

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 ten percent of the face amount or five dollars, for

14 cashing a draft, personal check, traveler's check, or money order;

15 (2) The greater of five percent of the face amount or five dollars, for

16 cashing a payment instrument such as a payroll check;

17 (3) The greater of six percent of the face amount or five dollars, for cashing

18 a payment instrument such as a payroll check, without identification;

19 (4) The greater of three percent of the face amount or five dollars, for

20 cashing a state public assistance check or a federal social security

21 check; and

22 (5) The greater of four percent of the face amount or five dollars, for

23 cashing a state public assistance check or a federal social security

24 check, without proof of identification;

- 1           d.    The institution does not accept money or currency for deposit or act as bailee  
2                    or agent of persons to hold money or currency in escrow for others for any  
3                    purpose; and
- 4           e.    The institution does not exchange currency on the premises of a charitable  
5                    gaming site.
- 6           2.    For purposes of this section, "currency exchange" means cashing a check, draft,  
7                    money order, or traveler's check or issuing a money order or traveler's check as an  
8                    agent for another, for a fee. The term does not include providing these services  
9                    incidental to a primary business if there is not a charge for cashing a check or  
10                  draft.
- 11          3.    This section does not authorize a business to make any type of loan, including a  
12                  deferred presentment service transaction, payday loan, cash advance, payday  
13                  cash advance, or motor vehicle title loan.
- 14          4.    A nonbanking institution may not accept a postdated check in a currency exchange  
15                  transaction.
- 16          5.    A person violating this section is guilty of a class B misdemeanor.