

Introduced by Senator JacksonFebruary 21, 2013

An act to amend Sections 23001 and 23026 of the Financial Code, relating to deferred deposit transactions.

LEGISLATIVE COUNSEL'S DIGEST

SB 515, as introduced, Jackson. Deferred deposit transactions.

Existing law, the California Deferred Deposit Transaction Law, provides for the licensure and regulation by the Commissioner of Corporations of persons engaged in the business of originating or making deferred deposit transactions, as defined. Existing law requires a licensee to file an annual report with the commissioner, on or before March 15 of each year. Existing law requires the commissioner to prepare an annual consolidated report based upon specified information received from licensees. Existing law authorizes the commissioner to suspend or revoke the license of a license that fails to file the annual report. Existing law makes a willful violation of the California Deferred Deposit Transaction Law a crime.

The Governor's Reorganization Plan No. 2 of the 2011–12 Regular Session provides that, on and after July 1, 2013, the responsibilities of the Department of Corporations and the Commissioner of Corporations shall be transferred to the Department of Business Oversight and the Deputy Commissioner of Business Oversight for the Division of Corporations.

This bill instead would require a licensee to file the annual report described above by March 20 of each year. The bill would make additional changes to conform with the Governor's Reorganization Plan No. 2.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 23001 of the Financial Code is amended
2 to read:
3 23001. As used in this division, the following terms have the
4 following meanings:
5 (a) “Deferred deposit transaction” means a transaction whereby
6 a person defers depositing a customer’s personal check until a
7 specific date, pursuant to a written agreement for a fee or other
8 charge, as provided in Section 23035.
9 (b) “Commissioner” means the *Deputy Commissioner of*
10 *Business Oversight for the Division of Corporations*.
11 (c) “Department” means the Department of ~~Corporations~~
12 *Business Oversight*.
13 (d) “Licensee” means any person who offers, originates, or
14 makes a deferred deposit transaction, who arranges a deferred
15 deposit transaction for a deferred deposit originator, who acts as
16 an agent for a deferred deposit originator, or who assists a deferred
17 deposit originator in the origination of a deferred deposit
18 transaction. However, “licensee” does not include a state or
19 federally chartered bank, thrift, savings association, industrial loan
20 company, or credit union. “Licensee” also does not include a retail
21 seller engaged primarily in the business of selling consumer goods,
22 including consumables, to retail buyers that cashes checks or issues
23 money orders for a minimum fee not exceeding two dollars (\$2)
24 as a service to its customers that is incidental to its main purpose
25 or business. “Licensee” also does not include an employee regularly
26 employed by a licensee at the licensee’s place of business. An
27 employee, when acting under the scope of the employee’s
28 employment, shall be exempt from any other law from which the
29 employee’s employer is exempt.
30 (e) “Person” means an individual, a corporation, a partnership,
31 a limited liability company, a joint venture, an association, a joint
32 stock company, a trust, an unincorporated organization, a
33 government entity, or a political subdivision of a government
34 entity.

1 (f) “Deferred deposit originator” means a person who offers,
2 originates, or makes a deferred deposit transaction.

3 SEC. 2. Section 23026 of the Financial Code is amended to
4 read:

5 23026. On or before March 15 20 of each year, beginning
6 March 2006, each licensee shall file an annual report with the
7 commissioner pursuant to procedures that the *deputy* commissioner
8 shall establish. The licensee’s annual report shall be kept
9 confidential pursuant to Chapter 3.5 (commencing with Section
10 6250) of Division 7 of Title 1 of the Government Code and any
11 regulations adopted thereunder. The annual consolidated report
12 shall be prepared by the *deputy* commissioner and made available
13 to the public. For the previous calendar year, these reports shall
14 include the following:

15 (a) The total number and dollar amount of deferred deposit
16 transactions made by the licensee.

17 (b) The total number of individual customers who entered into
18 deferred deposit transactions.

19 (c) The minimum, maximum, and average amount of deferred
20 deposit transactions.

21 (d) The average annual percentage rate of deferred deposits.

22 (e) The average number of days of deferred deposit transactions.

23 (f) The total number and dollar amount of returned checks.

24 (g) The total number and dollar amount of checks recovered.

25 (h) The total number and dollar amount of checks charged off.