

AMENDED IN SENATE JUNE 10, 1997
AMENDED IN ASSEMBLY APRIL 28, 1997

CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 711

Introduced by Assembly Member Ackerman

February 26, 1997

An act to amend Section 1789.37 of the Civil Code, relating to check cashers.

LEGISLATIVE COUNSEL'S DIGEST

AB 711, as amended, Ackerman. Check cashers: permits.

Existing law requires every owner of a check casher's business to obtain a permit from the Department of Justice, as specified, *and to renew the permit annually*.

This bill would provide that a violation of ~~this provision~~ *these provisions* of existing law is an infraction, punishable as specified. By creating a new crime, this bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

1 SECTION 1. Section 1789.37 of the Civil Code is
2 amended to read:

3 1789.37. (a) Every owner of a check cashier’s business
4 shall obtain a permit from the Department of Justice to
5 conduct a check cashier’s business.

6 (b) All applications for a permit to conduct a check
7 cashier’s business shall be filed with the department in
8 writing, signed by the applicant if an individual or by a
9 member or officer authorized to sign if the applicant is a
10 corporation or other entity, and shall state the name of
11 the business, the type of business engaged in, whether the
12 applicant intends to enter into deferred deposit
13 agreements, and the business address. Each applicant
14 shall be fingerprinted.

15 (c) Each applicant for a permit to conduct a check
16 cashier’s business shall pay a fee not to exceed the cost of
17 processing the application, fingerprinting the applicant,
18 and checking or obtaining the criminal record of the
19 applicant, at the time of filing the application.

20 (d) Each applicant shall annually, beginning one year
21 from the date of issuance of a check cashier’s permit, file
22 an application for renewal of the permit with the
23 department, along with payment of a renewal fee not to
24 exceed the cost of processing the application for renewal
25 and checking or obtaining the criminal record of the
26 applicant.

27 (e) The department shall deny an application for a
28 permit to conduct a check cashier’s business, or for
29 renewal of a permit, if the applicant has a felony
30 conviction involving dishonesty, fraud, or deceit,
31 provided the crime is substantially related to the
32 qualifications, functions, or duties of a person engaged in
33 the business of check cashing.

34 (f) The department shall adopt regulations to
35 implement this section, and shall determine the amount
36 of the application fees required by this section. The
37 department shall prescribe forms for the applications and



1 permit required by this section, which shall be uniform
2 throughout the state.

3 ~~(g) A violation of subdivision (a) is an infraction~~

4 (g) *Any person who engages in the business of check*
5 *cashing without holding a current and valid permit issued*
6 *by the department pursuant to this section is guilty of an*
7 *infraction, punishable as follows:*

8 (1) For the first offense, a fine of up to one thousand
9 five hundred dollars (\$1,500).

10 (2) For the second offense, a fine of up to five thousand
11 dollars (\$5,000).

12 (3) For the third, and any subsequent offense, a fine of
13 up to twenty-five thousand dollars (\$25,000).

14 SEC. 2. No reimbursement is required by this act
15 pursuant to Section 6 of Article XIII B of the California
16 Constitution because the only costs that may be incurred
17 by a local agency or school district will be incurred
18 because this act creates a new crime or infraction,
19 eliminates a crime or infraction, or changes the penalty
20 for a crime or infraction, within the meaning of Section
21 17556 of the Government Code, or changes the definition
22 of a crime within the meaning of Section 6 of Article
23 XIII B of the California Constitution.

24 Notwithstanding Section 17580 of the Government
25 Code, unless otherwise specified, the provisions of this act
26 shall become operative on the same date that the act
27 takes effect pursuant to the California Constitution.

