

PROPOSED

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2122

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Title 6, chapter 2, article 12, Arizona Revised Statutes,  
3 is amended by adding section 6-392, to read:

4 6-392. unlawful transfer; deferred presentment companies

5 A. IT IS UNLAWFUL FOR A PERSON ENGAGED IN THE BANKING BUSINESS AS  
6 DEFINED IN SECTION 6-201, TO TRANSFER FUNDS TO AN ENTITY LICENSED PURSUANT TO  
7 CHAPTER 12.1 OF THIS TITLE IF THE PERSON REASONABLY BELIEVES THAT THE  
8 TRANSFER VIOLATES THE INTENT OF 42 U.S.C. 407. NATIONAL BANKS OPERATING IN  
9 THIS STATE ARE ENCOURAGED TO ADOPT SIMILAR PROHIBITIONS.

10 Sec. 2. Section 6-1259, Arizona Revised Statutes, is amended to read:

11 6-1259. Prohibited acts

12 A. A person shall not engage in the business of providing deferred  
13 presentment services without first obtaining a license pursuant to this  
14 chapter. A separate license is required for each location from which the  
15 business is conducted. The licensee shall post its license to engage in the  
16 business of deferred presentment services at each location that is licensed  
17 pursuant to this chapter.

18 B. A licensee shall not:

19 1. Advance monies on the security of a check without first obtaining  
20 reasonable evidence that indicates that the account on which the presented  
21 check is drawn is an open and active account.

22 2. Assess any fee that is more than the amount prescribed in this  
23 chapter.

24 3. At the licensed location engage in the business of:

25 (a) Making loans of money or extensions of credit other than those  
26 allowed under this chapter or title 44, chapter 11, article 3.

27 (b) Discounting notes, bills of exchange, items or other evidences of  
28 debt.

1 (c) Accepting deposits or bailments of money or items, except as  
2 expressly provided in section 6-1260.

3 4. Use or cause to be published or disseminated any advertisement that  
4 contains false, misleading or deceptive statements or representations.

5 5. Engage in the business of deferred presentment services at  
6 locations other than licensed locations.

7 6. Engage in unfair, deceptive or fraudulent practices.

8 7. Alter or delete the date on a check accepted by the licensee.

9 8. Take possession of an undated check or a check dated on a date  
10 other than the date on which the licensee takes possession of the check or  
11 the date of presentment.

12 9. Require a customer to provide security for the transaction, other  
13 than the presented check, or require the customer to provide a guaranty from  
14 another person.

15 10. Fail to take reasonable measures to ensure that no customer has  
16 more than one deferred presentment loan outstanding at any time with any  
17 licensee in this state.

18 11. Engage in the sale of the following goods or services at any  
19 licensed location:

20 (a) Gaming activities, including the sale of lottery tickets.

21 (b) Alcoholic beverages.

22 12. Tie or otherwise condition the offering of deferred presentment  
23 services to the sale of any good or service.

24 13. Permit others to engage in any activity prohibited in this section  
25 at a location licensed pursuant to this chapter.

26 14. Offer deferred presentment services for less than five days.

27 15. Be required to request or accept any written representation by a  
28 customer as to whether the customer has any outstanding checks for deferred  
29 presentment held by other licensees.

30 16. ADVANCE MONIES ON THE SECURITY OF A CHECK DRAWN ON AN ACCOUNT OF A  
31 PERSON WHOSE PRIMARY SOURCE OF INCOME IS FROM THE UNITED STATES SOCIAL  
32 SECURITY ADMINISTRATION. A VIOLATION OF THIS PARAGRAPH IS GROUNDS FOR

1           SUSPENSION OR REVOCATION OF A LICENSE IF THE SUPERINTENDENT DETERMINES THAT  
2           THE VIOLATION WAS INTENTIONAL.

3           Sec. 3. Emergency

4           This act is an emergency measure that is necessary to preserve the  
5           public peace, health or safety and is operative immediately as provided by  
6           law.

7   Amend title to conform

MARIAN A. MCCLURE

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2/29/08  
11:43 AM  
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