



Substitute Senate Bill No. 1220

Public Act No. 05-192

AN ACT CONCERNING CHECK CASHING SERVICES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Subsection (b) of section 36a-580 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2005*):

(b) The provisions of this section and sections 36a-581 to 36a-589, inclusive, as amended by this act, shall not apply to: (1) Checks, drafts or money orders cashed without consideration or charge; (2) checks, drafts or money orders cashed as an incident to the conduct of any other lawful business where not more than fifty cents is charged for cashing such check, draft or money order; or (3) any institution subject to and under the general supervision of any agency of the United States or any [entity] bank subject to the general supervision of the commissioner.

Sec. 2. Section 36a-584 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2005*):

(a) A check cashing licensee shall not charge or collect in fees, charges or otherwise, a sum in excess of one per cent of the check for cashing a check drawn by the state of Connecticut and payable within

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this state to a recipient of public assistance, as defined in section 36a-304, if the check is negotiated to the licensee by the original payee of the check, and if the payee produces reasonable identification, as provided for in regulations adopted pursuant to section 36a-305.

(b) No check cashing licensee shall cash an item if the amount exceeds [two thousand five hundred] six thousand dollars. This subsection shall not apply to (1) the cashing of any check, draft or money order drawn by the United States, any state or any political subdivision of a state, or by any department, bureau, agency, authority, instrumentality or officer, acting in such officer's official capacity, of the United States, any state or any political subdivision of a state, (2) the cashing of any check which has been certified by the depository institution on which it has been drawn, (3) the cashing of any check drawn by an insurance company for the payment of a claim, [and] (4) the cashing of any check drawn by an attorney from the attorney's clients' funds account, and (5) the cashing of any check, draft or money order where the payee is not an individual as long as the licensee complies with all recordkeeping and reporting requirements specified in sections 36a-580 to 36a-589, inclusive, as amended by this act.

(c) Not later than January 15, 2006, and quarterly thereafter, each check cashing licensee shall submit a report to the commissioner that specifies the type of checks cashed by such licensee and the number of checks cashed that exceed two thousand five hundred dollars during the previous calendar quarter.

Sec. 3. Section 36a-585 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2005*):

The commissioner shall, by regulation adopted in accordance with the provisions of chapter 54, establish the maximum fees which may be charged by a licensee for cashing a check, draft or money order drawn

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on a depository institution. No check cashing licensee shall charge any sum in excess of that established by such regulation or one dollar, whichever is greater. In establishing maximum fees under this section, the commissioner shall consider: (1) The effect any change in rates will have on consumers; (2) start-up costs, operational expenses, volume of business, and any other information the commissioner deems relevant. The licensee shall conspicuously post and at all times display, at each place of business, a schedule of fees permitted under sections 36a-580 to 36a-589, inclusive, as amended by this act. The sum of any payment made by an employee or by an employer on behalf of the employee to a licensee of a limited facility for cashing payroll checks shall not exceed the percentage limitation for maximum fees established by the commissioner in regulations adopted pursuant to this section.

Approved July 1, 2005