

COUNCIL OF THE DISTRICT OF COLUMBIA

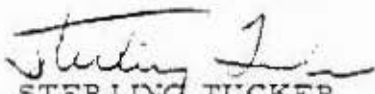
NOTICE

D. C. Law 2-114

"District of Columbia Consumer Transmission of
Money Act of 1978"

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198, "the Act", the Council of the District of Columbia adopted Bill No. 2-210, on first and second readings June 13, 1978 and June 27, 1978, respectively. Following the signature of the Mayor on July 21, 1978, this legislation was assigned Act No. 2-242, published in the August 25, 1978, edition of the D. C. Register, (Vol. 25, page 1985) and transmitted to Congress for a 30-day review, in accordance with Section 602 (c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and, therefore, cites the following legislation as D. C. Law 2-114, effective October 5, 1978.


STERLING TUCKER
Chairman of the Council

Dates Counted During the 30-Day Congressional Review Period:

AUGUST 7, 8, 9, 10, 11, 14, 15, 16, 17

SEPTEMBER 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 25, 26, 27, 28, 29

OCTOBER 2, 3, 4

D.C. Law

2-114

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

October 4, 1978

To provide for the licensing by the District of Columbia of the business of selling, issuing or delivering checks, drafts and money orders as a service or for a fee or other consideration in the District of Columbia, and for other purposes.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "District of Columbia Consumer Transmission of Money Act of 1978".

DEFINITIONS

Sec. 2. For the purpose of this act:

(a) the term "check" means any check, draft, money order, personal money order or other instrument for the transmission or payment of money other than a traveler's check.

(b) the term "deliver" means to transfer possession of a check to the first person who, in payment for same, makes or purports to make a remittance of or against the face amount thereof whether or not the deliveror also charges a fee in addition to the face amount and whether or not the deliveror signs the check.

(c) the term "licensee" means a person duly licensed by the Mayor under this act.

(d) the term "Mayor" means the Mayor of the District of Columbia or his designee.

(e) the term "person" means any individual, partnership, association, joint stock association, trust or corporation but does not include the United States government, the government of the District of Columbia or the United States Postal Service.

(f) the term "personal money order" means any instrument for the transmission or payment of money which is signed by the purchaser or remitter whether or not he appoints the seller of the money order as his agent for the receipt, transmission or handling of money and whether or not such instrument is also signed by some other person in addition to the purchaser or remitter.

(g) the term "sell" means to sell, to issue or to deliver a check.

LICENSE REQUIRED

Sec. 3. No person, except those specifically exempted in section 4 of this act or agents of a licensee as provided in section 11 of this act, shall engage in the business of selling checks, as a service or for a fee or other consideration, in the District of Columbia without having first obtained a license under the provisions of this act. Any person engaged in such business on the effective date of this act may continue to engage therein without a license until the Mayor has acted upon his application for a license: EXCEPT, That such application must be filed within sixty (60) days after the effective date of this act.

EXEMPTIONS

Sec. 4. This act does not apply to any of the following:

(a) Banks, credit unions, trust companies, building and loan associations and savings and loan associations organized under the laws of the United States or of the District of Columbia or authorized to do business in the District of Columbia and the United States Postal Service; and

(b) Incorporated telegraph companies insofar as they receive money at any of their respective offices or agencies for immediate transmission by telegraph.

QUALIFICATIONS

Sec. 5. To qualify for a license under this act, an applicant must meet the following requirements:

(a) The applicant must have a net worth of at least one hundred thousand dollars (\$100,000) computed according to generally accepted accounting principles.

(b) The financial responsibility, financial condition and business experience of the applicant must be such as to reasonably warrant the belief that applicant's business will be conducted honestly and carefully to the extent deemed advisable by the Mayor as set forth in section 8 of this act.

APPLICATIONS

Sec. 6. (a) Each application for a license under this act shall be made in writing and under oath to the Mayor in such form as he may prescribe. The application shall state the full name and business address of:

(1) the proprietor, if the applicant is an individual;

(2) each member, if the applicant is a partnership or association;

(3) each trustee or other officer, if the applicant is a trust; or

(4) the corporation and each officer and director thereof, if the applicant is a corporation.

ACCOMPANYING FEE, STATEMENTS AND BOND

Sec. 7. (a) Each application for a license shall be accompanied by:

(1) an investigation fee of two hundred fifty dollars (\$250) which shall not be subject to refund but which, if the license is granted, shall constitute the license fee for the first license year or part thereof;

(2) financial statements reasonably satisfactory to the Mayor; and

(3) a list of all locations, including agents and their addresses, where business is conducted in the District of Columbia;

(4) a surety bond issued by a bonding company or insurance company, authorized to do business in the District of Columbia, in the principal sum of fifty thousand dollars (\$50,000). Each applicant shall annually file a similar bond with the Mayor prior to the issuance of the renewal license for any calendar year in the amounts provided herein. For a licensee with average total outstanding and unpaid checks for the previous year of not over fifty thousand dollars (\$50,000), the bond shall be fifty thousand dollars (\$50,000). For a licensee with average total

outstanding and unpaid checks for the previous year in excess of fifty thousand dollars (\$50,000) but less than seventy-five thousand dollars (\$75,000), the bond shall be seventy-five thousand dollars (\$75,000). For a licensee with average total outstanding and unpaid checks for the previous license year in excess of seventy-five thousand dollars (\$75,000), the bond shall be one hundred thousand dollars (\$100,000). The bond shall be in a form satisfactory to the Mayor and shall run to the District of Columbia for the benefit of any claimants against the applicant or his agents to secure the faithful performance of the obligations of the applicant and his agents with respect to the receipt, handling, transmission and payment of money in connection with the sale of checks in the District of Columbia. Such claimants, against the applicant or his agents, may themselves bring suit directly on the bond or the Corporation Counsel may bring suit thereon in behalf of such claimants either in one action or successive actions. The aggregate liability of the surety in no event shall exceed the principal sum of the bond. The bond shall be without expiration date: EXCEPT, That the surety shall have the right to cancel such bond, upon giving not less than thirty (30) days written notice to the Mayor, but such cancellation shall not release the surety from any liability that may

arise with respect to obligations of the applicant outstanding on or prior to the day that such bond is canceled.

(b) In lieu of a corporate surety bond or bonds or of any portion of the principal thereof as required by subsection (a)(4) of this section, the applicant may deposit with the Mayor or with such banks or trust companies or national banks in the District of Columbia, as such applicant may designate, and the Mayor may approve interest-bearing stocks or bonds, notes, debentures or other obligations of the United States or any agency or instrumentality thereof, or guaranteed by the United States or the District of Columbia in an aggregate amount, based upon principal amount or market value, whichever is lower, of not less than the amount of the required corporate surety bond or portion thereof. The securities shall be deposited as mentioned above and held to secure the same obligations as would the surety bond but the depositor shall be entitled to receive all interest and dividends thereon and shall have the right, with the approval of the Mayor, to substitute other securities for those deposited.

GRANTING OF LICENSE; INVESTIGATIONS

Sec. 9. (a) Upon the filing of an application in due form, including the required fee and accompanying documents,

the Mayor shall issue to the applicant a license to engage in the selling of checks in the District of Columbia, unless the Mayor finds that the qualifications prescribed by subsection (b) of this section and by section 5 of this act have not been met.

(b) The financial responsibility, conditions and business experience of the applicant or licensee must be such as to warrant the belief that the applicant's business will be conducted honestly and carefully. The Mayor may investigate and consider the qualifications of the applicant or licensee (including the officers and directors of the applicant) in determining whether this qualification has been met.

MAINTENANCE OF BOND OR SECURITIES

Sec. 9. After a license has been granted, the licensee shall maintain said bond or securities in the amount prescribed by section 7(3)(4) of the act as follows:

(a) Each licensee shall file quarterly reports with the Mayor setting forth the locations at which he sells checks in the District of Columbia as of January 1, April 1, July 1 and October 1 of each year the report for each such date is due on, or before the fifteenth (15) day thereafter.

(b) If the Mayor shall at any time determine that the bond or securities aforesaid are insecure, deficient in

amount, exhausted in whole or part or if the surety on the bond shall have notified the Mayor of its intention to cancel the bond, he shall, by written order, require the filing of a new or supplemental bond or the deposit of new or additional securities in order to secure compliance with this act. Such order is to be complied with within thirty (30) days following service thereof upon the licensee.

ANNUAL LICENSE FEE

Sec. 10. Each licensee shall pay to the Mayor annually, on the date determined by the Mayor, a license fee of two hundred fifty dollars (\$250).

AGENT

Sec. 11. A licensee may conduct his business at one (1) or more locations within the District of Columbia and through or by means of such agents as the licensee may from time to time designate or appoint. No license under this act shall be required of any agent of a licensee.

LIABILITY OF LICENSEES

Sec. 12. Each licensee shall be liable for the payment of all checks which he sells in the District of Columbia, in whatever form and whether directly or through an agent, as the maker or drawer thereof according to the laws governing negotiable instruments in the District of Columbia. A licensee who sells a check, whether directly or through an agent,

upon which he is not designated as the maker or drawer, shall nevertheless have the same liabilities with respect thereto as if he had signed the same as the drawer thereof.

DISCLOSURE OF RESPONSIBILITY

Sec. 13. Every check sold by a licensee, directly or through an agent, shall bear the name of the licensee clearly imprinted thereon.

MAXIMUM CHARGE

Sec. 14. No licensee or his agent shall charge a fee for selling or cashing checks in excess of one (1%) percent of the face amount thereof or fifty cents (\$0.50), whichever is greater.

REVOCATION OF LICENSE INVESTIGATIONS

Sec. 15. The Mayor may revoke a license on the same grounds on which he may refuse to grant a license or for violation of any provision of this act. In furtherance of the foregoing, the Mayor, if he has reasonable cause to believe that the grounds for revocation exist, may investigate the business, books and records of the licensee.

HEARINGS

Sec. 16. No license shall be denied, suspended or revoked except after notice and an opportunity to be heard. Hearings under this section shall be governed by the

Revised Original

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District of Columbia Administrative Procedure Act, approved
October 12, 1968 (82 Stat. 1203; D.C. Code, sec. 1-1507).

PENALTIES

Sec. 17. Any person who violates any provision of this act shall be guilty of a misdemeanor, shall be fined not more than one thousand dollars (\$1,000) or imprisoned for not more than one (1) year, or both. Prosecutions shall be made by the Corporation Counsel in the Superior Court of the District of Columbia.

SEVERABILITY

Sec. 18. The provisions of this act are severable and if any provision, sentence, clause, section or part is held illegal, invalid, unconstitutional or inapplicable to any person or circumstances such holding shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of the act or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this act would have been adopted if such illegal, invalid, unconstitutional or applicable provision, sentence, clause, section or part had not been included herein and if the person or circumstances to which the act or any part is inapplicable had been specifically exempted.

~~Revised Original~~

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EFFECTIVE DATE

Sec. 19. This act shall take effect as provided for acts of the Council of the District of Columbia in section 502(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act.

RECORD OF OFFICIAL COUNCIL ACTION (Page 2)

Docket No: Bill 2-210

Presented to the Mayor: JUL 10 1978

Ant. Patricia Munro
Secretary to the Council

Action of the Mayor: 1 JUL 1978

- Approved: Disapproved;
 Disapproved in part --*Reference Document: _____
 *Budget: Actions. _____

Acte Wash 21 JUL 1978
Mayor of the District of Columbia

Returned Without Action _____

..... Executive Secretary, D. C.

Enacted without Mayor's Signature _____

..... Secretary to the Council

Council Reenactment: _____

VOICE VOTE: _____

..... Secretary to the Council

ROLL CALL VOTE:

COUNCIL MEMBER	DATE	NAT.	N.Y.	ALL.	COUNCIL MEMBER	DATE	NAT.	N.Y.	ALL.	COUNCIL MEMBER	DATE	NAT.	N.Y.	ALL.
TUCKER					MASON					SPAUDING				
HARDY					MCCRE, D.					WILSON				
BARRY					MCCRE, L.					WINTER				
CLAPKE					ROLAK									
DEKON					SHANNON									

H—Inactive Vote A—Absent N. Y.—Yes Voting

..... Secretary to the Council

Presented to the President: _____

..... Secretary to the Council

Action of the President: _____

- Reenactment Approved
 Mayor's Veto Sustained

..... President of the U. S.

Submitted to the Congress: _____

..... Secretary to the Council

Senate Action: _____
 Resolution Number: _____

House Action: _____
 Resolution Number: _____

..... Secretary of the Senate

..... Clerk of the House