

SENATE BILL No. 478

September 11, 1991, Introduced by Senator ARTHURHULTZ
and referred to the Committee on Appropriations.

A bill to amend sections 7, 8, 9, and 14 of Act No. 136 of
the Public Acts of 1960, entitled

"Sale of checks act,"

section 7 as amended by Act No. 41 of the Public Acts of 1988 and
sections 9 and 14 as amended by Act No. 275 of the Public Acts of
1986, being sections 487.907, 487.908, 487.909, and 487.914 of
the Michigan Compiled Laws; and to repeal certain parts of the
act.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 7, 8, 9, and 14 of Act No. 136 of the
2 Public Acts of 1960, section 7 as amended by Act No. 41 of the
3 Public Acts of 1988 and sections 9 and 14 as amended by Act
4 No. 275 of the Public Acts of 1986, being sections 487.907,
5 487.908, 487.909, and 487.914 of the Michigan Compiled Laws, are
6 amended to read as follows:

1 Sec. 7. (1) Each application for a license shall be
2 accompanied by both of the following:

3 (a) Financial statements, reasonably satisfactory to the
4 commissioner, showing that the applicant's net worth exceeds
5 \$100,000.00. ~~the following applicable amount:~~

6 ~~(i) For licenses issued after December 31, 1985,~~
7 ~~\$100,000.00.~~

8 ~~(ii) For licenses issued before January 1, 1986, \$25,000.00,~~
9 ~~but beginning January 1, 1991, \$100,000.00.~~

10 (b) A surety bond issued by a bonding company or insurance
11 company authorized to do business in this state, or an irrevoca-
12 ble letter of credit upon which the applicant is the obligor,
13 which expires no earlier than the date the license ~~shall expire~~
14 EXPIRES, and which is issued by a state or federal bank, credit
15 union, or savings and loan association insured by an agency of
16 the federal government. The terms of the letter of credit shall
17 be approved by the commissioner.

18 (c) AN APPLICATION FEE AS PROVIDED IN SECTION 14. THE FEE
19 IS NOT REFUNDABLE.

20 (2) The bond or letter of credit shall be in the principal
21 sum of \$100,000.00 and in an additional principal sum of
22 \$3,000.00 for each office and for each agency of the applicant in
23 this state at which the business is to be conducted, but in no
24 event shall the bond or letter of credit be required to be in
25 excess of \$250,000.00.

26 (3) If the bond or letter of credit accompanying the
27 application is in a principal sum of less than \$250,000.00, the

1 application shall be accompanied by a list of the locations,
2 including agencies, at which the business is to be conducted.

3 (4) The bond or letter of credit shall be in form satisfac-
4 tory to the commissioner and ~~shall~~ run to the commissioner for
5 the benefit of any Michigan residents who, through purchase of
6 checks from the applicant or its agents located in Michigan, are
7 creditors of or claimants against the applicant or its agents to
8 secure the faithful performance of the obligations of the appli-
9 cant and the agents of the applicant with respect to the receipt
10 of money in connection with the sale or issuance of checks.

11 (5) The aggregate liability of the surety in no event shall
12 exceed the principal sum of the bond or letter of credit.

13 Sec. 8. Upon the filing of the application, the payment of
14 the ~~investigation~~ APPLICATION fee, and the approval by the com-
15 missioner of the bond or securities delivered pursuant to section
16 7, the commissioner shall investigate the financial responsibili-
17 ty, financial and business experience, character and general fit-
18 ness of the ~~person~~ APPLICANT and, if ~~he deems~~ THE COMMIS-
19 SIONER CONSIDERS it advisable, of its officers and directors. ~~—~~
20 ~~and if he~~ IF THE COMMISSIONER finds these factors and qualities
21 meet the requirements of this act and ~~are such as to~~ reasonably
22 warrant the belief that the ~~person's~~ APPLICANT'S business will
23 be conducted honestly, fairly, equitably, carefully, and effi-
24 ciently and in a manner commanding the confidence and trust of
25 the community, ~~he~~ THE COMMISSIONER shall issue to the ~~person~~-
26 APPLICANT a license to engage in the business of selling and
27 issuing checks subject to ~~the provisions of~~ this act.

1 Sec. 9. ~~Each~~ A licensee shall pay to the commissioner
2 within 5 days after the issuance of the license, and annually
3 thereafter on or before March 1 of each year, a license fee ~~of~~
4 ~~\$450.00~~ AS PROVIDED IN SECTION 14. A LICENSE RENEWAL FEE PAID
5 AFTER MARCH 1 IS SUBJECT TO A PENALTY OF \$25.00 FOR EACH DAY THE
6 FEE IS DELINQUENT OR \$1,000.00, WHICHEVER IS LESS.

7 Sec. 14. (1) The commissioner at any time may investigate
8 the business done in this state of any licensee, and for that
9 purpose may examine the books, accounts, records, and files used
10 and maintained by any licensee and may require the licensee to
11 furnish additional reports relating to the licensee's business as
12 the commissioner may require to effectuate ~~the provisions of~~
13 this act. ~~In addition to the annual fee provided for in section~~
14 ~~9, the~~ THE commissioner shall ~~make a~~ charge ~~to~~ the licensee
15 ~~in~~ an amount sufficient to cover the cost of any examination AS
16 PROVIDED IN THIS SECTION. ~~The charge for the examination shall~~
17 ~~be in an amount determined annually by the commissioner, except~~
18 ~~that the charge shall not be less than \$20.00 per hour or more~~
19 ~~than \$40.00 per hour for each examiner required for the examina-~~
20 ~~tion, and shall include travel expenses when the examiner must~~
21 ~~travel out of state.~~

22 (2) The commissioner may accept an annual report and audit
23 of the affairs of ~~any~~ A licensee under this act, if made by a
24 certified public accountant, instead of the examination provided
25 for in subsection (1).

1 (3) THE COMMISSIONER SHALL ANNUALLY ESTABLISH THE SCHEDULE
2 OF FEES SUFFICIENT TO PAY THE BUREAU'S COSTS OF ADMINISTERING
3 THIS ACT. THE FEES ARE AS FOLLOWS:

4 (A) FOR THE APPLICATION FEE, NOT LESS THAN \$200.00 OR MORE
5 THAN \$600.00.

6 (B) FOR THE ISSUANCE OR ANNUAL RENEWAL OF A LICENSE, NOT
7 LESS THAN \$300.00 OR MORE THAN \$800.00.

8 (C) FOR AMENDING A LICENSE, NOT LESS THAN \$20.00 OR MORE
9 THAN \$75.00.

10 (D) FOR EXAMINATION OF THE LICENSEE, NOT LESS THAN \$40.00 OR
11 MORE THAN \$70.00 PER HOUR FOR EACH EXAMINER INVOLVED IN AN
12 EXAMINATION. IN ADDITION, A LICENSEE SHALL PAY THE ACTUAL TRAVEL
13 AND LODGING EXPENSES INCURRED BY BUREAU EMPLOYEES WHO TRAVEL OUT
14 OF MICHIGAN TO EXAMINE THE RECORDS OF THE LICENSEE.

15 (4) A CREDIT GRANTING INSTITUTION THAT FAILS TO SUBMIT TO
16 THE COMMISSIONER A STATEMENT REQUIRED PURSUANT TO SECTION 11 IS
17 SUBJECT TO A PENALTY OF \$25.00 FOR EACH DAY THE STATEMENT IS
18 DELINQUENT OR \$1,000.00, WHICHEVER IS LESS.

19 (5) IF ANY FEES OR PENALTIES PROVIDED FOR IN THIS ACT ARE
20 NOT PAID WHEN REQUIRED, THE ATTORNEY GENERAL MAY MAINTAIN AN
21 ACTION AGAINST THE DELINQUENT LICENSEE FOR THE RECOVERY OF THE
22 FEES OR PENALTIES TOGETHER WITH INTEREST AND COSTS.

23 (6) ~~-(3) All fees and expenses provided for in~~ MONEY
24 RECEIVED PURSUANT TO this act shall be paid into the state trea-
25 sury and credited to the financial institutions bureau ~~—Money~~
26 ~~so credited shall be~~ AND used only for the operation of the
27 financial institutions bureau.

1 Section 2. Section 6 of Act No. 136 of the Public Acts of
2 1960, being section 487.906 of the Michigan Compiled Laws, is
3 repealed.