
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 489 Session of
2015

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

REFERRED TO BANKING AND INSURANCE, FEBRUARY 13, 2015

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
22 the Commonwealth.

1 * * *

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

4 Section 104. Authority of department.

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

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

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

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

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

1 Section 304. Conditions for licensing.

2 (a) Conditions for license.--

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

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

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

19 * * *

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

22 Section 503. Fees and charges.

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

26 (1) A sum not exceeding [2.5%] 1.5% of the face amount
27 of a government [assistance] check or 0.5% of the face amount
28 of a government assistance check, provided the payee submits
29 valid identification in the form of a driver's license, an
30 identification card issued by the Department of

1 Transportation or the equivalent; or

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

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

6 * * *

7 (e) Definition.--[As used in this section, the term
8 "government assistance check" means a check issued on a
9 continuing periodic basis by a government agency for payment to
10 the recipient payee of Federal or State assistance, Social
11 Security, workers' compensation, unemployment compensation,
12 railroad retirement benefits or veterans' disability.] As used
13 in this section, the following words and phrases shall have the
14 meanings given to them in this subsection unless the context
15 clearly indicates otherwise:

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

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

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

28 If a check casher sustains financial loss due to:

29 (1) theft by a customer of a government check or
30 government assistance check as those terms are defined in

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

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