

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

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SENATE BILL 1137

Short Title: Prohibit Cash-Out Transactions.

(Public)

Sponsors: Senators Martin of Guilford, Shaw of Guilford; Ballance, Dannelly, Forrester, Kinnaird, Odom, Phillips, Purcell, Rand, Soles, Warren, and Wellons.

Referred to: Commerce.

April 15, 1999

A BILL TO BE ENTITLED

1 AN ACT TO REQUIRE LICENSEES TO DEPOSIT CHECKS AFTER THE CHECKS
2 HAVE BEEN CASHED AND TO CLARIFY THE AGGREGATE AMOUNT
3 ALLOWED FOR POSTDATED OR DELAYED DEPOSIT CHECKS.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 53-281 reads as rewritten:

6 **"§ 53-281. Postdated or delayed deposit checks.**

7 (a) A licensee may defer the deposit of a personal check cashed for a customer for
8 up to 31 days pursuant to the provisions of this section.

9 (b) The face amount of ~~any~~ postdated or delayed deposit ~~check~~ checks cashed
10 pursuant to this section for a customer shall not exceed in the aggregate three hundred
11 dollars (\$300.00).

12 (c) Each postdated or delayed deposit check cashed by a licensee shall be
13 documented by a written agreement that has been signed by the customer and the
14 licensee. The written agreement shall contain a statement of the total amount of any fees
15 charged, expressed both as a dollar amount and as an effective annual percentage rate
16 (APR). The written agreement shall authorize the licensee to defer deposit of the personal
17 check until a specific date not later than 31 days from the date the check is cashed.
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1 (d) A licensee shall not directly or indirectly charge any fee or other consideration
2 for cashing a postdated or delayed deposit check in excess of fifteen per cent (15%) of the
3 face amount of the check.

4 (e) No check cashed under the provisions of this section shall be repaid by the
5 proceeds of another check cashed by the same licensee or any affiliate of the licensee. A
6 licensee shall not, for any consideration, renew or otherwise extend any postdated or
7 delayed check or withhold such check from deposit for any period beyond the time set
8 forth in the written agreement with the customer.

9 (f) If a licensee has delayed deposit of a check pursuant to this section, the
10 licensee must deposit the check not later than 31 days from the date the check is cashed
11 and shall not return that check to the customer in return for cash. The Commissioner may
12 order and impose civil penalties upon any person required to be licensed under this
13 Article for violations of this subsection pursuant to G.S. 53-286 and may suspend or
14 revoke the license of the person for violations of this subsection pursuant to G.S. 53-
15 284."

16 Section 2. This act becomes effective October 1, 1999, and applies to offenses
17 committed on or after that date.