

HB2560



101ST GENERAL ASSEMBLY

State of Illinois

2019 and 2020

HB2560

by Rep. Nicholas K. Smith

SYNOPSIS AS INTRODUCED:

205 ILCS 405/19.3

from Ch. 17, par. 4838

Amends the Currency Exchange Act. Provides the maximum rates to be charged by community and ambulatory currency exchanges for cashing any check or issuing any money order. Provides that no community or ambulatory currency exchange shall charge a fee for cashing any check or issuing any money order in excess of the maximum rates. Deletes language requiring the Secretary of Financial and Professional Regulation to formulate and issue schedules of reasonable maximum rates for check cashing and money orders.

LRB101 08316 JRG 53385 b

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Currency Exchange Act is amended by changing
5 Section 19.3 as follows:

6 (205 ILCS 405/19.3) (from Ch. 17, par. 4838)

7 (Text of Section before amendment by P.A. 100-704)

8 Sec. 19.3. (A) The General Assembly hereby finds and
9 declares: community currency exchanges and ambulatory currency
10 exchanges provide important and vital services to Illinois
11 citizens. In so doing, they transact extensive business
12 involving check cashing and the writing of money orders in
13 communities in which banking services are generally
14 unavailable. Customers of currency exchanges who receive these
15 services must be protected from being charged unreasonable and
16 unconscionable rates for cashing checks and purchasing money
17 orders. The Illinois Department of Financial and Professional
18 Regulation has the responsibility for regulating the
19 operations of currency exchanges and has the expertise to
20 determine reasonable maximum rates to be charged for check
21 cashing and money order purchases. Therefore, it is in the
22 public interest, convenience, welfare and good to have the
23 Department establish reasonable maximum rate schedules for

1 check cashing and the issuance of money orders and to require
2 community and ambulatory currency exchanges to prominently
3 display to the public the fees charged for all services. The
4 Secretary shall review, each year, the cost of operation of the
5 Currency Exchange Section and the revenue generated from
6 currency exchange examinations and report to the General
7 Assembly if the need exists for an increase in the fees
8 mandated by this Act to maintain the Currency Exchange Section
9 at a fiscally self-sufficient level. The Secretary shall
10 include in such report the total amount of funds remitted to
11 the State and delivered to the State Treasurer by currency
12 exchanges pursuant to the Revised Uniform Unclaimed Property
13 Act.

14 (B) The Secretary shall, by rules adopted in accordance
15 with the Illinois Administrative Procedure Act, expeditiously
16 formulate and issue schedules of reasonable maximum rates which
17 can be charged for check cashing and writing of money orders by
18 community currency exchanges and ambulatory currency
19 exchanges.

20 (1) In determining the maximum rate schedules for the
21 purposes of this Section the Secretary shall take into
22 account:

23 (a) Rates charged in the past for the cashing of
24 checks and the issuance of money orders by community
25 and ambulatory currency exchanges.

26 (b) Rates charged by banks or other business

1 entities for rendering the same or similar services and
2 the factors upon which those rates are based.

3 (c) The income, cost and expense of the operation
4 of currency exchanges.

5 (d) Rates charged by currency exchanges or other
6 similar entities located in other states for the same
7 or similar services and the factors upon which those
8 rates are based.

9 (e) Rates charged by the United States Postal
10 Service for the issuing of money orders and the factors
11 upon which those rates are based.

12 (f) A reasonable profit for a currency exchange
13 operation.

14 (2) (a) The schedule of reasonable maximum rates
15 established pursuant to this Section may be modified by the
16 Secretary from time to time pursuant to rules adopted in
17 accordance with the Illinois Administrative Procedure Act.

18 (b) Upon the filing of a verified petition setting
19 forth allegations demonstrating reasonable cause to
20 believe that the schedule of maximum rates previously
21 issued and promulgated should be adjusted, the Secretary
22 shall expeditiously:

23 (i) reject the petition if it fails to demonstrate
24 reasonable cause to believe that an adjustment is
25 necessary; or

26 (ii) conduct such hearings, in accordance with

1 this Section, as may be necessary to determine whether
2 the petition should be granted in whole or in part.

3 (c) No petition may be filed pursuant to subparagraph
4 (a) of paragraph (2) of subsection (B) unless:

5 (i) at least nine months have expired since the
6 last promulgation of schedules of maximum rates; and

7 (ii) at least one-fourth of all community currency
8 exchange licensees join in a petition or, in the case
9 of ambulatory currency exchanges, a licensee or
10 licensees authorized to serve at least 100 locations
11 join in a petition.

12 (3) Any currency exchange may charge lower fees than
13 those of the applicable maximum fee schedule after filing
14 with the Secretary a schedule of fees it proposes to use.

15 (Source: P.A. 100-22, eff. 1-1-18.)

16 (Text of Section after amendment by P.A. 100-704)

17 Sec. 19.3. (A) The General Assembly hereby finds and
18 declares: community currency exchanges and ambulatory currency
19 exchanges provide important and vital services to Illinois
20 citizens. In so doing, they transact extensive business
21 involving check cashing and the writing of money orders in
22 communities in which banking services are generally
23 unavailable. Customers of currency exchanges who receive these
24 services must be protected from being charged unreasonable and
25 unconscionable rates for cashing checks and purchasing money

1 orders. The Illinois Department of Financial and Professional
2 Regulation has the responsibility for regulating the
3 operations of currency exchanges and has the expertise to
4 determine reasonable maximum rates to be charged for check
5 cashing and money order purchases. Therefore, it is in the
6 public interest, convenience, welfare and good to have the
7 Department establish reasonable maximum rate schedules for
8 check cashing and the issuance of money orders and to require
9 community and ambulatory currency exchanges to prominently
10 display to the public the fees charged for all services. The
11 Secretary shall review, each year, the cost of operation of the
12 Currency Exchange Section and the revenue generated from
13 currency exchange examinations and report to the General
14 Assembly if the need exists for an increase in the fees
15 mandated by this Act to maintain the Currency Exchange Section
16 at a fiscally self-sufficient level. The Secretary shall
17 include in such report the total amount of funds remitted to
18 the State and delivered to the State Treasurer by currency
19 exchanges pursuant to the Revised Uniform Unclaimed Property
20 Act.

21 (B) The maximum rate to be charged by community and
22 ambulatory currency exchanges for cashing any check shall not
23 exceed (i) an amount equal to 1.4% of the face amount of the
24 check plus a service charge of \$1 for all checks \$100 or less
25 or (ii) an amount equal to 2.25% of the face amount of the
26 check for all checks greater than \$100.

1 The maximum rate to be charged by community and ambulatory
2 currency exchanges for issuing any money order shall not exceed
3 an amount equal to 1% of the face amount of the money order
4 plus a service charge of \$0.75.

5 No community or ambulatory currency exchange shall charge a
6 fee for cashing any check or issuing any money order in excess
7 of the maximum rates. ~~The Secretary shall, by rules adopted in~~
8 ~~accordance with the Illinois Administrative Procedure Act,~~
9 ~~expeditiously formulate and issue schedules of reasonable~~
10 ~~maximum rates which can be charged for check cashing and~~
11 ~~writing of money orders by community currency exchanges and~~
12 ~~ambulatory currency exchanges.~~

13 ~~(1) In determining the maximum rate schedules for the~~
14 ~~purposes of this Section the Secretary shall take into~~
15 ~~account:~~

16 ~~(a) Rates charged in the past for the cashing of~~
17 ~~checks and the issuance of money orders by community~~
18 ~~and ambulatory currency exchanges.~~

19 ~~(b) Rates charged by banks or other business~~
20 ~~entities for rendering the same or similar services and~~
21 ~~the factors upon which those rates are based.~~

22 ~~(c) The income, cost and expense of the operation~~
23 ~~of currency exchanges.~~

24 ~~(d) Rates charged by currency exchanges or other~~
25 ~~similar entities located in other states for the same~~
26 ~~or similar services and the factors upon which those~~

1 ~~rates are based.~~

2 ~~(e) Rates charged by the United States Postal~~
3 ~~Service for the issuing of money orders and the factors~~
4 ~~upon which those rates are based.~~

5 ~~(f) A reasonable profit for a currency exchange~~
6 ~~operation.~~

7 ~~(g) The impact on consumers.~~

8 ~~(h) Whether the rate schedule will~~
9 ~~disproportionately impact anyone on the basis of any~~
10 ~~protected characteristic or category listed in~~
11 ~~subsection (Q) of Section 1-103 of the Illinois Human~~
12 ~~Rights Act as those terms are defined in that Section.~~

13 ~~(2) (a) The schedule of reasonable maximum rates~~
14 ~~established pursuant to this Section may be modified by the~~
15 ~~Secretary from time to time pursuant to rules adopted in~~
16 ~~accordance with the Illinois Administrative Procedure Act.~~

17 ~~(b) Upon the filing of a verified petition setting~~
18 ~~forth allegations demonstrating reasonable cause to~~
19 ~~believe that the schedule of maximum rates previously~~
20 ~~issued and promulgated should be adjusted, the Secretary~~
21 ~~shall expeditiously:~~

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23 ~~reasonable cause to believe that an adjustment is~~
24 ~~necessary; or~~

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26 ~~this Section, as may be necessary to determine whether~~

1 ~~the petition should be granted in whole or in part.~~
2 ~~(c) No petition may be filed pursuant to subparagraph~~
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4 ~~(i) at least nine months have expired since the~~
5 ~~last promulgation of schedules of maximum rates; and~~
6 ~~(ii) at least one fourth of all community currency~~
7 ~~exchange licensees join in a petition or, in the case~~
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10 ~~join in a petition.~~
11 ~~(3) Any currency exchange may charge lower fees than~~
12 ~~those of the applicable maximum fee schedule after filing~~
13 ~~with the Secretary a schedule of fees it proposes to use.~~
14 (Source: P.A. 100-22, eff. 1-1-18; 100-704, eff. 6-1-19.)

15 Section 95. No acceleration or delay. Where this Act makes
16 changes in a statute that is represented in this Act by text
17 that is not yet or no longer in effect (for example, a Section
18 represented by multiple versions), the use of that text does
19 not accelerate or delay the taking effect of (i) the changes
20 made by this Act or (ii) provisions derived from any other
21 Public Act.