

# STATE OF NEW YORK

7393--A

2019-2020 Regular Sessions

## IN ASSEMBLY

April 29, 2019

Introduced by M. of A. DE LA ROSA, PERRY, WEPRIN, HEVESI, FERNANDEZ -- read once and referred to the Committee on Banks -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

AN ACT to amend the banking law, in relation to enacting the "community financial services access and modernization act of 2019"; and providing for the repeal of certain provisions upon expiration thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Short title. This act shall be known as and may be cited as the "community financial services access and modernization act of 2019".

§ 2. Paragraph (b) of subdivision 5 of section 18-a of the banking law, as amended by chapter 155 of the laws of 2012, is amended to read as follows:

(b) two thousand dollars when the application relates to the licensing of an additional location or change of location or the licensing of a ~~mobile-unit~~ limited station of a licensed casher of checks; or

§ 3. Section 366 of the banking law, as amended by chapter 49 of the laws of 1961, subdivision 1 as amended by chapter 849 of the laws of 1964 and as further amended by section 104 of part A of chapter 62 of the laws of 2011, and subdivisions 2 and 3 as renumbered by chapter 132 of the laws of 1969, is amended to read as follows:

§ 366. Definitions. When used in this article. 1. The term "licensed casher of checks" means any ~~individual, partnership, unincorporated association or corporation~~ person duly licensed by the superintendent of financial services to engage in business pursuant to the provisions of this article.

2. The term "licensee" means a licensed casher of checks, drafts and/or money orders.

3. The term ~~"mobile-unit"~~ "limited station" means any vehicle or other movable means from which the business of ~~cashing checks, drafts~~

EXPLANATION--Matter in italics (underscored) is new; matter in brackets [-] is old law to be omitted.

LBD06923-03-9

1 ~~or money orders~~] providing financial services regulated by this article  
2 is to be conducted.

3 4. The term "person" means any individual or other legal entity,  
4 including any corporation, partnership, association or limited liability  
5 company.

6 5. The term "financial services" means offering or providing any of  
7 the following financial products or services: (a) the cashing of checks,  
8 drafts and/or money orders,

9 (b) money transmission services as defined in article thirteen-B of  
10 this chapter, provided, however, a licensed financial services provider  
11 offering money transmission pursuant to article thirteen-B of this chap-  
12 ter, other than as an agent of a licensee, shall first obtain a license  
13 under that article,

14 (c) bill payment services,

15 (d) the sale of prepaid debit cards, and

16 (e) the dispensing of mass transit fare cards, or such other medium or  
17 mechanism for the dispensing of mass transit fares.

18 6. The term "primary license" shall mean an original license issued by  
19 the superintendent that authorizes a person to engage in the business of  
20 cashing of checks and related financial services, and in the case of a  
21 licensee who has multiple licensed business locations at the time of the  
22 effective date of this subdivision, the initial longest site continuous-  
23 ly licensed under this article.

24 7. The term "supplemental license" shall mean a license issued by the  
25 superintendent that authorizes a person having a primary license to  
26 engage in the business of cashing of checks and related financial  
27 services at branch locations, and in the case of a licensee who has  
28 multiple licensed business locations at the time of the effective date  
29 of this subdivision, any license issued to an existing licensee after  
30 the license for the original site.

31 § 4. Section 367 of the banking law, as amended by chapter 151 of the  
32 laws of 1945, subdivision 3 as amended by section 7 of part D-1 of chap-  
33 ter 109 of the laws of 2006, and subdivision 4 as amended by chapter 96  
34 of the laws of 1981, is amended to read as follows:

35 § 367. License requirements; fees; capital requirements. 1. No  
36 person[~~, partnership, association or corporation~~] shall engage in the  
37 business of cashing checks, drafts or money orders for a consideration  
38 without first obtaining a license from the superintendent.

39 2. Application for such license shall be in writing, under oath, and  
40 in the form prescribed by the superintendent, and shall contain the  
41 name, and the address both of the residence and place of business, of  
42 the applicant, and if the applicant is a co-partnership [~~or~~], associ-  
43 ation or limited liability company, of every member thereof, and if a  
44 corporation, of each officer and director thereof; also, if the business  
45 is to be conducted at a specific address, the address at which the busi-  
46 ness is to be conducted, and if the business is to be conducted from a  
47 [~~mobile unit~~] limited station, the New York state registration number or  
48 other identification of such [~~mobile unit~~] limited station and the area  
49 in which the applicant proposes to operate such [~~mobile unit~~] limited  
50 station; and also such further information as the superintendent may  
51 require.

52 3. Such applicant at the time of making such application shall pay to  
53 the superintendent a fee as prescribed pursuant to section eighteen-a of  
54 this chapter for investigating the application. An application for a  
55 primary license shall be in writing, under oath, and in the form  
56 prescribed by the superintendent and shall contain such information as

1 the superintendent may require by regulation. The application shall set  
2 forth all of the locations at which the applicant seeks to conduct busi-  
3 ness hereunder. At the time of making the application for a primary  
4 license, an existing licensee under this article shall pay to the super-  
5 intendent the sum of two hundred fifty dollars for each proposed  
6 location as a fee for investigating the application. An applicant that  
7 does not currently hold a license under this article at the time of  
8 application shall pay to the superintendent an application fee as  
9 provided in this chapter for initial applications. Any licensee request-

10 ing a change of address, shall at the time of making such request, pay  
11 to the superintendent a fee as prescribed pursuant to section eighteen-a  
12 of this chapter for investigating the new address; provided, however,  
13 that the superintendent may, in his or her discretion, waive such inves-  
14 tigation fee if warranted, and provided further, that no fee shall be  
15 payable for the relocation of a limited station.

16 4. Every applicant shall prove, in form satisfactory to the super-  
17 intendent that he or it has available for the operation of such busi-  
18 ness, for each location and for each ~~[mobile unit]~~ limited station spec-  
19 ified in the application, liquid assets of at least ten thousand  
20 dollars, and every licensee shall continuously maintain for the opera-  
21 tion of such business for each location and for each ~~[mobile unit]~~  
22 limited station liquid assets of at least ten thousand dollars. Notwith-  
23 standing the foregoing provisions of this subdivision, the superinten-  
24 dent, upon application by an applicant and for good cause shown, may  
25 permit a reduction from ten thousand dollars to not less than five thou-  
26 sand dollars of minimum liquid assets required for each location.

27 § 5. Section 369 of the banking law, as amended by chapter 151 of the  
28 laws of 1945, subdivision 1 as amended by chapter 233 of the laws of  
29 2005, subdivisions 4 and 5 as amended by chapter 132 of the laws of  
30 1969, subdivision 6 as amended by section 1 of subpart A of part II of  
31 chapter 55 of the laws of 2019, and subdivision 7 as added by chapter  
32 485 of the laws of 1947, is amended to read as follows:

33 § 369. Conditions precedent to issuing license; issuance and filing of  
34 license; posting license. 1. If the superintendent shall find that the  
35 financial responsibility, experience, character, and general fitness of  
36 the applicant, and of the members thereof if the applicant be a co-part-  
37 nership ~~[or]~~, association or limited liability company, and of the offi-  
38 cers and directors thereof if the applicant be a corporation, are such  
39 as to command the confidence of the community and to warrant belief that  
40 the business will be operated honestly, fairly, and efficiently within  
41 the purposes of this article, and if the superintendent shall find that  
42 the granting of such application will promote the convenience and advan-  
43 tage of the area in which such business is to be conducted, and if the  
44 superintendent shall find that the applicant has available for the oper-  
45 ation of such business for each location and for each ~~[mobile unit]~~  
46 limited station specified in the application liquid assets of at least  
47 ten thousand dollars, the superintendent shall thereupon execute a  
48 primary license and if applicable one or more supplemental licenses in  
49 duplicate to permit the ~~[cashing of checks, drafts and money orders]~~  
50 delivery of financial services in accordance with the provisions of this  
51 article at the location or locations or in the area or areas specified  
52 in such application. In finding whether the application will promote the  
53 convenience and advantage to the public, the superintendent shall deter-  
54 mine whether there is a community need for a new licensee in the  
55 proposed area or areas to be served. No license shall be issued to an  
56 applicant for a license, at a location to be licensed which is closer

1 than one thousand five hundred eighty-four feet (three-tenths of a mile)  
2 from an existing licensee, except with the written consent of such  
3 existing licensee or pursuant to subdivision three of section three  
4 hundred seventy of this article, subject to any restriction or condition  
5 as the superintendent may promulgate by regulation; provided, however,  
6 the superintendent may permit a location to be licensed that is closer  
7 than three-tenths of a mile from an existing licensee provided such  
8 applicant engages in the cashing of checks, drafts or money orders only  
9 for payees of such checks, drafts or money orders that are other than  
10 natural persons at the location to be licensed and such applicant was  
11 engaged in the cashing of such checks, drafts or money orders for payees  
12 that are other than natural persons at such location on or before the  
13 fourteenth day of July, two thousand four, and provided further that  
14 upon licensing any such location by the superintendent, such license as  
15 it pertains solely to such location shall not be affected thereafter by  
16 any change of control of such license pursuant to section three hundred  
17 seventy-a of this article, provided that the licensee continues there-  
18 after to engage at that location in the cashing of checks, drafts or  
19 money orders only for payees that are other than natural persons and  
20 provided further that such license shall bear a legend stating that such  
21 location is restricted to the cashing of checks, drafts or money orders  
22 only for payees that are other than natural persons. The three-tenths of  
23 a mile distance requirement as set forth in this section shall not apply  
24 in cases where the existing licensee is a restricted location as author-  
25 ized in the preceding sentence, or is any other licensed location that  
26 engages solely in the cashing of checks, drafts or money orders only for  
27 payees that are other than natural persons. For purposes of this  
28 section, such distance shall be measured on a straight line along the  
29 street between the nearest point of the store fronts of the check cash-  
30 ing facilities. The primary business of the licensee, at the location to  
31 be licensed, shall be financial services. The superintendent shall tran-  
32 smit one copy of such license to the applicant and file another in the  
33 office of the department. Notwithstanding the foregoing provisions of  
34 this subdivision, the superintendent, upon application by an applicant  
35 and for good cause shown, may permit a reduction from ten thousand  
36 dollars to not less than five thousand dollars of minimum liquid assets  
37 required for each location.

38 2. Such license shall state the name of the licensee; and if the  
39 licensee is a co-partnership ~~[or]~~, association or limited liability  
40 company, the names of the members thereof; and if the licensee is a  
41 corporation, the date of its incorporation; and if the business is to be  
42 conducted at a specific address, the address at which such business is  
43 to be conducted; and if the business is to be conducted through the use  
44 of a ~~[mobile-unit]~~ limited station, the New York state registration  
45 number or other identification of such ~~[mobile-unit]~~ limited station and  
46 the area in which such ~~[mobile-unit]~~ limited station is authorized to do  
47 business.

48 3. ~~[Such license]~~ All licenses issued by the superintendent shall be  
49 kept conspicuously posted in the place of business of the licensee or,  
50 in the case of a ~~[mobile-unit]~~ limited station, upon such ~~[mobile-unit]~~  
51 limited station. Such license shall not be transferable or assignable.

52 4. Such license shall remain in full force and effect until it is  
53 surrendered by the licensee or revoked or suspended as provided in this  
54 article. In the case of a change of control of a location or a business  
55 licensed hereunder, the licensee approved to acquire the business or

1 location may utilize a true copy of the existing license pending the  
2 issuance of a new license by the superintendent.

3 5. If the superintendent shall find that the applicant fails to meet  
4 any of the conditions set forth in subdivision one of this section, he  
5 or she shall not issue such license, and he or she shall notify the  
6 applicant of the denial. If an application is denied or withdrawn, the  
7 superintendent shall retain the investigation fee to cover the costs of  
8 investigating the application and return the license fee to the appli-  
9 cant.

10 6. The superintendent may, consistent with article twenty-three-A of  
11 the correction law, refuse to issue a license pursuant to this article  
12 if he or she shall find that the applicant, or any person who is a  
13 director, officer, partner, agent, employee or substantial stockholder  
14 of the applicant, (a) has been convicted of a crime in any jurisdiction  
15 or (b) is associating or consorting with any person who has, or persons  
16 who have, been convicted of a crime or crimes in any jurisdiction or  
17 jurisdictions. For the purposes of this article, a person shall be  
18 deemed to have been convicted of a crime if such person shall have  
19 pleaded guilty to a charge thereof before a court or magistrate, or  
20 shall have been found guilty thereof by the decision or judgment of a  
21 court or magistrate or by the verdict of a jury, irrespective of the  
22 pronouncement of sentence or the suspension thereof. The term "substan-  
23 tial stockholder," as used in this subdivision, shall be deemed to refer  
24 to a person owning or controlling ten per centum or more of the total  
25 outstanding stock of the corporation in which such person is a stock-  
26 holder. In making a determination pursuant to this subdivision, the  
27 superintendent shall require fingerprinting of the applicant. Such fing-  
28 erprints shall be submitted to the division of criminal justice services  
29 for a state criminal history record check, as defined in subdivision one  
30 of section three thousand thirty-five of the education law, and may be  
31 submitted to the federal bureau of investigation for a national criminal  
32 history record check.

33 7. No license pursuant to this article shall be issued to any appli-  
34 cant to do business at the place specified in the application as the  
35 place where the business is to be conducted if, within the twelve months  
36 preceding such application, a license to engage in business pursuant to  
37 this article at such place shall have been revoked.

38 § 6. Section 370 of the banking law, as amended by chapter 151 of the  
39 laws of 1945, subdivision 2 as amended by section 38 of part O of chap-  
40 ter 59 of the laws of 2006 and subdivision 3 as amended by chapter 703  
41 of the laws of 2006, is amended to read as follows:

42 § 370. Restrictions as to place or area of doing business; establish-  
43 ment of stations; change of location. 1. No more than one place of busi-  
44 ness or one [~~mobile unit~~] limited station shall be maintained under the  
45 same license; provided, however, that more than one license may be  
46 issued to the same licensee [~~upon compliance with the provisions of this~~  
47 ~~article for each new license~~] and if the superintendent determines that  
48 an existing licensee is in good standing and in compliance with the  
49 provisions of this article, a subsequent application for a second or  
50 multiple supplemental licenses at different, separate and additional  
51 locations shall be expedited by the superintendent provided the minimum  
52 liquidity requirements and community need criteria set forth in section  
53 three hundred sixty-nine of this article have been demonstrated in the  
54 application for the additional location or locations.

55 2. Any licensed cashier of checks may open and maintain, within this  
56 state, one or more limited stations for the purpose of cashing checks,



1 drafts or money orders for the particular group or groups specified in  
2 the license authorizing each such station. Such stations shall be  
3 licensed pursuant to and be subject to all the provisions of this chap-  
4 ter applicable to licensed cashers of checks, except that (a) [~~such~~  
5 ~~station shall not be subject to the distance limitation set forth in~~  
6 ~~subdivision one of section three hundred sixty nine of this article,~~  
7 ~~(b)~~] the fee for investigating the application for a station shall be as  
8 prescribed pursuant to section eighteen-a of this chapter, and [~~(a)~~] (b)  
9 where such a station is at the premises of a specified employer for the  
10 purpose of cashing checks, drafts and money orders for the employees of  
11 such employer, the fees and charges for cashing such checks, drafts or  
12 money orders shall not be subject to the limitations of subdivision one  
13 of section three hundred seventy-two of this article if such fees and  
14 charges are paid by such employer.

15 3. A licensee may make a written application to the superintendent for  
16 leave to change his or her place of business, or in the case of a  
17 [~~mobile-unit~~] limited station, the area in which such unit is authorized  
18 to be operated, stating the reasons for such proposed change and in the  
19 case where the applicant currently holds a primary license to operate a  
20 business established under this article, the superintendent shall  
21 streamline and reduce the information required from such applicant. Such  
22 application may be approved for relocation from a site within three-  
23 tenths of a mile of another licensee to another site within three-tenths  
24 of a mile of such other licensee provided that such new site is farther  
25 from such existing licensee than the site from which permission to relo-  
26 cate is sought. Only in situations in which a licensee seeks to change  
27 its place of business due to extraordinary circumstances, as may be  
28 determined by the superintendent pursuant to regulations, may the super-  
29 intendent, in his or her discretion, determine that an application may  
30 be approved for relocation from a site within three-tenths of a mile of  
31 another licensee to a new site which is closer to such existing licensee  
32 than the site from which permission to relocate is sought. Notwithstand-  
33 ing any other provision of this subdivision, a licensee may relocate  
34 from any location to a location that is within three-tenths of a mile  
35 from another licensee with the written consent of the other licensee. If  
36 the superintendent approves such application he or she shall issue a new  
37 license in duplicate in accordance with the provisions of section three  
38 hundred sixty-nine of this article, stating the new location of such  
39 licensee or, in the case of a [~~mobile-unit~~] limited station, the new  
40 area in which such [~~mobile-unit~~] limited station may be operated.

41 § 7. Section 370-a of the banking law, as added by chapter 142 of the  
42 laws of 1992, subdivision 1 as amended by section 39 of part 0 of chap-  
43 ter 59 of the laws of 2006, is amended to read as follows:

44 § 370-a. Changes in control. 1. It shall be unlawful except with the  
45 prior approval of the superintendent for any action to be taken which  
46 results in a change of control of the business of a licensee. Prior to  
47 any change of control, the person desirous of acquiring control of the  
48 business of a licensee, if such person is not already a licensee under  
49 this article, shall make written application to the superintendent and  
50 pay an investigation fee as prescribed pursuant to section eighteen-a of  
51 this chapter to the superintendent. The application shall contain such  
52 information as the superintendent, by rule or regulation, may prescribe  
53 as necessary or appropriate, and in the case where the acquiring person  
54 currently holds a primary license to operate a business established  
55 under this article, and in the case of a limited station license, the  
56 superintendent shall streamline and reduce the information required from

1 such applicant, for the purpose of making the determination required by  
2 subdivision two of this section.

3 2. The superintendent shall approve or disapprove the proposed change  
4 of control of a licensee in accordance with the provisions of subdivi-  
5 sions one and six of section three hundred sixty-nine of this article.  
6 The superintendent shall approve or disapprove the application in writ-  
7 ing within ninety days after the date the application is filed with the  
8 superintendent.

9 3. For a period of six months from the date of qualification thereof  
10 and for such additional period of time as the superintendent may  
11 prescribe, in writing, the provisions of subdivisions one and two of  
12 this section shall not apply to a transfer of control by operation of  
13 law to the legal representative, as hereinafter defined, of one who has  
14 control of a licensee. Thereafter, such legal representative shall  
15 comply with the provisions of subdivisions one and two of this section.  
16 The provisions of subdivisions one and two of this section shall be  
17 applicable to an application made under such section by a legal repre-  
18 sentative.

19 The term "legal representative", for the purposes of this section,  
20 shall mean one duly appointed by a court of competent jurisdiction to  
21 act as executor, administrator, trustee, committee, conservator or  
22 receiver, including one who succeeds a legal representative and one  
23 acting in an ancillary capacity thereto in accordance with the  
24 provisions of such court appointment.

25 4. As used in this section: (a) the term "person" includes an individ-  
26 ual, partnership, corporation, association, limited liability company,  
27 or any other organization, and (b) the term "control" means the  
28 possession, directly or indirectly, of the power to direct or cause the  
29 direction of the management and policies of a licensee, whether through  
30 the ownership of voting stock of such licensee, the ownership of voting  
31 stock of any person which possesses such power or otherwise. Control  
32 shall be presumed to exist if any person, directly or indirectly, owns,  
33 controls or holds with power to vote ten per centum or more of the  
34 voting stock of any licensee or of any person which owns, controls or  
35 holds with power to vote ten per centum or more of the voting stock of  
36 any licensee, but no person shall be deemed to control a licensee solely  
37 by reason of being an officer or director of such licensee or person.  
38 The superintendent may in his or her discretion, upon the application of  
39 a licensee or any person who, directly or indirectly, owns, controls or  
40 holds with power to vote or seeks to own, control or hold with power to  
41 vote any voting stock of such licensee, determine whether or not the  
42 ownership, control or holding of such voting stock constitutes or would  
43 constitute control of such licensee for purposes of this section.

44 § 8. Section 371 of the banking law, as added by chapter 151 of the  
45 laws of 1945, is amended to read as follows:

46 § 371. Regulations. The superintendent is hereby authorized and  
47 empowered to make such rules and regulations, and such specific rulings,  
48 demands, and findings as he or she may deem necessary for the proper  
49 conduct of the business authorized and licensed under and for the  
50 enforcement of this article, in addition hereto and not inconsistent  
51 herewith.

52 § 9. Section 372 of the banking law, as amended by chapter 151 of the  
53 laws of 1945, the section heading and subdivision 1 as amended and  
54 subdivision 7 as added by chapter 432 of the laws of 2004, subdivisions  
55 2, 3 and 4 as added and subdivisions 5 and 6 as renumbered by chapter

1 263 of the laws of 1983, and subdivision 6 as added by chapter 485 of  
2 the laws of 1947, is amended to read as follows:

3 § 372. Fees and charges; posting schedule; records and reports. 1. The  
4 superintendent shall, by regulation, establish the maximum fees which  
5 may be charged by licensees for cashing a check, draft, or money order.  
6 No licensee shall charge or collect any sum for cashing a check, draft,  
7 or money order in excess of that established by the superintendent's  
8 regulations; provided, however, that no maximum fee shall apply to the  
9 charging of fees by licensees for the cashing of checks, drafts or money  
10 orders for payees of such checks, drafts or money orders that are other  
11 than natural persons. The licensee shall pay to every customer tendering  
12 any check, draft or money order to be cashed, the entire face amount of  
13 such instrument, less any charges permitted by the superintendent, in  
14 such form and by such means as agreed upon by the customer on the same  
15 date upon which such instrument is presented.

16 2. The schedule of fees and charges permitted under this section shall  
17 be conspicuously and continuously posted in every location and [~~mobili~~  
18 ~~unit~~] limited station licensed under this article.

19 3. In the case of an internet, digital or other electronic advertise-  
20 ment or solicitation, a licensee shall be deemed to have fulfilled the  
21 disclosure requirements required by law by displaying the disclosures on  
22 its website, so long as the advertisement or solicitation includes a  
23 link directly to such website.

24 4. No change in fees shall become effective earlier than thirty days  
25 after the superintendent shall notify the majority leader of the senate,  
26 the speaker of the assembly, and the chairmen of both the senate and  
27 assembly committees on banks of his or her intention to change fees.

28 [~~4.~~] 5. The fees in effect immediately prior to the effective date of  
29 this subdivision shall continue to be the maximum allowable fees until  
30 revised by the superintendent's regulations.

31 [~~5.~~] 6. Each licensee shall keep and use in its business such books,  
32 accounts, and records as the superintendent may require to carry into  
33 effect the provisions of this article and the rules and regulations made  
34 by the superintendent hereunder. Every licensee shall preserve such  
35 books, accounts and records for at least two years.

36 [~~6.~~] 7. Before a licensee shall deposit with any banking organization,  
37 or with any organization engaged in the business of banking, a check,  
38 draft or money order cashed by such licensee, the same must be endorsed  
39 with the actual name under which such licensee is doing business and  
40 must have the words "licensed casher of checks" legibly written or  
41 stamped immediately after or below such name.

42 [~~7.~~] 8. Every licensee shall submit to the superintendent, or such  
43 person as the superintendent may designate, such suspicious activity  
44 reports or currency transaction reports as are required to be submitted  
45 to federal authorities pursuant to provisions of the Bank Secrecy Act  
46 (subchapter 11, chapter 53, title 31, United States code) and regu-  
47 lations and administrative orders related thereto, as amended, within  
48 the periods of time as required by such act and regulations. A licensee  
49 may submit a copy of any such report to the superintendent, or such  
50 person as the superintendent may designate, that is filed with such  
51 federal authorities. The superintendent may adopt such regulations or  
52 require such additional reports as he or she deems necessary to insure  
53 the effective enforcement of this subdivision.

54 § 10. Section 372-a of the banking law, as added by chapter 432 of the  
55 laws of 2004, is amended to read as follows:



§ 372-a. Superintendent authorized to examine. 1. For the purpose of discovering violations of this article or securing information lawfully required in this section, the superintendent may at any time, and as often as may be determined, either personally or by a person duly designated by the superintendent, investigate the ~~[cashing of checks by licensees]~~ business practices of a licensee rendering financial services authorized by this article and examine the books, accounts, records, and files used therein of every licensee.

2. For the purpose established in subdivision one of this section, the superintendent and his or her duly designated representatives shall have free access to the offices and places of business, books, accounts, papers, records, files, safes and vaults of all such licensees. The superintendent shall have authority to require the attendance of and to examine under oath all persons whose testimony may be required relative to such cashing of checks or such business.

§ 11. Subdivisions 1 and 2 of section 373 of the banking law, subdivision 1 as amended by chapter 432 of the laws of 2004 and subdivision 2 as amended by chapter 132 of the laws of 1969, are amended to read as follows:

1. No licensee shall engage in the business of making loans of money, credit, goods or things or discounting of notes, bills of exchange, checks, or other evidences of debt pursuant to the provisions of article nine of this chapter, nor shall a loan business or the negotiation of loans or the discounting of notes, bills of exchange, checks or other evidences of debt be conducted on the same premises where the licensee is conducting business pursuant to the provisions of this article. Except as otherwise provided by regulation of the superintendent, all checks, drafts and money orders shall be deposited in the licensee's bank account not later than the first business day following the day on which they were cashed. No licensee shall at any time cash or advance any moneys on a post-dated check or draft or engage in the business of transmitting money or receiving money for transmission; provided, however, that a licensee may cash a check ~~[payable on the first banking business day following the date of cashing (a) if such check is drawn by the United States, the state of New York, or any political subdivision of the state of New York, or by any department, bureau, agency, authority, instrumentality or officer, acting in his official capacity, of the United States or of the state of New York or of any political subdivision of the state of New York, or (b) if such check is a payroll check drawn by an employer to the order of its employee in payment for services performed by such employee]~~ without regard to the date imprinted on the check as long as the check is deposited in the licensee's bank account not later than the first business day following the day on which it was cashed. No licensee shall cash any check, draft or money order if the face amount for which it is drawn is in excess of ~~[fifteen]~~ twenty thousand dollars; provided, however, that this restriction shall not apply to the cashing of checks, drafts or money orders drawn by the United States, any state thereof or any political subdivision of any such state, or by any department, bureau, agency, authority, instrumentality or officer, acting in his official capacity, of the United States, any state thereof or any political subdivision of any such state, or any ~~[banking]~~ financial institution, or to any check or draft drawn by or on account of any insurance company, attorney for the settlement of claims, or to any check which has been certified or guaranteed by the banking institution on which it has been drawn, or if such check is drawn on a bona fide workers' compensation fund issued by

1 a third-party payor, or if such check is drawn by an employer from a  
2 pension or profit sharing fund, or if such check is drawn by a union  
3 from a pension or benefit fund or if such check is drawn by a union;  
4 provided further, however, that any such restriction upon the maximum  
5 face amount that may be cashed by a licensee shall not apply to the  
6 cashing of checks, drafts or money orders by licensees for payees of  
7 such checks, drafts or money orders that are other than natural persons.  
8 For purposes of this subdivision, "[~~banking~~] financial institution"  
9 means any bank, trust company, savings bank, savings and loan associ-  
10 ation [~~or~~], credit union or other financial institution which is incor-  
11 porated, chartered [~~or~~], organized or licensed under the laws of this  
12 state or any other state or the United States.

13 2. The superintendent may suspend or revoke any license or licenses  
14 issued pursuant to this article if, after notice and a hearing, he or  
15 she shall find that the licensee (a) has committed any fraud, engaged in  
16 any dishonest activities or made any misrepresentation; or (b) has  
17 violated any provisions of the banking law or any regulation issued  
18 pursuant thereto, or has violated any other law in the course of its or  
19 his dealings as a licensed casher of checks; or (c) has made a false  
20 statement in the application for such license or failed to give a true  
21 reply to a question in such application; or (d) has demonstrated his or  
22 its incompetency or untrustworthiness to act as a licensed casher of  
23 checks; or (e) is not doing sufficient business pursuant to this article  
24 to justify the continuance of the license, or if he or she shall find  
25 that any ground or grounds exist which would require or warrant the  
26 refusal of an application for the issuance of the license if such an  
27 application were then before him or her. Such a hearing shall be held  
28 in the manner and upon such notice as may be prescribed by the super-  
29 intendent. Pending an investigation or a hearing for the suspension or  
30 revocation of any license or licenses issued pursuant to this article,  
31 the superintendent may temporarily suspend such license or licenses for  
32 a period not to exceed ninety days, provided the superintendent shall  
33 find that such a temporary suspension is in the public interest.

34 § 12. Subdivision 3 of section 37 of the banking law, as amended by  
35 chapter 360 of the laws of 1984, is amended to read as follows:

36 3. In addition to any reports expressly required by this chapter to be  
37 made, the superintendent may require any banking organization, licensed  
38 lender, licensed casher of checks, licensed mortgage banker, foreign  
39 banking corporation licensed by the superintendent to do business in  
40 this state, bank holding company and any non-banking subsidiary thereof,  
41 corporate affiliate of a corporate banking organization within the mean-  
42 ing of subdivision six of section thirty-six of this article and any  
43 non-banking subsidiary of a corporation which is an affiliate of a  
44 corporate banking organization within the meaning of subdivision six-a  
45 of section thirty-six of this article to make special reports to him or  
46 her at such times as he or she may prescribe.

47 § 13. This act shall take effect on the one hundred eightieth day  
48 after it shall have become a law; provided, however, that:

49 (a) the amendments to section 373 of the banking law made by section  
50 eleven of this act shall expire and be deemed repealed June 30, 2024;  
51 and

52 (b) any contract, instrument, argument or other written obligation  
53 entered into by a financial service provider authorized under section  
54 373 of the banking law prior to June 30, 2024 shall be deemed valid and  
55 enforceable after such date.

1     Effective immediately the addition, amendment and/or repeal of any  
2 rule or regulation necessary for the implementation of this act on its  
3 effective date are authorized to be made and completed on or before such  
4 effective date.