

REVENUE: No revenue impact

FISCAL: Fiscal statement issued

Action:	Do Pass as Amended and Be Printed Engrossed
Vote:	7 - 0 - 0
Yeas:	Bonamici, Galizio, Gilliam, Nelson, Riley, Smith P., Holvey
Nays:	0
Exc.:	0
Prepared By:	Steve Dixon, Administrator
Meeting Dates:	1/17, 1/31

WHAT THE MEASURE DOES: Prohibits persons from conducting check-cashing business without a license from the Department of Consumer and Business Services (DCBS) Director. Prohibits collection of excessive fees. Limits fees to five dollars or three percent, whichever is greater. Applies to government and payroll check only. Requires business must file a schedule of fees collected. Provides DCBS with investigative and enforcement power.

ISSUES DISCUSSED:

- Effects of measure on low-income consumers.
- Effects of measure on check cashing industry.
- Tiered fee system based on risk.
- Licensing and application fees, audit procedures, penalties and automatic check cashing machines.
- Penalties and fees for violation of proposed measure.

EFFECT OF COMMITTEE AMENDMENT: Adopted amendment clarifies language relating to timelines and licensing fees. Creates tiered fee limits based on risk of check cashing transactions, including personal checks. Limits amount of fees a check cashing business may charge to \$100. Limits maximum penalty that may be imposed on a check cashing business.

BACKGROUND:

House Bill 2202 creates a new regulatory program for check cashing businesses that cash checks for a fee. This measure exempts entities that cash checks at or below \$2.00 or 2% of the face value of the check from licensing requirements. House Bill 2202-A also exempts banks and credit unions from fee limits or licensing requirements. The bill also provides the Department of business and Consumer Services with rulemaking authority upon passage through an emergency clause and makes requirements of the remainder of the bill operative on January 1, 2008.