
By: **Delegate Rosenberg**

Introduced and read first time: February 12, 1998

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Commercial Law - Consumer Protection - Check Cashing Service**

3 FOR the purpose of requiring a person that offers check cashing service to provide
4 certain notice to customers regarding its check cashing service; requiring the
5 person to take certain measures to verify the identity of the customer presenting
6 the check for payment; making the failure of a person to comply with certain
7 requirements relating to a check cashing service an unfair or deceptive trade
8 practice; and generally relating to the certain requirements applicable to a
9 person offering check cashing service and the protections afforded to the maker
10 and payee of a check cashed by a merchant offering check cashing service.

11 BY adding to

12 Article - Commercial Law

13 Section 14-1315

14 Annotated Code of Maryland

15 (1990 Replacement Volume and 1997 Supplement)

16 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
17 MARYLAND, That the Laws of Maryland read as follows:

18 **Article - Commercial Law**

19 14-1315.

20 (A) (1) IN THIS SECTION, "CHECK CASHING SERVICE" MEANS THE BUSINESS
21 ENGAGED IN BY A PERSON TO CASH CHECKS, DRAFTS, MONEY ORDERS, OR
22 TRAVELER'S CHECKS FOR A FEE.

23 (2) "CHECK CASHING SERVICE" DOES NOT INCLUDE ANY TRANSACTION
24 WHERE THE CUSTOMER PRESENTS A CHECK FOR THE EXACT AMOUNT OF THE
25 PURCHASE.

26 (B) A PERSON MAY OFFER CHECK CASHING SERVICE IN THE COURSE OF ITS
27 BUSINESS IF THE CHECK CASHING SERVICE IS INCIDENTAL TO ITS PRIMARY
28 COMMERCIAL ACTIVITY.

1 (C) A PERSON THAT OFFERS CHECK CASHING SERVICE SHALL:

2 (1) DISPLAY IN A CONSPICUOUS PLACE AT ITS PLACE OF BUSINESS A
3 NOTICE TO THE PUBLIC STATING THE MAXIMUM CHARGES FOR CHECK CASHING
4 SERVICE;

5 (2) MAKE PAYMENT TO A CUSTOMER FOR WHOM A CHECK, DRAFT,
6 MONEY ORDER, OR TRAVELER'S CHECK IS BEING CASHED UPON PROPER
7 PRESENTMENT IN ACCORDANCE WITH PARAGRAPH (4) OF THIS SUBSECTION;

8 (3) ENDORSE ITS NAME ON THE CHECK, DRAFT, MONEY ORDER, OR
9 TRAVELER'S CHECK BEFORE DEPOSITING THE INSTRUMENT IN A FINANCIAL
10 INSTITUTION;

11 (4) BEFORE CASHING A CHECK, DRAFT, MONEY ORDER, OR TRAVELER'S
12 CHECK OBTAIN:

13 (I) THE THUMBPRINT OF THE CUSTOMER OR A PHOTOGRAPH OF
14 BOTH THE CUSTOMER AND THE CHECK, DRAFT, MONEY ORDER, OR TRAVELER'S
15 CHECK;

16 (II) THE FULL NAME OF THE CUSTOMER;

17 (III) THE RESIDENCE ADDRESS OF THE CUSTOMER; AND

18 (IV) THE IDENTIFICATION OF THE CUSTOMER BY:

19 1. SOCIAL SECURITY NUMBER;

20 2. DRIVER'S LICENSE;

21 3. PASSPORT NUMBER; OR

22 4. OTHER TRACEABLE RECORD; AND

23 (5) KEEP AND MAINTAIN IN AN ORDERLY, READILY REPRODUCIBLE
24 FORMAT FOR AT LEAST 1 YEAR THE RECORD CONTAINING THE IDENTIFICATION
25 INFORMATION COLLECTED IN CONNECTION WITH EACH CASH TRANSACTION
26 CONDUCTED UNDER PARAGRAPH (4) OF THIS SUBSECTION.

27 (D) A PERSON MAY CASH A CHECK, DRAFT, MONEY ORDER, OR TRAVELER'S
28 CHECK MADE PAYABLE ONLY TO A NATURAL PERSON AS PAYEE, UNLESS THE
29 PERSON PREVIOUSLY HAS OBTAINED APPROPRIATE DOCUMENTATION FROM A
30 PAYEE THAT EXPLICITLY GRANTS AUTHORITY TO THE INDIVIDUAL CASHING THE
31 INSTRUMENT TO DO SO ON BEHALF OF THE PAYEE.

32 (E) THE FAILURE OF A PERSON TO COMPLY WITH THIS SECTION IS AN UNFAIR
33 OR DECEPTIVE TRADE PRACTICE WITHIN THE MEANING OF TITLE 13, SUBTITLE 3 OF
34 THIS ARTICLE.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 1998.