

## CHAPTER 53A

### CURRENCY EXCHANGES

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#### 53A.01 DEFINITIONS.

Subdivision 1. **Currency exchange.** "Currency exchange" means any person, except a bank, trust company, savings bank, savings and loan association, credit union, or industrial loan and thrift company, engaged in the business of cashing checks, drafts, money orders, or travelers' checks for a fee. "Currency exchange" does not include a person who provides these services incidental to the person's primary business if the charge for cashing a check or draft does not exceed \$1 or one percent of the value of the check or draft, whichever is greater.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of commerce.

**History:** 1989 c 247 s 1

#### 53A.02 LICENSE.

A person may not engage in the business of a currency exchange without first obtaining a license from the commissioner. A person may operate currency exchanges at more than one location with one license.

**History:** 1989 c 247 s 2

#### 53A.03 APPLICATION FOR LICENSE; FEES.

(a) An application for a license must be in writing, under oath, and in the form prescribed and furnished by the commissioner and must contain the following:

(1) the full name and address (both of residence and place of business) of the applicant, and if the applicant is a partnership or association, of every member, and the name and business address if the applicant is a corporation;

(2) the county and municipality, with street and number, if any, of all currency exchange locations operated by the applicant; and

(3) the applicant's occupation or profession, for the ten years immediately preceding the application; present or previous connection with any other currency exchange in this or any other state; whether the applicant has ever been convicted of any crime; and the nature of the applicant's occupancy of the premises to be licensed; and if the applicant is a partnership or a corporation, the information specified in this paragraph must be supplied for each partner and each officer and director of the corporation. If the applicant is a partnership or a nonpublicly held corporation, the information specified in this paragraph must be required of each partner and each officer, director, and stockholders owning in excess of ten percent of the corporate stock of the corporation.

(b) The application shall be accompanied by a nonrefundable fee of \$250 for the review of the initial application. Upon approval by the commissioner, an additional license fee of \$50 must be paid by the applicant as an annual license fee for the remainder of the calendar year. An annual license fee of \$50 is due for each subsequent calendar year of operation upon submission of a license renewal application on or before December 1. Fees must be deposited in the state treasury and credited to the general fund. Upon payment of the required annual license fee, the commissioner shall issue a license for the year beginning January 1.

**History:** 1989 c 247 s 3

**53A.04 APPROVAL OR DENIAL OF AN APPLICATION.**

The commissioner shall approve or deny an application within 30 days from the completed filing of it. If the application is denied, the commissioner shall send by mail notice of the denial and the reason for the denial to the applicant at the address contained in the application. If an application is denied, the applicant may, within 30 days of receiving the notice of a denial, request a contested case hearing pursuant to chapter 14.

**History:** 1989 c 247 s 4

**53A.05 CHANGE OF NAME OR LOCATION.**

If a licensee proposes to change the name or location of any or all of its currency exchanges, or adds a new currency exchange location, the licensee shall file an application for approval of the change with the commissioner. If the change is approved by the commissioner, the commissioner shall issue an amended license in the licensee's new name or location. A \$50 fee must be paid for the amended license.

**History:** 1989 c 247 s 5

**53A.06 FINE, SUSPENSION, OR REVOCATION OF LICENSE.**

(a) The commissioner may suspend or revoke any license under section 45.027 if the commissioner finds that:

(1) the licensee has failed to pay the annual license fee or to maintain in effect the required bond or to comply with any order, decision, or finding of the commissioner under Laws 1989, chapter 247;

(2) the licensee, or any officer or director of a corporate licensee, has violated any provision of Laws 1989, chapter 247, or any rule or order of the commissioner under this chapter or chapter 45;

(3) the licensee, or any officer or director of a corporate licensee, has violated any other law which would indicate that the person is untrustworthy or not qualified to operate a currency exchange; or

(4) any fact or condition exists which, if it had existed at the time of the original or renewal application for the license, would have warranted the commissioner refusing the issuance of the license.

(b) A license may not be revoked until the licensee has had notice of a hearing pursuant to the provisions of chapter 14.

(c) A licensee may surrender any license by delivery to the commissioner. The surrender does not affect the licensee's civil or criminal liability for acts committed before the surrender, or affect the liability on the bond required by this act, or entitle the licensee to a return of any part of any license fee.

(d) Before suspension or revocation of the license, the commissioner may fine a licensee for violations of Laws 1989, chapter 247, as authorized under chapter 45.

**History:** 1989 c 247 s 6

**53A.07 FILING OF FEES; UNREASONABLE FEES.**

Subdivision 1. **Approval of fees.** Fees charged at each location for check cashing services must be filed with and approved by the commissioner.

Subd. 2. **Amendment of fees.** A licensee may amend its fees at any time by filing the proposed amendments with the commissioner. The application for amendment shall be in writing, under oath, and in the form prescribed by the commissioner. A fee of \$50 shall accompany the application. The commissioner shall approve or deny the application 60 days after the filing of a complete application to amend its fees.

Subd. 3. **Standards; unreasonable fees prohibited.** The commissioner may disapprove the fees filed by a currency exchange if they are not fair and reasonable. In determining whether a fee is fair and reasonable, the commissioner shall take into consideration:

(1) rates charged in the past for cashing of checks by those persons and organizations providing check cashing services in the state of Minnesota;

(2) the income, cost, and experience of the operations of currency exchanges existing prior to this enactment or in other states under similar conditions or regulations;

(3) the amount of risk involved in the type of check to be cashed and the location where the currency exchange operates;

(4) the general cost of doing business, insurance costs, security costs, banking fees, and other costs associated with the operations of the particular currency exchange;

(5) a reasonable profit for a currency exchange operation; and

(6) any other matter the commissioner deems appropriate.

The commissioner shall set a separate rate, consistent with the above standards, for checks issued by a government entity in an amount up to \$500 to be cashed by a currency exchange.

**History:** 1989 c 247 s 7

#### **53A.08 BOND.**

Any currency exchange that engages in the sale of money orders or travelers' checks shall comply with bonding requirements pursuant to section 48.151.

**History:** 1989 c 247 s 8

#### **53A.09 POWERS; LIMITATIONS; PROHIBITIONS.**

A currency exchange may not accept money or currency for deposit, or act as bailee or agent for persons, firms, partnerships, associations, or corporations to hold money or currency in escrow for others for any purpose. However, a currency exchange may act as agent for the issuer of money orders or travelers' checks.

**History:** 1989 c 247 s 9

#### **53A.10 VIOLATIONS.**

Any person, firm, association, partnership, or corporation that violates Laws 1989, chapter 247, shall be guilty of a misdemeanor.

**History:** 1989 c 247 s 10

#### **53A.11 BOOKS OF ACCOUNT; ANNUAL REPORT.**

The licensee shall keep and use in the licensee's business the books, accounts, and records that will enable the commissioner to determine whether the licensee is complying with the provisions of Laws 1989, chapter 247, and with the rules adopted by the commissioner. A licensee shall preserve the books, accounts, and records for at least two years after making the final entry.

**History:** 1989 c 247 s 11

#### **53A.12 RULES.**

The commissioner may adopt rules under chapter 14 as may be necessary to administer and enforce this chapter.

**History:** 1989 c 247 s 12

#### **53A.13 FEE NOTICE; FALSE ADVERTISING; PENALTY.**

**Subdivision 1. Fee notice.** The fees charged by currency exchanges for rendering any service authorized by this act must be prominently displayed on the premises of the currency exchange in the fashion required by the commissioner.

**Subd. 2. False advertising.** A licensee may not advertise, print, display, publish, distribute, or broadcast any statement or representation that is false, misleading, or deceptive, or that omits material information.

Subd. 3. **Civil liability; penalty.** A person who violates any subdivision of this chapter is liable to the person damaged by the violation for actual damages. The court may award reasonable attorney fees and costs.

**History:** 1989 c 247 s 13

#### **53A.14 EFFECT ON LOCAL LAW.**

Local law requirements that are inconsistent with the requirements in this chapter are preempted to the extent of the inconsistency.

**History:** 1989 c 247 s 14