

CHECK CASHING REGISTRATION ACT
STUDY

2007 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lorie D. Fowlke

Senate Sponsor: _____

LONG TITLE**General Description:**

This bill requires a study by the Department of Financial Institutions.

Highlighted Provisions:

This bill:

- requires the department to study payday lending;
- requires the department to work with various interest groups;
- requires reporting to the Business and Labor Interim Committee; and
- provides a repeal date.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill is repealed on November 30, 2007.

Uncodified Material Affected:

ENACTS UNCODIFIED MATERIAL

*Be it enacted by the Legislature of the state of Utah:*Section 1. **Study of payday lending.**(1) As used in this section:(a) "Act" means Title 7, Chapter 23, Check Cashing Registration Act.

(b) "Department" means the Department of Financial Institutions.

(c) "Interim committee" means the Business and Labor Interim Committee.

(d) "Payday lending" means the extension of a deferred deposit loan as defined in Section 7-23-102.

(2) The department shall study, in accordance with this section:

(a) payday lending practices in Utah and their impacts on:

(i) consumers' access to credit;

(ii) the payday lending industry that extends loans in Utah;

(iii) Utah's financial services industry as a whole; and

(iv) Utah's economy;

(b) the need, if any, for greater education, credit counseling, disclosures, or similar measures;

(c) the need, if any, to foster a variety of credit or other financial services alternatives;

(d) effective enforcement measures;

(e) efforts to regulate payday lending in other states; and

(f) any other issues related to payday lending.

(3) (a) In conducting the study under this section, the department shall provide a process by which cooperative discussions between the individuals or interest groups listed in Subsection (3)(b) occur:

(i) including if possible, meetings at which the individuals or interest groups are invited to participate; and

(ii) in a manner that ensures a balance between the various interest groups.

(b) The individuals and interest groups described in Subsection (3)(a) include:

(i) legislators, which should include members from both houses of the Legislature and more than one political party;

(ii) at least two representatives of consumers;

(iii) at least two representatives of persons registered under the act;

(iv) at least one representative of credit services organizations or persons who provide debt-management services; and

(v) at least one person who specializes in the provision of financial counseling.

(4) The department shall report to the interim committee as follows:

59 (a) by no later than May 31, 2007, the department shall report to the interim committee
60 as to:
61 (i) the persons described in Subsection (3) with whom the department is working; and
62 (ii) the plan and any schedule related to the plan to conduct the study;
63 (b) at any time during the interim, the department shall report to the interim committee
64 at the request of the chairs of the interim committee; and
65 (c) the department shall report to the interim committee by no later than November 30,
66 2007, the department's findings and recommendations, including any proposed legislation.
67 (5) The department is encouraged to work with the chairs of the interim committee in
68 developing the plan for conducting the study and in refining the issues to be studied by the
69 department.
70 Section 2. **Repeal date.**
71 This bill is repealed on November 30, 2007.

Legislative Review Note
as of 2-2-07 3:10 PM

Office of Legislative Research and General Counsel

H.B. 159 - Check Cashing Registration Act Study

Fiscal Note

2007 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
