
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1118 Session of
2013

INTRODUCED BY BRUBAKER, WHITE, WOZNIAK, BOSCOLA AND MENSCH,
OCTOBER 9, 2013

REFERRED TO BANKING AND INSURANCE, OCTOBER 9, 2013

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 the
8 department, for conditions for licensing and for fees and
9 charges; and providing for recovery of losses due to
10 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
3 to read:

4 Section 104. Authority of department.

5 (a) Authority.--The department shall have the authority to:

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

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

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

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

30 Section 304. Conditions for licensing.

1 (a) Conditions for license.--

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

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

12 (3) Check cashers shall post a notice of exact fees and
13 charges, which shall be within the maximum prescribed in this
14 act. The notice should be in plain view and in a location
15 readily apparent to the consumer transacting business at each
16 check-casher location.

17 * * *

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

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

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

30 (2) A sum not exceeding 3% of the face amount of a

1 payroll check.

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

4 * * *

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

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

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

23 Section 4. The act is amended by adding a section to read:
24 Section 510. Recovery of losses due to fraudulent
25 misrepresentation.

26 In the case where a check casher entails financial loss due
27 to the theft of a government check or government assistance
28 check as those terms are defined in section 503(e), payroll
29 check or personal check due to fraudulent misrepresentation by a
30 customer, the customer shall be liable to the check casher for

1 an amount equal to three times any actual face value of the
2 check or three times any actual damage sustained by the check
3 cashier as a result of the fraudulent misrepresentation,
4 whichever is greater.

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