

Introduced by

Representatives Kliniske, Weisz

Senators G. Nelson, Krebsbach, Stenehjem

1 A BILL for an Act to provide for authorization of currency exchange businesses; and to provide  
2 a penalty.

3 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

4 **SECTION 1. Currency exchange - Penalty.**

- 5 1. A nonbanking institution may engage in the business of a currency exchange if:
- 6 a. The institution does not contract with another person to manage the currency  
7 exchange business; however, this does not prohibit the business from  
8 employing individuals to operate a currency exchange business;
- 9 b. The institution displays in a prominent manner on the premises of the  
10 business the fees charged to exchange currency;
- 11 c. The maximum fees charged to exchange currency are limited to any direct  
12 cost of verification fees and:
- 13 (1) The greater of five percent of the face amount or five dollars, for  
14 cashing a draft, personal check, payroll check, traveler's check, or  
15 money order; and
- 16 (2) The greater of three percent of the face amount or five dollars, for  
17 cashing a state public assistance check or a federal social security  
18 check;
- 19 d. The institution does not accept money or currency for deposit or act as bailee  
20 or agent of persons to hold money or currency in escrow for others for any  
21 purpose; and
- 22 e. The institution does not exchange currency on the premises of a charitable  
23 gaming site.

- 1           2.   For purposes of this section, "currency exchange" means cashing a check, draft,  
2                   money order, or traveler's check or issuing a money order or traveler's check as an  
3                   agent for another, for a fee. The term does not include providing these services  
4                   incidental to a primary business if there is not a charge for cashing a check or  
5                   draft.
- 6           3.   This section does not authorize a business to make any type of loan, including a  
7                   deferred presentment service transaction, payday loan, cash advance, payday  
8                   cash advance, or motor vehicle title loan.
- 9           4.   A nonbanking institution may not accept a postdated check in a currency exchange  
10                  transaction.
- 11          5.   A person violating this section is guilty of a class B misdemeanor.