
OLR Bill Analysis

sSB 361

AN ACT CONCERNING REGULATORY RELIEF FOR THE CONNECTICUT CHECK CASHING INDUSTRY.

SUMMARY:

This bill makes three changes related to the check cashing business.

It increases the amount of liquid assets that check cashing license applicants must maintain for each general facility location (see BACKGROUND), from \$10,000 to \$50,000. But it allows check cashers licensed before October 1, 2012 to meet this new requirement by October 1, 2015.

Current law allows the banking commissioner to establish the maximum fees charged for cashing a check, but also sets a 1% maximum fee for state public assistance checks cashed by the original payee. Current banking regulations allows a check cashing licensee to charge a fee of up to 2%, or \$1.00, whichever is greater, on any check drawn on a depository institution (an institution allowed to hold public funds). The bill increases this maximum fee to 2.5%, but still allows the commissioner to set the rate by regulation.

Current law prohibits a licensee from cashing a check over \$6,000 unless it is (1) a government check, (2) certified by the depository institution on which it has been drawn, (3) drawn by an attorney from the attorney's client's funds account, (4) drawn by an insurance company for the payment of a claim, or (5) one for which the payee is not an individual, if certain conditions are met.

The bill instead allows the licensee to cash any check over \$6,000.

EFFECTIVE DATE: October 1, 2012

BACKGROUND

General Facility

By law, a “general facility” is a facility at a fixed location (a) where a licensee may cash checks, drafts, or money orders; and (b) which is open to the general public for at least six hours per day four days per week.

COMMITTEE ACTION

Banks Committee

Joint Favorable Substitute

Yea 18 Nay 0 (03/20/2012)