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 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; 1995 c 202 art 1 s 25*

53A.02 LICENSE.

Subdivision 1. **Requirement.** A person may not engage in the business of a currency exchange without first obtaining a license from the commissioner. Not more than one place of business may be operated under the same license, but the commissioner may issue more than one license to the same licensee upon compliance by the applicant with all the provisions of this chapter for each new license issued.

Subd. 2. **Distance limitation.** No license may be issued or renewed under this chapter if the place of business to be operated under the license is located or proposed to be located within one-half mile of another licensed currency exchange. The distance limitation imposed by this subdivision is measured by a straight line from the closest points of the closest structures involved.

Subd. 3. **Prohibition.** A licensee may not contract with another person or business entity to manage the currency exchange business. This subdivision does not prohibit the licensee from employing persons to operate a currency exchange facility.

History: *1989 c 247 s 2; 1992 c 504 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 $1,000 for the review of the initial application. Upon approval by the commissioner, an additional license fee of $500 must be paid by the applicant as an annual license fee for the remainder of the calendar year. An annual license fee of $500 is due for each subsequent calendar year of operation upon submission of a license renewal application on or before September 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.

(c) The commissioner shall require the applicant to submit to a background investigation conducted by the Bureau of Criminal Apprehension as a condition of licensure. As part of the background investigation, the Bureau of Criminal Apprehension shall conduct criminal history checks of Minnesota records and is authorized to exchange fingerprints with the Federal Bureau of Investigation for the purpose of a criminal background check of the national files. The cost of the investigation must be paid by the applicant.

(d) Section 58A.04, subdivisions 2 and 3, apply to this section.

(e) For purposes of this section, "applicant" includes an employee who exercises management or policy control over the company, a director, an officer, a limited or general partner, a manager, or a shareholder holding more than ten percent of the outstanding stock of the corporation.

History: *1989 c 247 s 3; 1992 c 504 s 3; 1993 c 354 s 1; 1999 c 223 art 2 s 2; 2020 c 80 art 1 s 4*

53A.04 APPROVAL OR DENIAL OF AN APPLICATION.

(a) Within 30 days after the receipt of a complete application, the commissioner shall deny the application or submit the application to the governing body of the local unit of government in which the applicant is located or is proposing to be located. The commissioner may not approve the application without the concurrence of the governing body. The governing body shall give published notice of its intention to consider the issue and shall solicit testimony from interested persons, including those in the community in which the applicant is located or is proposing to be located. If the governing body has not approved or disapproved the issue within 60 days of receipt of the application, concurrence is presumed. The commissioner must approve or disapprove the application within 30 days from receiving the decision of the governing body. The governing body shall have the sole responsibility for its decision. The state shall have no responsibility for that decision.

(b) 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; provided that if the denial is based upon the refusal of the governing body to concur the

governing body must afford the applicant a hearing. The applicant shall have no right to the hearing provided for in this section if the denial is based upon the governing body's refusal to concur but shall have a hearing before the governing body.

(c) This section applies to initial applications and renewal applications.

(d) The state shall have no responsibility for the action of the governing body.

History: *1989 c 247 s 4; 1992 c 504 s 4*

53A.05 CHANGE OF NAME, OWNERSHIP, OR LOCATION.

Subdivision 1. **Name or location.** If a licensee proposes to change the name or location of any or all of its currency exchanges, the licensee shall file an application for approval of the change with the commissioner. The commissioner shall not approve a change of location if the requirements of sections 53A.02, subdivision 2, and 53A.04 have not been satisfied. If the change is approved by the commissioner, the commissioner shall issue an amended license in the licensee's new name or location. A $100 fee must be paid for the amended license.

Subd. 2. **Ownership.** The licensee shall notify the commissioner 30 business days in advance of any change in ownership of the currency exchange. The commissioner may revoke the currency exchange license if the new ownership would have resulted in a denial of the initial license under the provisions of this chapter.

History: *1989 c 247 s 5; 1992 c 504 s 5; 1999 c 223 art 2 s 3*

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

(a) The commissioner may suspend or revoke any license under section 45.027, including when 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 this chapter;

(2) the licensee, or any officer or director of a corporate licensee, has violated any provision of this chapter 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 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 sections 53A.01 to 53A.13, or entitle the licensee to a return of any part of any license fee.

(c) Before suspension or revocation of the license, the commissioner may fine a licensee for violations of this chapter as authorized under chapter 45.

History: *1989 c 247 s 6; 2014 c 222 art 1 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.

Before a license may be issued to a currency exchange, the applicant shall file annually with and have approved by the commissioner a surety bond, issued by a bonding company authorized to do business in this state in the principal amount of $10,000. The bond must run to the commissioner and is for the benefit of creditors of the currency exchange for liability incurred by the currency exchange on money orders issued or sold by the currency exchange, for liability incurred by the currency exchange for sums due to a payee or endorsee of a check, draft, or money order left with the currency exchange for collection, and for liability incurred by the currency exchange in connection with providing currency exchange services. The commissioner may require a licensee to file a bond in an additional amount if the commissioner considers it necessary to meet the requirements of this section. In determining the additional amount of the bond which may be required, the commissioner may require the licensee to file its financial records, including all bank statements, pertaining to the sale of money orders for the preceding 12-month period. In no case may the bond be less than the initial $10,000 or more than the outstanding liabilities.

History: *1989 c 247 s 8; 1992 c 504 s 6*

53A.081 [Repealed, 2014 c 222 art 1 s 58]

53A.09 POWERS; LIMITATIONS; PROHIBITIONS.

Subdivision 1. **Deposits; escrow accounts.** 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.

Subd. 2. **Gambling establishments.** A currency exchange located on the premises of a gambling establishment as defined in section 142A.13, subdivision 14, may not cash a warrant that bears a restrictive endorsement under section 256.9831, subdivision 3.

History: *1989 c 247 s 9; 1996 c 465 art 3 s 1; 2024 c 80 art 1 s 96; 2024 c 115 art 16 s 34*

53A.10 VIOLATIONS.

Any person, firm, association, partnership, or corporation that violates this chapter 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 this chapter 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 sections 53A.01 to 53A.13 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 [Repealed, 1992 c 504 s 8]