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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2019

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A N A C T

RELATING TO FINANCIAL INSTITUTIONS -- CHECK CASHING

Introduced By: Senator Frank A. Ciccone

Date Introduced: May 22, 2019

Referred To: Senate Special Legislation and Veterans Affairs

It is enacted by the General Assembly as follows:

1 SECTION 1. Legislative findings and purpose. The general assembly hereby finds that:

2 (1) Chapter 14.4 of title 19 entitled "Check Cashing" addresses the licensing of check  
3 cashing businesses in Rhode Island. Section 19-14.4-3(a) requires the department of business  
4 regulation to "promulgate regulations that provide for the safety and security of customers of the  
5 [check cashing] licensee, and/or its employees . . . ", and provides that the regulations shall  
6 include a requirement that check cashing licensees maintain bulletproof glass and steel partitions.

7 (2) Check cashing regulations in Title 230 ("Department Of Business Regulation")  
8 CHAPTER 40 ("Banking"), Subchapter 20 ("Money Services") provide, in Part 2 ("Check  
9 Cashers"), that licensed check cashers "[i]nstall bullet proof glass and partitions . . . at all check  
10 cashing stations, transaction windows, counters and similar areas where the exchange of funds,  
11 checks, money orders and other transactions take place. . ." 230-RICR-40-20-2.6(A)(3)

12 (3) Persons hosting state-operated video lottery games and state-operated casino gaming  
13 which may include table games and sports betting, may cash checks for their customers as a  
14 service incidental to their primary business of hosting state-operated games and gaming. Hosts of  
15 state-operated video lottery games and state-operated casino gaming do not qualify for the  
16 licensing exemptions described in § 19-14.4-1(3) because their charge per check cashed usually  
17 exceeds the fifty cent (\$0.50) threshold set forth in that section.

18 (4) Persons hosting state-operated video lottery games and state-operated casino gaming  
19 are subject to stringent security and procedural requirements related to their primary business of

1 hosting such state-operated games and gaming. These security and procedural requirements  
2 include, but are not limited to, measures to protect the physical safety and security of customers  
3 and employees, cybersecurity measures, measures to prevent money laundering, and requirements  
4 related to the maintenance of insurance. While in some cases the measures to protect the physical  
5 safety and security of check casher customers and employees are different in form and nature  
6 than the bulletproof glass and steel partitions contemplated in § 19-14.4-3(a), and subsection 230-  
7 RICR-40-20-2.6(A)(3) of the regulations promulgated by the department of business regulation,  
8 they provide at least the same level of physical safety and security. Accordingly, it is appropriate  
9 that persons hosting state-operated video lottery games and state-operated casino gaming be  
10 exempt from the bulletproof glass and steel partition requirements of § 19-14.4-3(a), and  
11 subsection 230-RICR-40-20-2.6(A)(3) of the regulations promulgated by the department of  
12 business regulation.

13 (5) The purpose of this act is to amend chapter 14.4 of title 19 so as to exempt persons  
14 hosting state-operated video lottery games and state-operated casino gaming pursuant to licenses  
15 issued by the department of business regulation, division of gaming and athletics, and the  
16 department of revenue, division of lotteries, from any requirement that they construct and  
17 maintain bulletproof glass and steel partitions as contemplated in subsection 19-14.4-3(a), and  
18 subsection 230-RICR-40-20-2.6(A)(3) of the regulations promulgated by the department of  
19 business regulation.

20 SECTION 2. Section 19-14.4-3 of the General Laws in Chapter 19-14.4 entitled "Check  
21 Cashing" is hereby amended to read as follows:

22 **19-14.4-3. Rules and regulations.**

23 (a) The director, or the director's designee, is authorized, directed and empowered to  
24 promulgate regulations that provide for the safety and security of customers of the licensee,  
25 and/or its employees, from robbery or other criminal activities to include, but not be limited to,  
26 bulletproof glass and steel partitions, [except as provided in subsection \(c\) of this section.](#)

27 (b) The rules and regulations, in addition to any other provisions as the director, or the  
28 director's designee, may require, must provide that licensees maintain:

29 (1) Continuously, for each licensed premises, liquid assets of at least ten thousand dollars  
30 (\$10,000);

31 (2) A cash sheet that must be prepared daily for each day's business reflecting all  
32 transactions for that day;

33 (3) A money-order register recording the date issued, money order number, amount, and  
34 date paid. In lieu of the money-order register, a copy of the money order may be kept when

1 carbonized type money orders are used;

2 (4) Insurance issued by an insurance company or indemnity company, authorized to do  
3 business under the laws of this state, that shall insure the applicant against loss by theft, burglary,  
4 robbery, or forgery in principal sum, as determined by the director, or the director's designee, that  
5 shall in no event be less than ten thousand dollars (\$10,000), nor more than one hundred thousand  
6 dollars (\$100,000). The required amounts shall bear a relationship to the liquid assets on hand at  
7 the licensed location; and

8 (5) An adequate written policy and affirmative program to ensure compliance with state  
9 and federal money laundering statutes.

10 (c) Notwithstanding the provisions of subsection (a) of this section or any rule or  
11 regulation promulgated by the department of business regulation pertaining to check cashers,  
12 persons hosting state-operated video lottery games, and state-operated casino gaming pursuant to  
13 licenses issued by the department of business regulation, division of gaming and athletics, and the  
14 department of revenue, division of lotteries, are and shall be exempt from any requirement that  
15 they construct and maintain bulletproof glass and steel partitions at check cashing stations,  
16 transaction windows, counters and/or similar areas, whether or not an exchange of funds, checks,  
17 money orders or other transactions take place therein.

18 SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
A N A C T  
RELATING TO FINANCIAL INSTITUTIONS -- CHECK CASHING

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1           This act would exempt persons hosting state-operated video lottery games and state-  
2 operated casino gaming pursuant to licenses issued by the department of business regulation,  
3 division of gaming and athletics, and the department of revenue, division of lotteries, from the  
4 statutory requirement that they construct and maintain bulletproof glass and steel partitions at  
5 check cashing stations, transaction windows, counters and/or similar areas, whether or not an  
6 exchange of funds, checks, money orders or other transactions take place therein.

7           This act would take effect upon passage.

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