10316.0200

FIRST ENGROSSMENT

Fifty-seventh
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2370

Introduced by

Representatives Kliniske, Weisz

Senators G. Nelson, Krebsbach, Stenehjem

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

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. Currency exchange - Penalty.

1. A nonbanking institution may engage in the business of a currency exchange if:
   a. The institution does not contract with another person to manage the currency exchange business; however, this does not prohibit the business from employing individuals to operate a currency exchange business;
   b. The institution displays in a prominent manner on the premises of the business the fees charged to exchange currency;
   c. The maximum fees charged to exchange currency are limited to any direct cost of verification fees and:
      (1) The greater of ten percent of the face amount or five dollars, for cashing a draft, personal check, traveler's check, or money order;
      (2) The greater of five percent of the face amount or five dollars, for cashing a payment instrument such as a payroll check;
      (3) The greater of six percent of the face amount or five dollars, for cashing a payment instrument such as a payroll check, without identification;
      (4) The greater of three percent of the face amount or five dollars, for cashing a state public assistance check or a federal social security check; and
      (5) The greater of four percent of the face amount or five dollars, for cashing a state public assistance check or a federal social security check, without proof of identification;

d. The institution does not accept money or currency for deposit or act as bailee or agent of persons to hold money or currency in escrow for others for any purpose; and

e. The institution does not exchange currency on the premises of a charitable gaming site.

2. For purposes of this section, "currency exchange" means cashing a check, draft, money order, or traveler's check or issuing a money order or traveler's check as an agent for another, for a fee. The term does not include providing these services incidental to a primary business if there is not a charge for cashing a check or draft.

3. This section does not authorize a business to make any type of loan, including a deferred presentment service transaction, payday loan, cash advance, payday cash advance, or motor vehicle title loan.

4. A nonbanking institution may not accept a postdated check in a currency exchange transaction.

5. A person violating this section is guilty of a class B misdemeanor.