
By: **Senator Astle**
Introduced and read first time: February 2, 2001
Assigned to: Finance

A BILL ENTITLED

1 AN ACT concerning

2 **Check Cashing Services - Transaction Fees**

3 FOR the purpose of authorizing persons licensed to provide check cashing services in
4 the State to charge a customer a certain transaction fee for the purpose of
5 verifying checking account information of the maker of a payment instrument;
6 and generally relating to fees charged by persons licensed to provide check
7 cashing services.

8 BY repealing and reenacting, with amendments,
9 Article - Financial Institutions
10 Section 12-120
11 Annotated Code of Maryland
12 (1998 Replacement Volume and 2000 Supplement)

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

15 **Article - Financial Institutions**

16 12-120.

17 (a) Except as provided in § 15-802(b) of the Commercial Law Article and
18 subsection (b) of this section, a licensee may not charge any other fee, including late
19 fees or other service fees, for accepting or cashing a payment instrument in excess of
20 the greater of:

21 (1) 2% of the face amount of the payment instrument or \$3, if the
22 payment instrument is issued by the federal government or a state or local
23 government;

24 (2) 10% of the face amount of a payment instrument or \$5, if the
25 payment instrument is a personal check; or

26 (3) 4% of the face amount of the payment instrument or \$5, for any other
27 payment instrument.

1 (b) (1) A licensee may charge a customer a one-time membership fee not to
2 exceed \$5.

3 (2) FOR THE PURPOSE OF VERIFYING CHECKING ACCOUNT
4 INFORMATION OF THE MAKER OF A PAYMENT INSTRUMENT, A LICENSEE MAY
5 CHARGE A CUSTOMER A TRANSACTION FEE NOT TO EXCEED:

6 (I) \$4 IF THE FACE AMOUNT OF THE PAYMENT INSTRUMENT IS
7 \$100 OR LESS; OR

8 (II) \$5 IF THE FACE AMOUNT OF THE PAYMENT INSTRUMENT IS
9 OVER \$100.

10 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
11 October 1, 2001.