

HB5205



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB5205

by Rep. Nicholas K Smith

SYNOPSIS AS INTRODUCED:

205 ILCS 405/19.3

from Ch. 17, par. 4838

Amends the Currency Exchange Act. Provides the maximum rates to be charged by community and ambulatory currency exchanges for cashing any check or issuing any money order. Provides that no community or ambulatory currency exchange shall charge a fee for cashing any check or issuing any money order in excess of the maximum rates. Deletes language requiring the Secretary of Financial and Professional Regulation to formulate and issue schedules of reasonable maximum rates for check cashing and money orders.

LRB100 18511 LNS 33729 b

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Currency Exchange Act is amended by changing
5 Section 19.3 as follows:

6 (205 ILCS 405/19.3) (from Ch. 17, par. 4838)

7 Sec. 19.3. (A) The General Assembly hereby finds and
8 declares: community currency exchanges and ambulatory currency
9 exchanges provide important and vital services to Illinois
10 citizens. In so doing, they transact extensive business
11 involving check cashing and the writing of money orders in
12 communities in which banking services are generally
13 unavailable. Customers of currency exchanges who receive these
14 services must be protected from being charged unreasonable and
15 unconscionable rates for cashing checks and purchasing money
16 orders. The Illinois Department of Financial and Professional
17 Regulation has the responsibility for regulating the
18 operations of currency exchanges and has the expertise to
19 determine reasonable maximum rates to be charged for check
20 cashing and money order purchases. Therefore, it is in the
21 public interest, convenience, welfare and good to have the
22 Department establish reasonable maximum rate schedules for
23 check cashing and the issuance of money orders and to require

1 community and ambulatory currency exchanges to prominently
2 display to the public the fees charged for all services. The
3 Secretary shall review, each year, the cost of operation of the
4 Currency Exchange Section and the revenue generated from
5 currency exchange examinations and report to the General
6 Assembly if the need exists for an increase in the fees
7 mandated by this Act to maintain the Currency Exchange Section
8 at a fiscally self-sufficient level. The Secretary shall
9 include in such report the total amount of funds remitted to
10 the State and delivered to the State Treasurer by currency
11 exchanges pursuant to the Revised Uniform Unclaimed Property
12 Act.

13 (B) The maximum rate to be charged by community and
14 ambulatory currency exchanges for cashing any check shall not
15 exceed (i) an amount equal to 1.4% of the face amount of the
16 check plus a service charge of \$1 for all checks \$100 or less
17 or (ii) an amount equal to 2.25% of the face amount of the
18 check for all checks greater than \$100.

19 The maximum rate to be charged by community and ambulatory
20 currency exchanges for issuing any money order shall not exceed
21 an amount equal to 1% of the face amount of the money order
22 plus a service charge of \$0.75.

23 No community or ambulatory currency exchange shall charge a
24 fee for cashing any check or issuing any money order in excess
25 of the maximum rates. ~~The Secretary shall, by rules adopted in~~
26 accordance with the Illinois Administrative Procedure Act,

1 ~~expeditiously formulate and issue schedules of reasonable~~
2 ~~maximum rates which can be charged for check cashing and~~
3 ~~writing of money orders by community currency exchanges and~~
4 ~~ambulatory currency exchanges.~~

5 ~~(1) In determining the maximum rate schedules for the~~
6 ~~purposes of this Section the Secretary shall take into~~
7 ~~account:~~

8 ~~(a) Rates charged in the past for the cashing of~~
9 ~~checks and the issuance of money orders by community~~
10 ~~and ambulatory currency exchanges.~~

11 ~~(b) Rates charged by banks or other business~~
12 ~~entities for rendering the same or similar services and~~
13 ~~the factors upon which those rates are based.~~

14 ~~(c) The income, cost and expense of the operation~~
15 ~~of currency exchanges.~~

16 ~~(d) Rates charged by currency exchanges or other~~
17 ~~similar entities located in other states for the same~~
18 ~~or similar services and the factors upon which those~~
19 ~~rates are based.~~

20 ~~(e) Rates charged by the United States Postal~~
21 ~~Service for the issuing of money orders and the factors~~
22 ~~upon which those rates are based.~~

23 ~~(f) A reasonable profit for a currency exchange~~
24 ~~operation.~~

25 ~~(2) (a) The schedule of reasonable maximum rates~~
26 ~~established pursuant to this Section may be modified by the~~

1 ~~Secretary from time to time pursuant to rules adopted in~~
2 ~~accordance with the Illinois Administrative Procedure Act.~~

3 ~~(b) Upon the filing of a verified petition setting~~
4 ~~forth allegations demonstrating reasonable cause to~~
5 ~~believe that the schedule of maximum rates previously~~
6 ~~issued and promulgated should be adjusted, the Secretary~~
7 ~~shall expeditiously:~~

8 ~~(i) reject the petition if it fails to demonstrate~~
9 ~~reasonable cause to believe that an adjustment is~~
10 ~~necessary; or~~

11 ~~(ii) conduct such hearings, in accordance with~~
12 ~~this Section, as may be necessary to determine whether~~
13 ~~the petition should be granted in whole or in part.~~

14 ~~(c) No petition may be filed pursuant to subparagraph~~
15 ~~(a) of paragraph (2) of subsection (B) unless:~~

16 ~~(i) at least nine months have expired since the~~
17 ~~last promulgation of schedules of maximum rates; and~~

18 ~~(ii) at least one fourth of all community currency~~
19 ~~exchange licensees join in a petition or, in the case~~
20 ~~of ambulatory currency exchanges, a licensee or~~
21 ~~licensees authorized to serve at least 100 locations~~
22 ~~join in a petition.~~

23 ~~(3) Any currency exchange may charge lower fees than~~
24 ~~those of the applicable maximum fee schedule after filing~~
25 ~~with the Secretary a schedule of fees it proposes to use.~~

26 (Source: P.A. 100-22, eff. 1-1-18.)