

ASSEMBLY, No. 598

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblyman JOHN DIMAIO

District 23 (Hunterdon, Somerset and Warren)

SYNOPSIS

The “Retail Establishment Check Cashers Act”; establishes license for retail establishments to cash checks for fees.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** establishing licensure for retail establishments to cash
2 checks for fees.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. This act shall be known and may be cited as the “Retail
8 Establishment Check Cashers Act.”

9

10 2. As used in this act:

11 “Check cashing location” means an area in a retail establishment
12 where checks are cashed and which is distinct from the areas where
13 merchandise is displayed, held, stored or sold or offered to the
14 public for sale.

15 “Retail establishment” means a place where merchandise is
16 displayed, held, stored or sold or offered to the public for sale.

17 “Retail establishment licensee” means a person who owns or
18 operates a retail establishment and is licensed to cash checks for a
19 fee in that retail establishment pursuant to this act.

20

21 3. Notwithstanding any of the provisions of “The Check
22 Cashers Regulatory Act of 1993,” P.L.1993, c.383 (C.17:15A-30 et
23 seq.) to the contrary, a retail establishment may be licensed as a
24 retail establishment licensee to cash checks.

25

26 4. In addition to the requirements of this act, a retail
27 establishment licensee shall comply with the following
28 requirements of “The Check Cashers Regulatory Act of 1993,”
29 P.L.1993, c.383 (C.17:15A-30 et seq.) in a manner the
30 commissioner determines to be appropriate for retail establishment
31 licensees:

32 a. A written application, application fee, proof of net worth and
33 liquid assets, and executed consent shall be submitted to the
34 commissioner pursuant to section 4 of P.L.1993, c.383 (C.17:15A-
35 33);

36 b. Any application submitted to the commissioner shall comply
37 with the requirements of section 6 of P.L.1993, c.383 (C.17:15A-
38 35);

39 c. A statement shall be submitted to the department
40 demonstrating the conditions for issuance of license have been met
41 pursuant to subsections a. and c. of section 10 of P.L.1993, c.383
42 (C.17:15A-39);

43 d. A valid license shall be maintained pursuant to section 11 of
44 P.L.1993, c.383 (C.17:15A-40);

45 e. No retail establishment licensee shall be located within
46 2,500 feet of an existing office or mobile office, pursuant to
47 subsection e. of section 12 of P.L.1993, c.383 (C.17:15A-41);

1 f. No fee shall be charged which is greater than the amounts
2 permitted pursuant to section 14 of P.L.1993, c.383 (C.17:15A-43);

3 g. An annual report shall be filed with the commissioner
4 pursuant to section 16 of P.L.1993, c.383 (C.17:15A-45); and

5 h. No retail establishment licensee shall engage in the
6 transactions prohibited pursuant to subsections a., b., c., d., or h. of
7 section 18 of P.L.1993, c.383 (C.17:15A-47).

8

9 5. a. A retail establishment licensee shall annually file with the
10 commissioner a statement made under oath or affirmation that the
11 retail establishment received less than one percent of its annual
12 income revenue from cashing checks.

13 b. No retail establishment that receives more than one percent
14 of its annual income from cashing checks shall be licensed pursuant
15 to this act.

16

17 6. Each manager of a retail establishment check cashing
18 business and each employee of a retail establishment check cashing
19 business designated to operate the check cashing business shall
20 submit to be fingerprinted on forms supplied by the commissioner
21 and shall provide written consent to the performance of background
22 checks. The commissioner is authorized to exchange fingerprint
23 data with and receive criminal history record information from the
24 Federal Bureau of Investigation and the Division of State Police for
25 use in performing background checks. The commissioner is
26 authorized to conduct such additional background checks as he
27 deems appropriate. The department is authorized to collect from
28 the applicant or retail establishment licensee any costs connected
29 with these background investigations.

30

31 7. A retail establishment licensee shall:

32 a. Maintain a check cashing location that engages solely in the
33 business of check cashing.

34 b. Designate employees to operate the check cashing business
35 pursuant to section 4 of this act.

36 b. Conspicuously display the original license issued by the
37 commissioner at the check cashing location.

38 c. Conspicuously display all signs and notifications at the
39 check cashing location which the commissioner may require.

40 d. Provide each customer, at the time of a transaction, with a
41 record of each transaction as specified by regulation.

42 e. Conduct all check cashing business through a bank account
43 or accounts which are used solely for that purpose, and which have
44 been identified as such to the department.

45 f. Inform the department if any bank account number changes
46 or if any bank account is closed.

47 g. Maintain adequate records of its check cashing business as
48 prescribed by the commissioner by regulation.

1 h. File with the Attorney General of New Jersey a duplicate
2 copy of any report a licensee is required to file regarding business
3 conducted in this State pursuant to 31 U.S.C.s.5311 et seq. and 31
4 C.F.R.s.103 et seq.

5
6 8. a. Except as provided in subsection c. of this section, the
7 commissioner may revoke or suspend a license if, after notice and
8 hearing, the commissioner determines that the retail establishment
9 licensee:

10 (1) Has violated any provision of this act or any order, rule, or
11 regulation made or issued pursuant to this act or has violated any
12 other law in connection with the operation of the check cashing
13 business;

14 (2) Has failed to pay any fee, penalty, or other lawful levy
15 imposed by the commissioner;

16 (3) Has withheld information or made a material misstatement
17 in the application for the license, or in any branch application or in
18 any other submission to the department;

19 (4) Has been convicted of an offense involving breach of trust,
20 moral turpitude or fraudulent or dishonest dealing, or has had a final
21 judgment entered against him in a civil action upon grounds of
22 fraud, misrepresentation or deceit;

23 (5) Is associating with, or has associated with, any person who
24 has been convicted of an offense involving breach of trust, moral
25 turpitude or fraudulent or dishonest dealing, or who has had a final
26 judgment entered against him in a civil action upon grounds of
27 fraud, misrepresentation or deceit;

28 (6) Has become insolvent or has acted in a way that indicates
29 the retail establishment licensee's check cashing business would not
30 be operated in a financially responsible manner;

31 (7) Has demonstrated unworthiness, incompetence, bad faith or
32 dishonesty in transacting business or otherwise; or

33 (8) Has engaged in any other conduct which would be deemed
34 by the commissioner to be grounds to deny, revoke or suspend a
35 license.

36 b. Pending an investigation or a hearing for the suspension or
37 revocation of any license issued pursuant to this act, the
38 commissioner may temporarily suspend that license for a period not
39 to exceed 90 days, if the commissioner finds that that suspension is
40 in the public interest.

41 c. The commissioner shall revoke a license if, after notice and
42 a hearing, the commissioner determines that the retail establishment
43 licensee was convicted of a crime pursuant to the provisions of
44 P.L.1994, c.121 (C.2C:21-23 et seq.) or any other crime defined in
45 chapter 20 or chapter 21 of Title 2C of the New Jersey Statutes.

46 d. A retail establishment licensee and the probation department
47 shall, not later than 10 days after the entry of a judgment of
48 conviction or the imposition of sentence, whichever first occurs,

1 notify the commissioner of a retail establishment licensee's
2 conviction of any criminal offense.

3 e. For the purposes of this section, a conviction exists if the
4 person has been convicted under the laws of this State, the United
5 States or another state for an offense that is substantially similar to
6 the offenses enumerated in this section.

7
8 9. a. The commissioner may issue an order to any retail
9 establishment licensee who violates any provision of this act or
10 regulation promulgated pursuant to this act, ordering payment of the
11 penalties provided in this act and corrective action concerning the
12 violation. Any person aggrieved by any ruling, action, order, or
13 notice of the commissioner shall be entitled to a hearing. The
14 application for such a hearing shall be filed in writing with the
15 commissioner within 15 days of receipt thereof.

16 b. Where any violation of any provision of this act is of a
17 continuing nature, each day during which the violation remains
18 uncorrected after the date fixed by the commissioner in any order or
19 notice for the correction or termination of such continuing violation
20 shall constitute a separate and distinct violation, except during the
21 time when an appeal from such an order is being taken.

22 c. The commissioner is hereby authorized and empowered to
23 compromise and settle any claim for a penalty under this section for
24 an amount that appears appropriate and equitable under the
25 circumstances.

26 d. The civil penalties provided for in this section, if not paid to
27 the commissioner within 30 days of their issuance, shall be
28 collected in a civil action brought in the name of the commissioner
29 pursuant to the provisions of "The Penalty Enforcement Law of
30 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).

31 e. Penalties imposed pursuant to this act shall not diminish the
32 remedies which may be available to complainants through private
33 actions.

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35 10. The commissioner shall promulgate rules and regulations
36 pursuant to the "Administrative Procedure Act," P.L.1968, c.410
37 (C.52:14B-1 et seq.), necessary to effectuate the purposes of this
38 act.

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40 11. This act shall take effect on the 90th day following
41 enactment.

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44 STATEMENT

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46 This bill allows retail establishments to be licensed to cash
47 checks for a fee provided they comply with the licensing scheme as
48 set forth in the bill, which includes compliance with certain

1 requirements of “The Check Cashers Regulatory Act of 1993,”
2 P.L.1993, c.383 (C.17:15A-30 et seq.).

3 This bill requires that retail establishment licensees file an
4 annual statement made under oath or affirmation that less than one
5 percent of the retail establishment’s annual income came from
6 cashing checks.

7 This bill provides that each manager of a retail establishment
8 check cashing business and each employee of a retail establishment
9 check cashing business designated to operate the check cashing
10 business shall submit to be fingerprinted on forms supplied by the
11 commissioner and shall provide written consent to the performance
12 of background checks.

13 This bill requires retail establishment licensees to:

- 14 - maintain a check cashing location within the retail
15 establishment that engages solely in the business of check
16 cashing;
- 17 - designate employees to operate the check cashing business;
- 18 - conspicuously display all signs and notifications at the check
19 cashing location which the commissioner may require;
- 20 - provide each customer, at the time of a transaction, with a
21 record of each transaction as specified by regulation;
- 22 - conduct all check cashing business through a bank account
23 or accounts which are used solely for that purpose; and
- 24 - maintain adequate records of its check cashing business as
25 prescribed by the commissioner by regulation.

26 Additionally, this bill spells out violations and imposes civil
27 penalties for violations of the bill or of rules and regulations
28 promulgated pursuant to the bill.