



Sen. Don Harmon

Filed: 5/14/2013

09800HB2780sam001

LRB098 09711 JLS 45641 a

1 AMENDMENT TO HOUSE BILL 2780

2 AMENDMENT NO. _____. Amend House Bill 2780 on page 1 by
3 inserting immediately below line 3 the following:

4 "Section 3. The Currency Exchange Act is amended by
5 changing Sections 3, 5, 9, 10, 11, and 18 as follows:

6 (205 ILCS 405/3) (from Ch. 17, par. 4804)

7 Sec. 3. Powers of community currency exchanges. No
8 community or ambulatory currency exchange shall be permitted to
9 accept money or evidences of money as a deposit to be returned
10 to the depositor or upon the depositor's order. No community or
11 ambulatory currency exchange shall be permitted to act as
12 bailee or agent for persons, firms, partnerships, limited
13 liability companies, associations or corporations to hold
14 money or evidences thereof or the proceeds therefrom for the
15 use and benefit of the owners thereof, and deliver such money
16 or proceeds of evidence of money upon request and direction of

1 such owner or owners. Nothing in this Act shall prevent a
2 currency exchange from accepting any check without regard to
3 the date imprinted on the check as long as the check is
4 immediately cashed, deposited, and processed in the ordinary
5 course of business. A community or ambulatory currency exchange
6 is permitted to engage in, and charge a fee for, the following
7 activities, either directly or as a third-party agent: (i)
8 cashing of checks, drafts, money orders, or any other evidences
9 of money acceptable to the currency exchange, (ii) selling or
10 issuing money orders, (iii) obtaining reports, certificates,
11 governmental permits, licenses, and vital statistics and the
12 preparation of necessary applications to obtain the same, (iv)
13 the sale and distribution of bond cards, (v) obtaining,
14 distributing, providing, or selling: State vehicle
15 registration renewals, title transfers and tax remittance
16 forms, city vehicle licenses, and other governmental services,
17 (vi) photocopying and sending and receiving facsimile
18 transmissions, (vii) notary service either by the proprietor of
19 the currency exchange or any currency exchange employee,
20 authorized by the State to act as a notary public, (viii)
21 issuance of travelers checks obtained by the currency exchange
22 from a banking institution under a trust receipt, (ix)
23 accepting for payment utility and other companies' bills, (x)
24 issuance and acceptance of any third-party debit, credit, or
25 stored value card and loading or unloading, (xi) on-premises
26 automated cash dispensing machines, (xii) sale of rolled coin

1 and paper money, (xiii) exchange of foreign currency through a
2 third-party, (xiv) sale of cards, passes, or tokens for public
3 transit, (xv) providing mail box service, (xvi) preparation and
4 transmittal of consumer requests and applications for the sale
5 of prepaid wireless phones, phone cards, and other pre-paid
6 telecommunication services, (xvii) on-premises public
7 telephone, (xviii) sale of U.S. postage, (xix) money
8 transmission through a licensed third-party money transmitter,
9 (xx) sale of candy, gum, other packaged foods, soft drinks, and
10 other products and services by means of on-premises vending
11 machines, ~~and~~ (xxi) preparation and transmittal of consumer
12 requests and applications for the delivery, supply, or service
13 of any utility product, service, or company lawfully offered in
14 the State of Illinois, (xxii) advertising upon and about the
15 premises and distribution to consumers of advertising and other
16 materials of any legal product or service that is not
17 misleading to the public, and (xxiii) other products and
18 services as may be approved by the Secretary. Any community or
19 ambulatory currency exchange may enter into agreements with any
20 utility and other companies to act as the companies' agent for
21 the acceptance of payment of utility and other companies' bills
22 without charge to the customer and, acting under such
23 agreement, may receipt for payments in the names of the utility
24 and other companies. Any community or ambulatory currency
25 exchange may also receive payment of utility and other
26 companies' bills for remittance to companies with which it has

1 no such agency agreement and may charge a fee for such service
2 but may not, in such cases, issue a receipt for such payment in
3 the names of the utility and other companies. However, funds
4 received by currency exchanges for remittance to utility and
5 other companies with which the currency exchange has no agency
6 agreement shall be forwarded to the appropriate utility and
7 other companies by the currency exchange before the end of the
8 next business day.

9 For the purpose of this Section, "utility and other
10 companies" means any utility company and other company with
11 which the currency exchange may or may not have a contractual
12 agreement and for which the currency exchange accepts payments
13 from consumers for remittance to the utility or other company
14 for the payment of bills.

15 (Source: P.A. 97-315, eff. 1-1-12.)

16 (205 ILCS 405/5) (from Ch. 17, par. 4812)

17 Sec. 5. Bond; condition; amount.

18 (a) Before any license shall be issued to a community
19 currency exchange the applicant shall file annually with and
20 have approved by the Secretary a surety bond, issued by a
21 bonding company authorized to do business in this State in the
22 principal sum of \$25,000. Such bond shall run to the Secretary
23 and shall be for the benefit of any creditors of such currency
24 exchange for any liability incurred by the currency exchange on
25 any money orders, including any fees and penalties incurred by

1 the remitter should the money order be returned unpaid, issued
2 or sold by the currency exchange in the ordinary course of its
3 business and for any liability incurred by the currency
4 exchange for any sum or sums due to any payee or endorsee of
5 any check, draft or money order left with the currency exchange
6 in the ordinary course of its business for collection, and for
7 any liability to the public incurred by the currency exchange
8 in the ordinary course of its business in connection with the
9 rendering of any of the services referred to in Section 3 of
10 this Act.

11 To protect the public and allow for the effective
12 underwriting of bonds, the surety bond shall not cover money
13 orders issued and other liabilities incurred by a currency
14 exchange for its own account or that of its controlling
15 persons, including money orders issued or liabilities incurred
16 by the currency exchange to obtain cash for its own operations,
17 to pay for the currency exchange's own bills or liabilities or
18 that of its controlling persons, or to obtain things of value
19 for the currency exchange or its controlling persons,
20 regardless of whether such things of value are used in the
21 currency exchange's operations or sold by the currency
22 exchange.

23 From time to time the Secretary may determine the amount of
24 liabilities as described herein and shall require the licensee
25 to file a bond in an additional sum if the same is determined
26 to be necessary in accordance with the requirements of this

1 Section. In no case shall the bond be less than the initial
2 \$25,000, nor more than the outstanding liabilities.

3 (b) In lieu of the surety bond requirements of subsection
4 (a), a community currency exchange licensee may submit evidence
5 satisfactory to the Secretary that the community currency
6 exchange licensee is covered by a blanket bond that covers
7 multiple licensees who are members of a statewide association
8 of community currency exchanges. Such a blanket bond must be
9 issued by a bonding company authorized to do business in this
10 State and in a principal aggregate sum of not less than
11 \$3,000,000 as of May 1, 2012, and not less than \$4,000,000 as
12 of May 1, 2014.

13 (c) An ambulatory currency exchange may sell or issue money
14 orders at any location with regard to which it is issued a
15 license pursuant to this Act, including existing licensed
16 locations, without the necessity of a further application or
17 hearing and without regard to any exceptions contained in
18 existing licenses, upon the filing with the Secretary of a
19 surety bond approved by the Secretary and issued by a bonding
20 company or insurance company authorized to do business in
21 Illinois, in the principal sum of \$100,000. Such bond may be a
22 blanket bond covering all locations at which the ambulatory
23 currency exchange may sell or issue money orders, and shall run
24 to the Secretary for the use and benefit of any creditors of
25 such ambulatory currency exchange for any liability incurred by
26 the ambulatory currency exchange on any money orders issued or

1 sold by it to the public in the ordinary course of its
2 business. Such bond shall be renewed annually. If after the
3 expiration of one year from the date of approval of such bond
4 by the Secretary, it shall appear that the average amount of
5 such liability during the year has exceeded \$100,000, the
6 Secretary shall require the licensee to furnish a bond for the
7 ensuing year, to be approved by the Secretary, for an
8 additional principal sum of \$1,000 for each \$1,000 of such
9 liability or fraction thereof in excess of the original
10 \$100,000, except that the maximum amount of such bond shall not
11 be required to exceed \$250,000.

12 (Source: P.A. 97-315, eff. 1-1-12.)

13 (205 ILCS 405/9) (from Ch. 17, par. 4816)

14 Sec. 9. No community or ambulatory currency exchange shall
15 issue tokens to be used in lieu of money for the purchase of
16 goods or services from any enterprise, ~~except that currency~~
17 ~~exchanges may engage in the distribution of food stamps as~~
18 ~~authorized by Section 3.2.~~

19 (Source: P.A. 80-439.)

20 (205 ILCS 405/10) (from Ch. 17, par. 4817)

21 Sec. 10. Qualifications of applicant; denial of license;
22 review. The applicant, ~~and its controlling persons officers,~~
23 ~~directors and stockholders, if a corporation, and its managers~~
24 ~~and members, if a liability company,~~ shall be vouched for by 2

1 reputable citizens of this State setting forth that the
2 individual mentioned is (a) personally known to them to be
3 trustworthy and reputable, (b) that he has business experience
4 qualifying him to competently conduct, operate, own or become
5 associated with a currency exchange, (c) that he has a good
6 business reputation and is worthy of a license. Thereafter, the
7 Secretary shall, upon approval of the application filed with
8 him, issue to the applicant, qualifying under this Act, a
9 license to operate a currency exchange. If it is a license for
10 a community currency exchange, the same shall be valid only at
11 the place of business specified in the application. If it is a
12 license for an ambulatory currency exchange, it shall entitle
13 the applicant to operate only at the location or locations
14 specified in the application, provided the applicant shall
15 secure separate and additional licenses for each of such
16 locations. Such licenses shall remain in full force and effect,
17 until they are surrendered by the licensee, or revoked, or
18 expire, as herein provided. If the Secretary shall not so
19 approve, he shall not issue such license or licenses and shall
20 notify the applicant of such denial, retaining the full
21 investigation fee to cover the cost of investigating the
22 community currency exchange applicant. The Secretary shall
23 approve or deny every application hereunder within 90 days from
24 the filing of a complete application; except that in respect to
25 an application by an approved ambulatory currency exchange for
26 a license with regard to a particular location to be served by

1 it, the same shall be approved or denied within 20 days from
2 the filing thereof. If the application is denied, the Secretary
3 shall send by United States mail notice of such denial to the
4 applicant at the address set forth in the application.

5 If an application is denied, the applicant may, within 10
6 days from the date of the notice of denial, make written
7 request to the Secretary for a hearing on the application, and
8 the Secretary shall set a time and place for the hearing. The
9 hearing shall be set for a date after the receipt by the
10 Secretary of the request for hearing, and written notice of the
11 time and place of the hearing shall be mailed to the applicant
12 at least 15 days before the date of the hearing. The applicant
13 shall pay the actual cost of making the transcript of the
14 hearing prior to the Secretary's issuing his decision following
15 the hearing. If, following the hearing, the application is
16 denied, the Secretary shall, within 20 days thereafter prepare
17 and keep on file in his office a written order of denial
18 thereof, which shall contain his findings with respect thereto
19 and the reasons supporting the denial, and shall send by United
20 States Mail a copy thereof to the applicant at the address set
21 forth in the application, within 5 days after the filing of
22 such order. A review of any such decision may be had as
23 provided in Section 22.01 of this Act.

24 For the purposes of this Act, "controlling person" means an
25 officer, director, or person owning or holding power to vote
26 10% or more of the outstanding voting securities of a licensee

1 or the power to vote the securities of another controlling
2 person of the licensee. For purposes of determining the
3 percentage of a licensee controlled by a controlling person,
4 the person's interest shall be combined with the interest of
5 any other person controlled, directly or indirectly, by that
6 person or by a spouse, parent, or child of that person.

7 (Source: P.A. 97-315, eff. 1-1-12.)

8 (205 ILCS 405/11) (from Ch. 17, par. 4819)

9 Sec. 11. Such license, if issued for a community currency
10 exchange, shall state the name of the licensee and the address
11 at which the business is to be conducted. Such license, or ~~and~~
12 its annual renewal, shall be kept conspicuously posted in the
13 place of business of the licensee and shall not be transferable
14 or assignable. If issued for an ambulatory currency exchange,
15 it shall so state, and shall state the name and office address
16 of the licensee, and the name and address of the location or
17 locations to be served by the licensee, and shall not be
18 transferable and assignable.

19 (Source: P.A. 97-315, eff. 1-1-12.)

20 (205 ILCS 405/18) (from Ch. 17, par. 4834)

21 Sec. 18. Proof of address. The applicant for a community
22 currency exchange license shall have a permanent address as
23 evidenced by a lease of at least 6 ~~six~~ months duration or other
24 suitable evidence of permanency, and the license issued,

1 pursuant to the application shall be valid only at that address
2 in the application or any new address approved by the
3 Secretary. A letter of intent for a lease shall suffice for
4 inclusion with the application, and evidence of an executed
5 lease shall be considered ministerial in nature, to be
6 furnished once the investigation is completed, the approval
7 final, and prior to the issuance of the license.

8 (Source: P.A. 97-315, eff. 1-1-12.)".