

No. 42, S.]

[Published June 6, 1945.]

**CHAPTER 240.**

AN ACT to create 218.05 of the statutes, relating to the regulation of community currency exchanges and providing a penalty.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

218.05 of the statutes is created to read:

218.05 COMMUNITY CURRENCY EXCHANGES. (1) DEFINITIONS. As used in this section:

(a) "Commission" means the state banking commission.

(b) "Community currency exchange" means any person, firm, association, partnership or corporation, except banks incorporated under the laws of this state and national banks organized pursuant to the laws of the United States, and any credit union operating under Chapter 186, Wisconsin Statutes, which has or shall obtain a certificate of authority from the Banking Commission of Wisconsin to engage in the business and functions herein set forth, engaged in the business of and providing facilities for cashing checks, drafts, money orders and all other evidences of money acceptable to such community currency exchange for a fee or service charge, or other consideration, or engaged in the business of selling or issuing money orders under his or their or its name or any other money orders (other than United States Post Office money orders, American Express money orders, Postal Telegraph money orders, or Western Union money orders), or engaged in both such businesses. Nothing in this section shall be held to apply to any person, firm, association, partnership or corporation engaged in the business of transporting for hire, bullion, currency, securities, negotiable or non-negotiable documents, jewels or other property of great monetary value, nor to any person, firm, association, partnership or corporation engaged in the business of selling tangible personal property at retail nor to any person licensed to practice a profession or licensed to engage in any business in this state, who, in the course of such business or profession and, as an incident thereto, cashes checks, drafts, money orders or other evidences of money.

(2) LICENSES REQUIRED. After July 1, 1945, no person, firm, association, partnership or corporation shall engage in the business of a community currency exchange without first secur-

ing a license to do so from the commission as required by this section.

(3) LICENSES; APPLICATIONS; FEES; BOND. (a) Application for such license shall be in writing, under oath, on a form to be prescribed by the commission. Each application shall contain the following information:

1. The full name and address (both of residence and place of business) of the applicant, and if the applicant is a partnership or association, of every member thereof, and the name and business address if the applicant is a corporation.

2. The county and municipality, with street and number, if any, where the community currency exchange is to be conducted; and

3. Such other information as the commission may require.

(b) Such application shall be accompanied by a fee of \$100 which fee shall be for the cost of investigating the applicant. When the application has been approved by the commission and the applicant so advised, an additional sum of \$50 as an annual license fee for a period terminating on the last day of the current calendar year shall be paid to the commission by the applicant. The license fee for an applicant applying for a license after July 1 of any year shall be \$25 for the balance of such year.

(c) Before any license shall be issued to a community currency exchange the applicant shall file annually with and have approved by the commission a surety bond, issued by a bonding company or insurance company authorized to do business in this state in the principal sum of \$5,000. Such bond shall run to the state of Wisconsin and shall be for the benefit of any creditors of such community currency exchange for any liability incurred on any money orders issued by the community currency exchange and any liability for any sum or sums due to any payee of any check, draft or money order left with the community currency exchange for collection, and also for any penalties that may be imposed hereunder. If the commission shall find at any time the bond is insecure or exhausted or otherwise doubtful, an additional bond in like amount to be approved by the commission shall be filed by the licensee within 30 days after written demand therefor by the commission.

(4) LICENSES; ISSUANCE; DENIAL. If the commission shall find after investigation that the applicant is (a) trustworthy and reputable, (b) that he has business experience quali-

ying him to competently conduct, operate, own, or become associated with a community currency exchange, (c) that he has a good business reputation and is worthy of a license, the commission shall issue to the applicant qualifying hereunder, a license to operate a community currency exchange at the location specified in the application, which license shall remain in full force and effect until it is surrendered by the licensee or revoked by the commission. If the commission shall not so find, it shall not issue such license and shall notify the applicant of such denial, retaining the \$25 investigation fee to cover the cost of investigating the applicant. The commission shall approve or deny every application within 30 days from the filing thereof. No application shall be denied unless the applicant has had notice of a hearing on said application and an opportunity to be heard thereon. If the application is denied, the commission shall, within 20 days thereafter, prepare and keep on file in its office a written order of denial which shall contain its findings with respect thereto and the reasons supporting the denial, and shall mail a copy thereof to the applicant at the address set forth in the application, within 5 days after the filing of such order.

(5) **FORBIDDEN TO ACT AS DEPOSITORY.** No community currency exchange shall be permitted to accept money or evidences of money as a deposit to be returned to the depositor or upon the depositor's order; and no community currency exchange shall be permitted to act as bailee or agent for persons, firms, partnerships, associations or corporations to hold money or evidences thereof or the proceeds therefrom for the use and benefit of the owners thereof and deliver such money or proceeds of evidence of money upon request or direction of such owner or owners. Nothing contained herein shall prevent a community currency exchange from issuing money orders.

(6) **INSURANCE.** Every applicant for a license hereunder shall, after his application for a license has been approved, submit a policy or policies of insurance to be approved by the commission, issued by an insurance company or indemnity company authorized to do business under the laws of this state, which shall insure the applicant against loss by burglary, larceny, robbery, forgery or embezzlement in a principal sum as may be determined from time to time by the commission. Any such policy or policies, with respect to forgery, may carry a condition

that the community currency exchange assumes the first \$50 of each claim thereunder.

(7) **FUND MAINTAINED.** Each community currency exchange shall have, at all times, a minimum of \$1,000 of its own cash funds available for the uses and purposes of its business and said minimum sum shall be exclusive of and in addition to funds received for exchange or transfer; and in addition thereto each such licensee shall at all times have on hand an amount of liquid funds sufficient to pay on demand all outstanding money orders issued by it.

(8) **OTHER BUSINESS FORBIDDEN.** A community currency exchange shall not be conducted as a department of another business. It must be an entity, financed and conducted as a separate business unit. This shall not prevent a community currency exchange from leasing a part of the premises of another business for the conduct of this business on the same premises; provided, that no community currency exchange shall be conducted on the same premises with a business whose chief source of revenue is derived from the sale of alcoholic liquor for consumption on the premises. This subsection shall not apply when such other business is subject to any statute which provides for supervision and examination by the commission.

(9) **TOKENS.** No community currency exchange shall issue tokens to be used in lieu of money for the purchase of goods or services from any enterprise.

(10) **LICENSES; POSTING; ASSIGNMENT; NUMBER; CHANGE OF LOCATION.** (a) Such license shall state the name of the licensee and the address at which the business is to be conducted. Such license shall be kept conspicuously posted in the place of business of the licensee and shall not be transferable or assignable.

(b) No more than one place of business shall be maintained under the same license, but the commission may issue more than one license to the same licensee upon the compliance with the provisions of this section governing an original issuance of a license, for each new license.

(c) Whenever a licensee shall wish to change his place of business to any location other than that originally set forth in his license, he shall give written notice thereof to the commission and if the change is approved the commission shall attach to the

license, in writing, a rider stating the new address or location of the community currency exchange.

(11) RENEWAL. Every licensee shall, on or before December 20, pay to the commission the sum of \$50 as an annual license fee for the next succeeding calendar year and shall at the same time file with the commission the annual bond and insurance policy or policies in the same amount and of the same character as required by subsections (3) (c) and (6).

(12) REVOCATION; SURRENDER; NOTICE. (a) The commission may, upon 10 days notice to the licensee by mail directed to the licensee at the address set forth in the license, stating the contemplated action and in general the grounds therefor, and upon reasonable opportunity to be heard prior to such action, revoke any license issued hereunder if it shall find that:

1. The licensee has failed to pay the annual license fee or to maintain in effect the required bond or insurance policy or policies or to comply with any order, decision, or finding of the commission made pursuant to this section.

2. The licensee has violated any provision of this section or any regulation or direction made by the commission under this section.

3. Any fact or condition exists which, if it had existed at the time of the original application for such license, would have warranted the commission in refusing the issuance of the license.

(b) The commission may revoke only the particular license with respect to which grounds for revocation may occur or exist, or if it shall find that such grounds for revocation are of general application to all offices or to more than one office operated by such licensee, it may revoke all of the licenses issued to such licensee or such number of licenses to which such grounds apply.

(c) A licensee may surrender any license by delivering to the commission written notice that he surrenders such license, but such surrender shall not affect such licensee's civil or criminal liability for acts committed prior to such surrender, or affect his bond, or entitle such licensee to a return of any part of the annual license fee.

(d) Every license issued hereunder shall remain in force until the same has been surrendered or revoked in accordance with this section, but the commission may on its own motion issue new licenses to a licensee whose license or licenses shall have been revoked if no fact or condition then exists which clearly would

have warranted the commission in refusing originally the issuance of such license under this section.

(e) No license shall be revoked until the licensee has had notice of a hearing thereon and an opportunity to be heard. When any license is so revoked, the commission shall within 20 days thereafter, prepare and keep on file in its office, a written order or decision of revocation which shall contain its findings with respect thereto and the reasons supporting the revocation and shall send by mail a copy thereof to the licensee at the address set forth in the license within 5 days after the filing in its office of such order, finding or decision.

(13) JUDICIAL REVIEW. Any licensee dissatisfied with any order of the commission made under this section may have a review thereof as provided in chapter 227.

(14) ANNUAL REPORT; EXAMINATION. Each licensee shall annually, on or before February 15, file a report with the commission (which shall be used only for the official purposes of the commission) giving such relevant information as the commission may reasonably require concerning, and for the purpose of examining, the business and operations during the preceding calendar year of each licensed place of business conducted by such licensee within the state. Such report shall be made under oath and shall be in the form prescribed by the commission. The commission may at any time and at least once in each year investigate the community currency exchange business of any licensee and of every person, partnership, association and corporation who or which shall be engaged in the business of operating a community currency exchange. For that purpose, the commission shall have free access to the offices and places of business and to such records of all such persons, firms, partnerships, associations and corporations and to the officers and directors thereof that shall relate to such community currency exchange business. The commission may require the attendance for examination under oath of all persons whose testimony it may require relative to such business, and in such cases the commission, or any qualified representative of the commission, may administer oaths to all such persons called as witnesses, and the commission, or its representative, may conduct such examinations, and there shall be paid to the commission by the licensee for each examination a fee of \$20 for each day or part thereof required to conduct the examination.

Approved June 4, 1945.