business location  
13 specified in the application only and for mobile units to the  
14 site or sites specified.

15 (3) Check cashers shall post a notice of exact fees and  
16 charges, which shall be within the maximum prescribed in this  
17 act. The notice shall be posted in plain view and in a  
18 location readily apparent to a consumer transacting business  
19 at each business location or site specified in the  
20 application.

21 \* \* \*

22 Section 3. Section 503(a) and (e) of the act, amended  
23 December 9, 2002 (P.L.1546, No.200), are amended to read:

24 Section 503. Fees and charges.

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

28 (1) A sum not exceeding [2.5%] 1.5% of the face amount  
29 of a government [assistance] check or 0.5% of the face amount  
30 of a government assistance check, provided the payee submits

1 valid identification in the form of a driver's license, an  
2 identification card issued by the Department of  
3 Transportation or the equivalent; or

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

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

8 \* \* \*

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

15 DEFINITIONS.--As used in this section, the following words and <--  
16 phrases shall have the meanings given to them in this subsection  
17 unless the context clearly indicates otherwise:

18 "Government assistance check." A check issued by the Federal  
19 Government or State Government on a continuing periodic basis by  
20 a government agency for the payment to the recipient payee of  
21 Federal or State assistance, Social Security, workers'  
22 compensation, unemployment compensation, railroad retirement  
23 benefits, veterans benefits or housing assistance.

24 "Government check." A check issued by the Federal  
25 Government, State Government or local government other than a  
26 government assistance check.

27 Section 4. The act is amended by adding a section to read:  
28 Section 510. Recovery of losses due to theft and fraudulent  
29 misrepresentation.

30 If a check casher sustains financial loss due to:

1           (1) theft by a customer of a government check or  
2           government assistance check as those terms are defined in  
3           section 503(e), payroll check or personal check; or  
4           (2) fraudulent misrepresentation by a customer,  
5           the customer shall be liable to the check casher for an amount  
6           equal to three times any actual face value of the check or three  
7           times any actual damage sustained by the check casher as a  
8           result of the theft or fraudulent misrepresentation, whichever  
9           is greater.

10          Section 5. This act shall take effect in 60 days.