

Bill as Introduced

SB 194 - AS INTRODUCED

2009 SESSION

09-1025

05/03

SENATE BILL **194**

AN ACT relative to the negotiation of payroll checks.

SPONSORS: Sen. Gatsas, Dist 16; Sen. Barnes, Jr., Dist 17; Sen. Bragdon, Dist 11; Sen. Carson, Dist 14; Sen. D'Allesandro, Dist 20; Sen. Denley, Dist 3; Sen. Downing, Dist 22; Sen. Gallus, Dist 1; Sen. Gilmour, Dist 12; Sen. Lasky, Dist 13; Sen. Letourneau, Dist 19; Sen. Roberge, Dist 9; Sen. Sgambati, Dist 4; Rep. Goley, Hills 8; Rep. Infantine, Hills 13

COMMITTEE: Commerce, Labor and Consumer Protection

ANALYSIS

This bill requires a bank to cash payroll checks upon presentation of sufficient identification without requiring the payee to maintain an account at that institution.

Explanation: Matter added to current law appears in *bold italics*.
Matter removed from current law appears [~~in brackets and struck through.~~]
Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

Committee Minutes

**SENATE CALENDAR NOTICE
COMMERCE, LABOR AND CONSUMER PROTECTION**

- ✓ Senator Margaret Hassan Chairman
- ✓ Senator Betsi DeVries V Chairman
- ✓ Senator Deborah Reynolds 10:36A
- ✓ Senator Jacalyn Cilley
- ✓ Senator Peter Bragdon
- ✓ Senator Sheila Roberge

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Proof: <input type="checkbox"/>	Calendar <input type="checkbox"/> Bill Status

Date: March 4, 2009

HEARINGS

Tuesday

3/17/2009

COMMERCE, LABOR AND CONSUMER PROTECTION

LOB 102

8:30 AM

(Name of Committee)

(Place)

(Time)

EXECUTIVE SESSION MAY FOLLOW

- | | |
|---|---|
| <p>8:30 AM SB40</p> <p>9:30 AM SB172</p> <p>9:45 AM SB194</p> | <p>relative to protecting workers and local governments with advance notice of impending plant closings and layoffs.</p> <p>relative to eligibility for state-federal extended unemployment benefits.</p> <p>relative to the negotiation of payroll checks.</p> |
|---|---|

Sponsors:

SB40

- | | | | |
|-----------------------|--------------------------|-----------------------|-----------------------|
| Sen. Betsi DeVries | Sen. Margaret Hassan | Sen. John Barnes, Jr. | Sen. Jacalyn Cilley |
| Sen. Lou D'Allesandro | Sen. Martha Fuller Clark | Sen. John Gallus | Sen. Peggy Gilmour |
| Sen. Matthew Houde | Sen. Harold Janeway | Sen. Molly Kelly | Sen. Sylvia Larsen |
| Sen. Bette Lasky | Sen. Amanda Merrill | Sen. Bob Odell | Sen. Deborah Reynolds |
| Sen. Sheila Roberge | Sen. Kathleen Sgambati | Rep. Rip Holden | Rep. James Craig |
| Rep. David Nixon | Rep. Franklin Bishop | Rep. Marjorie Smith | |

SB172

- | | | | |
|----------------------|------------------|----------------------|--------------------|
| Sen. Margaret Hassan | Sen. Molly Kelly | Sen. Michael Downing | Rep. Jeffrey Goley |
| Rep. Tara Reardon | Rep. James Craig | Rep. John Knowles | |

SB194

- | | | | |
|------------------------|-----------------------|------------------------|---------------------|
| Sen. Theodore Gatsas | Sen. John Barnes, Jr. | Sen. Peter Bragdon | Sen. Sharon Carson |
| Sen. Lou D'Allesandro | Sen. William Denley | Sen. Michael Downing | Sen. John Gallus |
| Sen. Peggy Gilmour | Sen. Bette Lasky | Sen. Robert Letourneau | Sen. Sheila Roberge |
| Sen. Kathleen Sgambati | Rep. Jeffrey Goley | Rep. William Infantine | |

**Commerce, Labor & Consumer Protection Committee
Hearing Report**

To: Members of the Senate
From: Greg Silverman, *Legislative Aide*

Re: Hearing report on **SB194** - relative to the negotiation of payroll checks.

Hearing date: Tuesday, March 17, 2009

Members of the Committee Present: Senator Hassan, District 23; Senator DeVries, District 18; Senator Reynolds, District 2; Senator Roberge, District 9; Senator Cilley, District 6.

Members of the Committee Absent: Senator Bragdon, District 11

Sponsors: Sen. Gatsas, Dist 16; Sen. Barnes, Jr., Dist 17; Sen. Bragdon, Dist 11; Sen. Carson, Dist 14; Sen. D'Allesandro, Dist 20; Sen. Denley, Dist 3; Sen. Downing, Dist 22; Sen. Gallus, Dist 1; Sen. Gilmour, Dist 12; Sen. Lasky, Dist 13; Sen. Letourneau, Dist 19; Sen. Roberge, Dist 9; Sen. Sgambati, Dist 4; Rep. Goley, Hills 8; Rep. Infantine, Hills 13.

What the bill does: This bill requires a bank to cash payroll checks upon presentation of sufficient identification without requiring the payee to maintain an account at that institution.

Who supports this bill: Sen. Gatsas, Dist 16; Sen. Barnes, Jr., Dist 17; Sen. Downing, Dist 22; Sen. Gallus, Dist 1; Sen. Gilmour, Dist 12; Sen. Lasky, Dist 13; Sen. Letourneau, Dist 19.

Who opposes this bill: Jerry Little, NH Bankers Assn; Michael Licata, BIA.

Summary of testimony received:

Senator Gatsas, District 16.

- Introduced bill as the Prime Sponsor.
- Bank of America charges \$6 to cash a payroll check to either the employee or employer.
 - During these tough times, Bank of America has gotten American tax money to help bail it out.
- NH should set a precedent to protect employees and employers; banks shouldn't charge for something that isn't chargeable.
- The committee asked if the state can regulate federally chartered banks and if employers would change banking institutions due to this burden. Senator Gatsas responded that once small employers start a bank, they are unlikely to ever change.

Jerry Little, President of the NH Bankers Association.

- Opposes SB194 as it would:
 - Not address the issue it is said to be focused on, because it would not apply to nationally chartered banks.
 - This bill would apply only to state-chartered banks and not to national banks and therefore, would not achieve its stated goal.

- Expose consumers to greater risk of fraud and identity theft by lowering the standard of care for confirming a check chaser's identity.
 - This bill would require banks and credit unions to honor a check presented with just a single form of identification, setting a low standard of confirming customer identification.
- Create a legal responsibility between a bank and a non-customer where none currently exists, in conflict with the Uniform Commercial Code; and
 - A bank's liability for failing to properly pay a negotiable instrument is to the depositor that wrote the check, not to a non-customer that attempts to cash it.
- Interfere with bank management in a manner inconsistent with current regulatory directives.
 - The purpose of surcharges and fees is to place responsibility for the cost of providing a product or service with the individual that benefits from it.

Fiscal Note: Not applicable.

Action: Senator DeVries moved the bill ought to be re-referred. Senator Cilley seconded the motion. The committee voted 4-0 in support. The bill will be reported out of committee by Senator Reynolds.

Date: March 17, 2009
Time: 10:21 A.M.
Room: LOB 102

The Senate Committee on Commerce, Labor and Consumer Protection held a hearing on the following:

SB 194 relative to the negotiation of payroll checks.

Members of Committee present: Senator Hassan
Senator DeVries
Senator Reynolds
Senator Cilley
Senator Roberge

The Chair, Senator Maggie Wood Hassan, opened the hearing on SB 194 and invited the prime sponsor, Senator Theodore Gatsas, to introduce the legislation.

Senator Theodore L. Gatsas, D. 16: Good morning, Madam Chair, and members of the Committee.

Senator Margaret Wood Hassan, D. 23: Good morning.

Senator Theodore L. Gatsas, D. 16: Happy St. Patty's Day.

The piece of legislation that you have before you; is we're going to hear testimony right after me, that's going to tell you that there's federal legislation that preempts this and doesn't allow states to oppose people that are charging to cash payroll checks.

Andy Kress, who owns AutoFair, came to me and asked me to put this bill forward because he had employees that were trying to cash their checks, on his account at Bank of America, and they were being charged six dollars. I know that we put the payday lenders and closed them down in January, but that was people were paying to borrow money. This is actually money that's their money, and they're being charged for it.

Senator Margaret Wood Hassan, D. 23: Hm-mm.

Senator Theodore L. Gatsas, D. 16: I think it's important that we understand that in these tough times, Bank of America has gotten taxpayers' dollars to bail them out. I know that this is not something that's instituted here in New Hampshire because the people in New Hampshire running the Division of Bank of America are New Hampshire people, and understand that these are coming from North Carolina.

I've already had conversation with Representative Hodes about this; he's got some keen interest in moving this forward at the federal level. I think that we, as representatives of people in New Hampshire, one, should not allow people to charge an employer the six dollars, because that's currently what's happening. The employer is picking up the six dollars even though he gives that employee that check, and it's for its full value, the employer gets charged because the employee gets charged, and then that's against New Hampshire law, that the employee doesn't have the money.

Senator Margaret Wood Hassan, D. 23: Hm-mm. Right.

Senator Theodore L. Gatsas, D. 16: But, I think that's a catch-22 to the employer side. He has a payroll account; he has funds in that account. The bank draws interest on those funds while it's been sitting in that account; however, now they're charging six dollars.

There was an interesting article in the *Nashua Telegraph*, maybe two weekends ago, that says, "Too Good to Be True." And, this is not only, this talks about bank charges on benefit cards. And, I'll just quote you the first paragraph. "First, Arthur Santa-Maria called Bank of America to ask how to check the balance of his new unemployment benefit debit card. The bank charged him fifty cents. He chose not to complain, that would have cost another fifty cents."

So, I think, in these tough times, I think people need to be responsible. I don't think that, and we, in New Hampshire are being first in the nation for a lot of things; I think should set a precedent. And, I can tell you that you will hear testimony that says this was challenged in other states. But, I think we should stand up and protect our employees, and our employers, to say this shouldn't be done, not when you're using taxpayers' money to bail out a bank. Maybe they should tell those people, instead of the six dollars they're charged to buy two shares of stock, and maybe that will prop up the value of the stock.

But, I really have a problem when people were charged something and it's their money. And, they say, well, there are alternatives; open up an account.

Open up a twenty dollar account at the bank, and take the twenty dollars out the next day, and you can cash your checks here. It doesn't make sense to me. It's just not the American way. And, some people live hand-to-mouth with those checks, every week, especially today, trying to meet mortgage payments, trying to buy food for their families, trying to continue to pay health insurance costs that they may be being charged.

So, we as a Legislature; and I understand that we may be playing a game that somebody says, well, you can't do it; it doesn't matter, pass what you want; it's unconstitutional and we'll fight it in court. But, New Hampshire's been pretty valiant about doing those things, and protecting its citizens.

So, with that, I'd entertain whatever questions you may have.

Senator Margaret Wood Hassan, D. 23: Thank you. I actually, I do have a question because I ...

Senator Theodore L. Gatsas, D. 16: Sure.

Senator Margaret Wood Hassan, D. 23: ... understand the purpose of the bill. I also understand that, I think, that under federal law we don't, the state can't regulate federally chartered, what I call federally chartered banks. I'm not sure they get a charter. I also understand your point about the employers, but what if, why wouldn't an employer, knowing that they end up being liable for the six dollar charge under New Hampshire law, why wouldn't they just go to a New Hampshire chartered bank, which we can regulate, and open up their payroll account there, and let the marketplace, it would be a great boom to New Hampshire banks if we said, we're going to regulate New Hampshire banks; they can't do this kind of charge. Why wouldn't an employer just move their account there and leave Bank of America, and, if enough of them do it, Bank of America might stop charging the fee?

Senator Theodore L. Gatsas, D. 16: Sure. And, that's a great question. And, I think it's important to understand that owning a business, and trying to move your checking accounts when you're trying to do front ends at your garage ...

Senator Margaret Wood Hassan, D. 23: Yeah.

Senator Theodore L. Gatsas, D. 16: ... and getting payroll out on Friday and making sure you have enough money to ...

Senator Margaret Wood Hassan, D. 23: Right.

Senator Theodore L. Gatsas, D. 16: ... accommodate people for their health insurance, is not something that a lot of small employers, once they start a bank, and they're by themselves, and they open up an account, most people don't change banks ...

Senator Margaret Wood Hassan, D. 23: Hm-mm.

Senator Theodore L. Gatsas, D. 16: ... for as long as they're in business unless there's a problem with the bank. And, I think to ask somebody to say, well, you know, you don't like this, change banks. I think is a difficult thing to tell a small employer.

Senator Margaret Wood Hassan, D. 23: I think that's good. Thank you.

Any other questions for Senator Gatsas? Seeing none, thank you very much for your testimony.

Senator Theodore L. Gatsas, D. 16: Thank you. I'll leave you a copy of the article.

Senator Margaret Wood Hassan, D. 23: That'd be great.

Jerry Little, please?

Senator Theodore L. Gatsas, D. 16: Thank you. I'll send this to Bill O'Reilly.

Please see Attachment #1 – News Article from *Nashua Telegraph* entitled, *Too good to be True, jobless hit with bank charges on benefit cards*, submitted by Senator Theodore Gatsas.

Jerry Little: Good morning.

Senator Margaret Wood Hassan, D. 23: Good morning.

Mr. Little: For the record, my name is Jerry Little and I'm President of the New Hampshire Bankers Association. I am here this morning representing New Hampshire Bankers Association, generally.

I think there are four major points that we would like to make about SB 194, in explaining why we oppose this piece of legislation. The first is the issue that you've just raised, Madam Chair, in that the bill as drafted will not address the specific problem that generated it to begin with because it doesn't

apply to, or it can't apply to nationally chartered banks. The second is that it would expose consumers in New Hampshire, and financial institutions in New Hampshire, to greater fraud risk by lowering the standard for confirming identity of a check casher. The third is that it will create conflict and confusion within the Uniform Commercial Code which governs the handling of negotiable instruments. And, the fourth, and the main reason that the New Hampshire Bankers Association is concerned, is that we believe that it interferes with bank management in a manner that would be actually inconsistent with current regulatory directives that are, in fact, applied and enforced against banks by both the state Banking Department, and by our federal bank examiners.

On the first issue regarding preemption, there is an attachment to my testimony which I just handed out; it's the third sheet in. It's an interpretive letter #1054 from the Office of the Comptroller of the Currency. And, this is available on the OCC website. And, they talk about, in this interpretation, why any state efforts to limit or prohibit the application of on-us check cashing fees, at the state level is preempted.

So, it's pretty clear, as the prime sponsor has told you, it's right there in black and white from the federal government, that this Legislature does not have the authority to undertake the effort that is found within SB 194, to limit on-us check fees charged by national chartered banks. So, that sort of leaves the question, well, who would we end up affecting with this?

And, as you pointed out, again, in the third attachment; second attachment, fourth page in, is a list of the members of the New Hampshire Bankers Association. And, I've categorized them by charter types, so that you can see the state chartered banks, both headquartered in and without the State of New Hampshire who would be impacted by this, as opposed to the federally or nationally chartered banks who would not be impacted by this. You would definitely be setting up a dichotomy in the way that banks are able to perform in the State of New Hampshire.

Regarding exposing consumers to greater risk of fraud, and financial institutions for greater risk of fraud, that's found in the language of the bill that says that, "a financial institution could require no more than a single form of identification to confirm identity of somebody that is cashing a check". And that does bring also into play the conflict with the Uniform Commercial Code. Currently, banks are required to use ordinary care, exercise ordinary care when they receive a negotiable instrument, to determine that the person presenting that instrument is who they say they are, and that it is a properly drafted check.

The bill would say, or says, that if passed, banks, they would have to accept a single form of ID as sufficient identification. That actually lowers the standard dramatically. The UCCs leave exercise ordinary care intentionally vague for a number of reasons; technology changes, industry standards change. But, people are different. Some folks don't have a driver's license, yet they still need to be able to perform business, and often it takes many more than one form of alternative form of identification to be able to satisfy a financial institution's need to be able to confirm that the person they think they're doing business with, in fact is the person that they're doing business with.

This bill would lower that standard of care. So, that single form of identification is presented, a photo ID. They accept it; they're protected; they're covered. They've done their job. They have met the new lowered standard for exercising ordinary care that would be created by this bill. We think that's a bad idea.

The bill also creates a conflict between the bank and its depositor. Right now, the responsibility, the legal obligation, and the legal contract involved in a checking account is between a financial institution and its depositor. There's actually no agreement; there's no contract, and there's no responsibility between the bank and any unaffiliated third party that may come into the building and try to present a check. In fact, if the check is improperly dishonored, its exposure and its responsibility is to the depositor that wrote the check, not to the third party that received the check, and attempted to cash the check.

And, that brings up another issue. Within the Uniform Commercial Code it says that a properly drafted and present a check is payable. Payable presumes the check comes through the payment system, that it approaches the bank from another bank, through the Federal Reserve check clearing process. There is no requirement, within the Uniform Commercial Code that a check actually be cashed when presented in person. If a bank is not able to make itself comfortable with the idea that it is dealing with a properly drafted check, or with the correct person, they do have the option of saying, "I'm sorry, we're not going to cash this check. You're going to have to bring this back to the person that drafted it and have them come in and deal with it".

Now, cashing checks is a convenience that everybody is, accepts as a normal course of doing business. But, there's nothing within law that currently requires a bank to cash a check for a unaffiliated third party.

This bill would require that to happen. As a matter of fact it says that, if somebody presents that check, and they present that single form of identification, you shall cash the check. That implies that even notwithstanding things like stop payment orders, that you will cash that check. I think that there are legal problems, and conflicts and issues that are brought up by the way that the bill is drafted.

And, then finally, the banking industry is extremely, extremely, extremely competitive. There are a lot of non-bank entities out there that have entered the business over the past couple of decades. They are not driven by net interest margin to run their business; they are fee driven. And, the result is that the net interest margins have declined, are compressing, and are disappearing. And, as a result, when banks are examined in these days, either by state bank examiners or by federal bank examiners, they're tested to find out how reliant they are on net interest margin business. And, those that are overly reliant on net interest margin are strongly encouraged, in the written examination reports that come from those examiners, to remove that reliance on that interest margin, and to increase their non-interest income. Non-interest income is banker's fee for service charges and fees. It's the other source that we have.

And, I can tell you that as recently as week before last, I was speaking with some bankers who had been examined during the first quarter of this year, and told me that, without a doubt, that within their confidential bank examination reports that were reviewed by the examiners with the Board of Directors, there's language in there that says that your institution remains to be overly reliant on net interest margin, and you must find ways to increase your non-interest expense.

So, on one hand, if this bill were to pass, we would be getting directives from bank examiners, those from the State of New Hampshire who do work for you, and those for the federal government that work for Congress, telling us to move in the direction of service charges and fees, and on the other hand, we would be facing this piece of legislation that would tell us that, but not in this case. We think the market should be given a chance to work. And, in fact, we believe the market does work.

And, the last attachment to my testimony is a page from a Wal-Mart's web site, where you will see that they welcome people to come into their stores and cash their paychecks, for a fee. The market is there. The market will respond to this legislation, the market will determine where paychecks are welcomed to be cashed; and if you're not a customer, what the charge is.

And, that's the full scope of my testimony.

Senator Margaret Wood Hassan, D. 23: Thank you very much. I hadn't heard that much about the UCC since law school.

Senator Reynolds?

Senator Deborah R. Reynolds, D. 2: Thank you very much, Madam Chair, and, thank you, Jerry Little. And, so what we are saying, or what the legislation is saying here, is that if you're a community bank in New Hampshire that hasn't had the major challenges that larger, national institutions like Bank of America, Citigroup, whatever, that we can't charge a fee, but some non-customer comes in, presents a check; bounces the check. I guess my question is who gets stuck with that?

Mr. Little: Presumably, this fee is limited to on-us checks only.

Senator Deborah R. Reynolds, D. 2: I'm sorry, they're what?

Mr. Little: This fee is limited to on-us checks only. These are the checks that are written against an account at the bank.

Senator Deborah R. Reynolds, D. 2: Okay.

Mr. Little: Therefore, the presumption is that that financial institution has the opportunity to check the balance, and make sure that there are sufficient funds within the account to cash the check. So, I don't believe this is really a bounced check fee issue. But, you are correct in that if it passed it would apply only to state-chartered banks, which in New Hampshire are, as you can see from the list, one reason I wanted to give it to you, is that it is limited to very community-based, very active community financial institutions.

Senator Deborah R. Reynolds, D. 2: And, just as a follow up, if I may?

Senator Margaret Wood Hassan, D. 23: Yes.

Senator Deborah R. Reynolds, D. 2: So, what we would be doing is we would be providing some additional revenue for some private businesses like Wal-Mart, and taking that business away from our local community banks. Is that true?

Mr. Little: Um.

Senator Deborah R. Reynolds, D. 2: Possibly?

Mr. Little: Probably, possibly, yeah.

Senator Deborah R. Reynolds, D. 2: Thank you.

Senator Margaret Wood Hassan, D. 23: Senator Cilley?

Senator Jacalyn L. Cilley, D. 6: Thank you, Madam Chair. And, thank you, Jerry, for your testimony. I guess I'm struggling with the idea that as a depositor in a particular bank, and my husband and I have a business and we've got, you know, our, you know, accounts there. And, we pay payroll, and we pay our suppliers, and so on and so forth with these instruments. I mean, as sort of, it's like a promissory note. So, our employees, who may choose not to do business with the bank, go into the bank and could be charged six dollars for cashing their check. And yet, all those other people that we pay, who don't have accounts with the bank, many whom are out-of-state, cash that check with no fee. I guess, I guess I'm wondering if there isn't an issue of discrimination here.

Mr. Little: If that were in fact the case, I believe it would be correct, that there could be an issue of discrimination, but this has not been fully communicated. The six dollar fee applies to anyone, whether it's an employee or a vendor who cashes an on-us check at that particular financial institution. There is no determination; there is no way to determine immediately whether a check is a payroll check or a check to pay the painter or a supplier. So that, if the company, the hardware store that you bought the cans of paint from, comes into Bank of America and wants to cash that check, they too will pay that six dollar fee. So, it applies to all non-customer attempts to cash checks for on-us fees drawn on corporate checking accounts.

Senator Margaret Wood Hassan, D. 23: So, that ...

Senator Jacalyn L. Cilley, D. 6: Who come into the bank, because if our supplier deposits that check out in California to his or her bank, and it goes through the system, then there's no charge.

Mr. Little: No charge.

Senator Margaret Wood Hassan, D. 23: And, that's, for you guys, the term cash a check is a term of art, right?

Mr. Little: Yes. It actually means bringing the negotiable instrument to the counter, and asking to walk away with US tender in hand. As opposed to simply bringing the check into your own bank and depositing it, which makes

a check payable. Cashing and payable are two different things, two different legal terms within the Uniform Commercial Code.

Senator Jacalyn L. Cilley, D. 6: Okay.

Senator Margaret Wood Hassan, D. 23: Are there any other questions? Seeing none, thank you very much for your testimony, and for being so patient this morning.

Mr. Little: Thank you.

Please see Attachment #2 – prepared testimony submitted by Jerry Little, President, New Hampshire Bankers Association.

Please see Attachment #3 – Interpretive Letter #1054, Comptroller of the Currency, Administrator of National Banks, Washington, D. C., dated July 27, 2005, submitted by Jerry Little.

Please see Attachment #4 – Listing of 35 Banks in New Hampshire, by Charter Type, submitted by Jerry Little.

Please see Attachment #5 – Web site of Walmart.com, Wal-Mart Money Center: Check Cashing, article entitled, Wal-Mart Check Cashing, submitted by Jerry Little.

Senator Margaret Wood Hassan, D. 23: Was there anybody else who wanted to testify on SB 194? Seeing no one else, I'm going to close the hearing on SB 194. That concludes our hearings for the morning.

Hearing concluded at 10:43 a.m.

Respectfully submitted,

Deborah A. Chroniak
Senate Secretary
06-01-09

5 Attachments

Date: March 17, 2009
Time: 10:21 A.M.
Room: LOB 102

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Members of Committee present: Senator Hassan
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Senator Cilley
Senator Roberge

The Chair, Senator Maggie Wood Hassan, opened the hearing on SB 194 and invited the prime sponsor, Senator Theodore Gatsas, to introduce the legislation.

Senator Theodore L. Gatsas, D. 16: Good morning, Madam Chair, and members of the Committee.

Senator Margaret Wood Hassan, D. 23: Good morning.

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JAC

Senator Margaret Wood Hassan, D. 23: Hm-mm.

Senator Theodore L. Gatsas, D. 16: I think it's important that we understand that in these tough times, Bank of America has gotten taxpayers' dollars to bail them out. I know that this is not something that's instituted here in New Hampshire because the people in New Hampshire running the Division of Bank of America are New Hampshire people, and understand that these are coming from North Carolina.

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Senator Margaret Wood Hassan, D. 23: Hm-mm. Right.

Senator Theodore L. Gatsas, D. 16: But, I think that's a catch-22 to the employer side. He has a payroll account; he has funds in that account. The bank draws interest on those funds while it's been sitting in that account; however, now they're charging six dollars.

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So, with that, I'd entertain whatever questions you may have.

Senator Margaret Wood Hassan, D. 23: Thank you. I actually, I do have a question because I ...

Senator Theodore L. Gatsas, D. 16: Sure.

Senator Margaret Wood Hassan, D. 23: ... understand the purpose of the bill. I also understand that, I think, that under federal law we don't, the state can't regulate federally chartered, what I call federally chartered banks. I'm not sure they get a charter. I also understand your point about the employers, but what if, why wouldn't an employer, knowing that they end up being liable for the six dollar charge under New Hampshire law, why wouldn't they just go to a New Hampshire chartered bank, which we can regulate, and open up their payroll account there, and let the marketplace, it would be a great boom to New Hampshire banks if we said, we're going to regulate New Hampshire banks; they can't do this kind of charge. Why wouldn't an employer just move their account there and leave Bank of America, and, if enough of them do it, Bank of America might stop charging the fee?

Senator Theodore L. Gatsas, D. 16: Sure. And, that's a great question. And, I think it's important to understand that owning a business, and trying to move your checking accounts when you're trying to do front ends at your garage ...

Senator Margaret Wood Hassan, D. 23: Yeah.

Senator Theodore L. Gatsas, D. 16: ... and getting payroll out on Friday and making sure you have enough money to ...

Senator Margaret Wood Hassan, D. 23: Right.

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Senator Theodore L. Gatsas, D. 16: ... accommodate people for their health insurance, is not something that a lot of small employers, once they start a bank, and they're by themselves, and they open up an account, most people don't change banks ...

Senator Margaret Wood Hassan, D. 23: Hm-mm.

Senator Theodore L. Gatsas, D. 16: ... for as long as they're in business unless there's a problem with the bank. And, I think to ask somebody to say, well, you know, you don't like this, change banks. I think is a difficult thing to tell a small employer.

Senator Margaret Wood Hassan, D. 23: I think that's good. Thank you.

Any other questions for Senator Gatsas? Seeing none, thank you very much for your testimony.

Senator Theodore L. Gatsas, D. 16: Thank you. I'll leave you a copy of the article.

Senator Margaret Wood Hassan, D. 23: That'd be great.

Jerry Little, please?

Senator Theodore L. Gatsas, D. 16: Thank you. I'll send this to Bill O'Reilly.

Please see Attachment #1 – News Article from *Nashua Telegraph* entitled, *Too good to be True, jobless hit with bank charges on benefit cards*, submitted by Senator Theodore Gatsas.

Jerry Little: Good morning.

Senator Margaret Wood Hassan, D. 23: Good morning.

Mr. Little: For the record, my name is Jerry Little and I'm President of the New Hampshire Bankers Association. I am here this morning representing New Hampshire Bankers Association, generally.

I think there are four major points that we would like to make about SB 194, in explaining why we oppose this piece of legislation. The first is the issue that you've just raised, Madam Chair, in that the bill as drafted will not address the specific problem that generated it to begin with because it doesn't

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apply to, or it can't apply to nationally chartered banks. The second is that it would expose consumers in New Hampshire, and financial institutions in New Hampshire, to greater fraud risk by lowering the standard for confirming identity of a check casher. The third is that it will create conflict and confusion within the Uniform Commercial Code which governs the handling of negotiable instruments. And, the fourth, and the main reason that the New Hampshire Bankers Association is concerned, is that we believe that it interferes with bank management in a manner that would be actually inconsistent with current regulatory directives that are, in fact, applied and enforced against banks by both the state Banking Department, and by our federal bank examiners.

On the first issue regarding preemption, there is an attachment to my testimony which I just handed out; it's the third sheet in. It's an interpretive letter #1054 from the Office of the Comptroller of the Currency. And, this is available on the OCC website. And, they talk about, in this interpretation, why any state efforts to limit or prohibit the application of on-us check cashing fees, at the state level is preempted.

So, it's pretty clear, as the prime sponsor has told you, it's right there in black and white from the federal government, that this Legislature does not have the authority to undertake the effort that is found within SB 194, to limit on-us check fees charged by national chartered banks. So, that sort of leaves the question, well, who would we end up affecting with this?

And, as you pointed out, again, in the third attachment; second attachment, fourth page in, is a list of the members of the New Hampshire Bankers Association. And, I've categorized them by charter types, so that you can see the state chartered banks, both headquartered in and without the State of New Hampshire who would be impacted by this, as opposed to the federally or nationally chartered banks who would not be impacted by this. You would definitely be setting up a dichotomy in the way that banks are able to perform in the State of New Hampshire.

Regarding exposing consumers to greater risk of fraud, and financial institutions for greater risk of fraud, that's found in the language of the bill that says that, "a financial institution could require no more than a single form of identification to confirm identity of somebody that is cashing a check". And that does bring also into play the conflict with the Uniform Commercial Code. Currently, banks are required to use ordinary care, exercise ordinary care when they receive a negotiable instrument, to determine that the person presenting that instrument is who they say they are, and that it is a properly drafted check.

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The bill would say, or says, that if passed, banks, they would have to accept a single form of ID as sufficient identification. That actually lowers the standard dramatically. The UCCs leave exercise ordinary care intentionally vague for a number of reasons; technology changes, industry standards change. But, people are different. Some folks don't have a driver's license, yet they still need to be able to perform business, and often it takes many more than one form of alternative form of identification to be able to satisfy a financial institution's need to be able to confirm that the person they think they're doing business with, in fact is the person that they're doing business with.

This bill would lower that standard of care. So, that single form of identification is presented, a photo ID. They accept it; they're protected; they're covered. They've done their job. They have met the new lowered standard for exercising ordinary care that would be created by this bill. We think that's a bad idea.

The bill also creates a conflict between the bank and its depositor. Right now, the responsibility, the legal obligation, and the legal contract involved in a checking account is between a financial institution and its depositor. There's actually no agreement; there's no contract, and there's no responsibility between the bank and any unaffiliated third party that may come into the building and try to present a check. In fact, if the check is improperly dishonored, its exposure and its responsibility is to the depositor that wrote the check, not to the third party that received the check, and attempted to cash the check.

And, that brings up another issue. Within the Uniform Commercial Code it says that a properly drafted and present a check is payable. Payable presumes the check comes through the payment system, that it approaches the bank from another bank, through the Federal Reserve check clearing process. There is no requirement, within the Uniform Commercial Code that a check actually be cashed when presented in person. If a bank is not able to make itself comfortable with the idea that it is dealing with a properly drafted check, or with the correct person, they do have the option of saying, "I'm sorry, we're not going to cash this check. You're going to have to bring this back to the person that drafted it and have them come in and deal with it".

Now, cashing checks is a convenience that everybody is, accepts as a normal course of doing business. But, there's nothing within law that currently requires a bank to cash a check for a unaffiliated third party.

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This bill would require that to happen. As a matter of fact it says that, if somebody presents that check, and they present that single form of identification, you shall cash the check. That implies that even notwithstanding things like stop payment orders, that you will cash that check. I think that there are legal problems, and conflicts and issues that are brought up by the way that the bill is drafted.

And, then finally, the banking industry is extremely, extremely, extremely competitive. There are a lot of non-bank entities out there that have entered the business over the past couple of decades. They are not driven by net interest margin to run their business; they are fee driven. And, the result is that the net interest margins have declined, are compressing, and are disappearing. And, as a result, when banks are examined in these days, either by state bank examiners or by federal bank examiners, they're tested to find out how reliant they are on net interest margin business. And, those that are overly reliant on net interest margin are strongly encouraged, in the written examination reports that come from those examiners, to remove that reliance on that interest margin, and to increase their non-interest income. Non-interest income is banker's fee for service charges and fees. It's the other source that we have.

And, I can tell you that as recently as week before last, I was speaking with some bankers who had been examined during the first quarter of this year, and told me that, without a doubt, that within their confidential bank examination reports that were reviewed by the examiners with the Board of Directors, there's language in there that says that your institution remains to be overly reliant on net interest margin, and you must find ways to increase your non-interest expense.

So, on one hand, if this bill were to pass, we would be getting directives from bank examiners, those from the State of New Hampshire who do work for you, and those for the federal government that work for Congress, telling us to move in the direction of service charges and fees, and on the other hand, we would be facing this piece of legislation that would tell us that, but not in this case. We think the market should be given a chance to work. And, in fact, we believe the market does work.

And, the last attachment to my testimony is a page from a Wal-Mart's web site, where you will see that they welcome people to come into their stores and cash their paychecks, for a fee. The market is there. The market will respond to this legislation, the market will determine where paychecks are welcomed to be cashed; and if you're not a customer, what the charge is.

And, that's the full scope of my testimony.

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Senator Margaret Wood Hassan, D. 23: Thank you very much. I hadn't heard that much about the UCC since law school.

Senator Reynolds?

Senator Deborah R. Reynolds, D. 2: Thank you very much, Madam Chair, and, thank you, Jerry Little. And, so what we are saying, or what the legislation is saying here, is that if you're a community bank in New Hampshire that hasn't had the major challenges that larger, national institutions like Bank of America, Citigroup, whatever, that we can't charge a fee, but some non-customer comes in, presents a check; bounces the check. I guess my question is who gets stuck with that?

Mr. Little: Presumably, this fee is limited to on-us checks only.

Senator Deborah R. Reynolds, D. 2: I'm sorry, they're what?

Mr. Little: This fee is limited to on-us checks only. These are the checks that are written against an account at the bank.

Senator Deborah R. Reynolds, D. 2: Okay.

Mr. Little: Therefore, the presumption is that that financial institution has the opportunity to check the balance, and make sure that there are sufficient funds within the account to cash the check. So, I don't believe this is really a bounced check fee issue. But, you are correct in that if it passed it would apply only to state-chartered banks, which in New Hampshire are, as you can see from the list, one reason I wanted to give it to you, is that it is limited to very community-based, very active community financial institutions.

Senator Deborah R. Reynolds, D. 2: And, just as a follow up, if I may?

Senator Margaret Wood Hassan, D. 23: Yes.

Senator Deborah R. Reynolds, D. 2: So, what we would be doing is we would be providing some additional revenue for some private businesses like Wal-Mart, and taking that business away from our local community banks. Is that true?

Mr. Little: Um.

Senator Deborah R. Reynolds, D. 2: Possibly?

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Mr. Little: Probably, possibly, yeah.

Senator Deborah R. Reynolds, D. 2: Thank you.

Senator Margaret Wood Hassan, D. 23: Senator Cilley?

Senator Jacalyn L. Cilley, D. 6: Thank you, Madam Chair. And, thank you, Jerry, for your testimony. I guess I'm struggling with the idea that as a depositor in a particular bank, and my husband and I have a business and we've got, you know, our, you know, accounts there. And, we pay payroll, and we pay our suppliers, and so on and so forth with these instruments. I mean, as sort of, it's like a promissory note. So, our employees, who may choose not to do business with the bank, go into the bank and could be charged six dollars for cashing their check. And yet, all those other people that we pay, who don't have accounts with the bank, many whom are out-of-state, cash that check with no fee. I guess, I guess I'm wondering if there isn't an issue of discrimination here.

Mr. Little: If that were in fact the case, I believe it would be correct, that there could be an issue of discrimination, but this has not been fully communicated. The six dollar fee applies to anyone, whether it's an employee or a vendor who cashes an on-us check at that particular financial institution. There is no determination; there is no way to determine immediately whether a check is a payroll check or a check to pay the painter or a supplier. So that, if the company, the hardware store that you bought the cans of paint from, comes into Bank of America and wants to cash that check, they too will pay that six dollar fee. So, it applies to all non-customer attempts to cash checks for on-us fees drawn on corporate checking accounts.

Senator Margaret Wood Hassan, D. 23: So, that ...

Senator Jacalyn L. Cilley, D. 6: Who come into the bank, because if our supplier deposits that check out in California to his or her bank, and it goes through the system, then there's no charge.

Mr. Little: No charge.

Senator Margaret Wood Hassan, D. 23: And, that's, for you guys, the term cash a check is a term of art, right?

Mr. Little: Yes. It actually means bringing the negotiable instrument to the counter, and asking to walk away with US tender in hand. As opposed to simply bringing the check into your own bank and depositing it, which makes

a check payable. Cashing and payable are two different things, two different legal terms within the Uniform Commercial Code.

Senator Jacalyn L. Cilley, D. 6: Okay.

Senator Margaret Wood Hassan, D. 23: Are there any other questions? Seeing none, thank you very much for your testimony, and for being so patient this morning.

Mr. Little: Thank you.

Please see Attachment #2 – prepared testimony submitted by Jerry Little, President, New Hampshire Bankers Association.

Please see Attachment #3 – Interpretive Letter #1054, Comptroller of the Currency, Administrator of National Banks, Washington, D. C., dated July 27, 2005, submitted by Jerry Little.

Please see Attachment #4 – Listing of 35 Banks in New Hampshire, by Charter Type, submitted by Jerry Little.

Please see Attachment #5 – Web site of Walmart.com, Wal-Mart Money Center: Check Cashing, article entitled, Wal-Mart Check Cashing, submitted by Jerry Little.

Senator Margaret Wood Hassan, D. 23: Was there anybody else who wanted to testify on SB 194? Seeing no one else, I'm going to close the hearing on SB 194. That concludes our hearings for the morning.

Hearing concluded at 10:43 a.m.

Respectfully submitted,



Deborah A. Chroniak
Senate Secretary
06-01-09

5 Attachments

Too good to tee true

Jobless hit with bank charges on benefit cards

By CHRISTOPHER LEONARD
The Associated Press

First, Arthur Santa-Maria called Bank of America to ask how to check the balance of his new unemployment benefits debit card. The bank charged him 50 cents.

He chose not to complain.

That would have cost another 50 cents.

So he took out some of the money and then decided to pull out the rest. But that made two withdrawals on the same day, and that was \$1.50.

For hundreds of thousands of workers losing their jobs during the recession, there's a new twist to their financial pain: Even when they're collecting unemployment benefits, they're paying the bank just to get the money - or even to call customer service to complain about it.

Thirty states have struck such deals with banks that include Citigroup Inc., Bank of America Corp., JP Morgan Chase and US Bancorp, an Associated Press review of the agreements found. All the programs carry fees, and in several states the unemployed have no choice but to use the debit cards. Some banks even charge overdraft fees of up to \$20 - even though they could decline charges for more than what's on the card.

"They're trying to use my money to make money," said Santa-Maria, a laid-off engineer who lives just outside Albuquerque, N.M. "I just see banks trying to make that 50 cents or a buck and a half when I should be given the service for free."



Photo by THE ASSOCIATED PRESS

Recently unemployed engineer Arthur Santa-Maria poses Feb. 7 at a Bank of America ATM in Los Lunas, N.M. Santa-Maria was surprised to learn he must pay fees to withdraw his unemployment money using a state-issued Bank of America debit card.

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ATTACHMENT #1

Fees | Some banks also earn interest on cash

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The banks say their programs offer convenience. They also provide at least one way to tap the money at no charge, such as using a single free withdrawal to get all the cash at once from a bank teller. But the banks benefit from human nature, as people end up treating the cards like all the other plastic in their wallets.

Some banks, depending on the agreement negotiated with each state, also make money on the interest they earn after the state deposits the money and before it's spent. The banks and credit card companies also get roughly 1 percent to 3 percent off the top of each transaction made with the cards.

"It's a racket. It's a scam," said Rachel Davis, a 38-year-old dental technician from St. Louis who was laid off in October. Davis was given a MasterCard issued through Central Bank of Jefferson City and recently paid \$6 to make two \$40 withdrawals.

Neither banks nor credit card companies will say how much money they are making off the programs, or what proportion of the revenue comes from user versus merchant fees or interest. It's difficult to estimate the profits because they depend on how often recipients use their cards and where they use them.

But the potential is clear.

In Missouri, for instance, 94,883 people claimed unemployment benefits through debit cards from Central Bank. Analysts say a recipient uses a card an average of six to 10 times a month. If each cardholder makes three withdrawals at an out-of-network ATM, at a fee of \$1.75, the bank would collect nearly \$500,000. If half of the cardholders also call customer service three times in any given week, the bank's revenue would jump to more than \$521,000. That would yield \$6.3 million a year.

Rachel Storch, a Democratic state representative, received a wave of complaints about the fees from autoworkers laid off from a suburban St. Louis Chrysler plant. She recently urged Gov. Jay Nixon to review the state's contract with Central Bank with an eye toward reducing the fees.

"I think the contract is unfair and potentially illegal to unemployment recip-

ients," she said.

Central Bank did not return two messages seeking comment.

Glenn Campbell, a spokesman for Rep. Russ Carnahan, D-Mo., said the congressman would support a review of the debit card programs nationwide.

Another 10 states - including the unemployment hot spots of California, Florida and South Carolina - are considering such programs or have signed contracts. The remainder still use traditional checks or direct deposit.

With the national unemployment rate now at 7.6 percent, the market for bank-issued unemployment cards is booming. In 2003, states paid only \$4 million of unemployment insurance through debit cards. By 2007, it had ballooned to \$2.8 billion, and by 2010 it will likely rise to \$10.5 billion, according to a study conducted by Mercator Advisory Group, a financial industry consulting firm.

The economic stimulus plan signed by President Barack Obama this week will increase federal unemployment benefits by \$40 billion this year. Subsequently, there will be more money from which banks can collect fees. The U.S. Department of Labor allows the fees as long as states create a way for recipients to get their money for free, spokeswoman Suzy Bohnert said.

"Beyond that, the individual decides how to manage his drawdowns using the debit card," she said in an e-mail.

A typical contract looks like the agreement between Citigroup and the state of Kansas, which took effect in November. The state expects to save \$300,000 a year by wiring payments to Citigroup instead of printing and mailing checks.

Citigroup's bill to the state: zero. The bank collects its revenue from fees paid by merchants and the unemployed.

"If you use your card the right way, you're not going to pay fees at all," said Paul Simpson, Citigroup's global head of public sector, health care and wholesale cards.

But that's not always practical.

Santa-Maria, the laid-off New Mexico engineer, said he didn't pay any fees the first time he was laid off, for several months in 2007. His unemployment benefits were paid by paper checks. He found a new job last year but was laid

off again last fall.

This time, he was issued a Bank of America debit card - a "prepaid" card in industry lingo - but he was surprised to learn he had to pay fees to get his money. He asked the bank to waive them. It said no. That's when Santa-Maria called back to ask how to check his account online. He logged on and saw that the call cost him a half dollar. To avoid more fees, Santa-Maria found a Bank of America ATM at a strip mall and withdrew \$80 at no charge. When he got back to his car, he decided to take out the rest of his money - \$250 - and deposit it in his bank account.

Afterward, Santa-Maria logged on to his account and saw a charge of \$1.50 for two withdrawals in one day.

New Mexico authorities bargained with Bank of America to get lower fees for unemployment recipients, said Carrie Moritomo, a spokeswoman for the state Department of Workforce Solutions. The state saves up to \$1.5 million annually by not printing checks.

Banks could issue unemployment debit cards with no fees for cardholders, but that would likely mean that states would have to pay more of the administrative costs, said Mark Harrington, director of marketing for Citigroup's prepaid card services. If a state demanded no cardholder fees and could pay the difference, Citigroup might enter such a contract.

"We would be open to that," Harrington said. "We're not looking to structure any programs where we would lose money, but we're definitely flexible."

Simpson noted that the cards can save money for jobless workers who have no bank accounts. In the past, these people had to use corner check-cashing shops that charged fees as high as 2 percent, or \$6 for a \$300 check. Now, they can swipe their cards at McDonald's, Wal-Mart or elsewhere for free.

Kenna Gortler, a laid-off paper mill worker in Oregon, said her union is advising members to avoid the debit cards and sign up to get their benefits through direct deposit. More than 300 of her fellow workers have lost their jobs at the mill in the last three months, and horror stories about ATM fees and overdraft charges are starting to filter back to others who are just now signing up for their benefits.

Stanford

CONTINUED FROM | PAGE 8

cial system.

Venezuela on Thursday seized a failed bank controlled by Stanford after a run on deposits there, while clients were pre-

Stanford, 58, is a larger-than-life figure in the Caribbean, using his personal fortune - estimated at \$2.2 billion by Forbes magazine - to bankroll

**SB 194, an act relative to the negotiation of payroll checks
Testimony of Gerald H. Little, President
New Hampshire Bankers Association
Before the
Senate Committee on Commerce, Labor and Consumer Protection**

Tuesday, March 17, 2009

Chairwoman Hassan and members of the Senate Commerce, Labor and Consumer Protection Committee, for the record, I am Jerry Little, President of the New Hampshire Bankers Association, and we appear today in opposition to SB 194. As written, SB 194 would:

- Not address the issue it is said to be focused on, because it would not apply to nationally chartered banks.
- Expose consumers to greater risk of fraud and identity theft by lowering the standard of care for confirming a check casher's identity.
- Create a legal responsibility between a bank and a non-customer where none currently exists, in conflict with the Uniform Commercial Code; and
- Interfere with bank management in a manner inconsistent with current regulatory directives.

SB 194 would not apply to national banks and, therefore, not achieve its stated goal.

The New Hampshire Bankers Association (NHBA) has been told by the prime sponsor that the intent of SB 194 is to prevent one specific financial institution from continuing its current practice of collecting a \$6 fee for cashing an "on-us" payroll check for non-customers. That institution has been identified by the prime sponsor as Bank of America.

Bank of America is a nationally chartered bank and not subject to state banking laws. Our nation has a dual banking system. National banks are chartered and controlled under laws passed by Congress. State banks are chartered and controlled by laws passed by the New Hampshire General Court. This legislature has no jurisdiction over national banks.

Therefore, if SB 194 is passed, it will not apply to Bank of America or prevent them from continuing to collect the fee in question in the future.

Indeed, this bank, and others, have assessed this non-customer fee for many years in other areas of the country and, in March, 2006, the Office of the Comptroller of the Currency issued Interpretive Letter #1054 which, according to the OCC web site, "reviews OCC interpretive letters and federal case law that makes clear that state statutes that prohibit on-us check cashing fees do not apply to national banks." A copy of that letter is attached to this testimony.

Simply put, SB 194 cannot apply to Bank of America. Who would it apply to? Please review the second attachment, a list of NHBA member banks, categorized by charter type. SB 194 would only apply to state-chartered banks. Add to this list all state-chartered credit unions, but not those that are federally chartered.

Here is why passing SB 194 would be a bad thing for them and consumers generally:

SB 194 would lower the standard of care for confirming identity, exposing consumers and local institutions to greater risk of fraud.

SB 194 would require state-chartered banks and credit unions to cash "on-us" checks for anyone who can present a state-issued photo identification card. (We assume this means a photo ID issued by any state, since to interpret the language otherwise in the context of the payments system probably results in a violation of the Interstate Commerce Clause.)

Tweaking the payments system, as SB 194 proposes to do, brings the Uniform Commercial Code, (NH RSA 382-A) into play, specifically Article 3 regarding negotiable instruments and Article 4 regarding bank deposits and collections. The UCCs are intentionally vague as to what constitutes things like "sufficient identification", recognizing that being overly specific would make it impossible for some people to participate in the payment system and require legislatures to constantly update statutes as technology advances. Instead, the UCCs require participants to "exercise ordinary care".

From a consumer security standpoint, government agencies and experts agree; redundancy, in the form of requiring multiple sources of identification, is one of the most important aspects of an effective anti-fraud program. SB 194 would require banks and credit unions to honor a check presented with just a single form of identification. It would set an extremely low standard of "ordinary care", tearing an enormous hole in current consumer fraud protection programs. Photo IDs vary greatly from state to state and are extremely easy to counterfeit.

The effort in SB 194 to lower the standard for confirming customer identification is absolutely inappropriate in the current age of computers and color printers when checks and IDs are easily forged.

SB 194 would create a legal conflict between a bank, its depositor, and the depositor's payee.

Under current law, a bank's contractual legal responsibility is limited to its customer. It has no responsibility to a non-customer because there is no contractual agreement between those parties.

Therefore, a bank's liability for failing to properly pay a negotiable instrument is to the depositor that wrote the check, not to a non-customer that attempts to cash it. That non-customer's relationship is with the writer of the check.

In fact, there is no legal obligation to cash checks for non-customers at all. Check "cashing" is a convenience. "Paying" a check, the proper term, is the act of crediting and debiting accounts within the payments system. The UCCs prescribe liabilities and responsibilities to those acting within the payments system. Cashing checks for non-customers falls outside the UCC governed payments system.

Under SB 194, a state-chartered bank or credit union would be obligated to "cash" all on-us checks for non-customers, with minimal identification effort, arguably even if a stop payment order has been placed on a particular check. It would extend a legal obligation to a non-customer who has not given any consideration in return.

SB 194 would contradict current regulatory directives for banks to increase non-interest income.

National and state bank regulatory agencies have been warning banks for several years to move away from reliance on interest income to fund their operations. At the same time, they encourage institutions to increase their sources of non-interest income. "Non-interest income" is bank-speak for surcharges and fees. The reason for this is simple; a huge number of non-bank competitors have entered the financial services market, driving down interest rates and putting those that rely on a net interest margin at risk of declining revenues.

The purpose of surcharges and fees is to place responsibility for the cost of providing a product or service with the individual that benefits from it.

The NHBA does not expect aggressive non-bank competitors to reverse course and leave the financial services marketplace. We must learn to adapt and, ultimately, believe the open market should be allowed to determine pricing. Indeed, that is happening today. The final attachment to this testimony, downloaded from Wal-Mart's web site, shows they will cash any payroll check for \$3...but not for free.



ATTACHMENT # 3

Comptroller of the Currency
Administrator of National Banks

Washington, DC 20219

July 27, 2005

Interpretive Letter #1054
March 2006
12 USC 24(7)

Dan C. Stevenson
Representative
Indiana House of Representatives
Third Floor State House
Indianapolis, IN 46204

Dear Representative Stevenson:

Thank you for your letter forwarding an e-mail from your constituent, [], and a letter from J. Philip Goddard, Deputy Director and Chief Counsel of the Indiana Department of Financial Institutions. Both []'s e-mail and Mr. Goddard's letter raise concerns about fees charged by a national bank for cashing a check presented for payment by a non-accountholder that is drawn upon the account of one of the bank's customers. Fees a bank charges for cashing a check presented by a non-accountholder are sometimes described as convenience fees charged for the service of making funds immediately available to non-customers.¹ The fees also are referred to as "on-us check cashing fees" or "on-us fees." I appreciate this opportunity to explain national banks' authority to charge such fees.

The OCC has issued several letters explaining that Federal law authorizes national banks to charge on-us fees.² As these letters describe, a Federal statute, 12 U.S.C. § 24(Seventh), authorizes national banks to engage in activities that are part of, or incidental to, the business of banking, as well as to engage in certain specified activities listed in the statute. Cashing checks is part of the business of banking. A national bank's authority to provide products or services, such as check cashing, to its customers encompasses the ability to charge a fee for the product or service.³ This authority to charge fees for services is expressly set forth in the OCC's regulations at 12 C.F.R. § 7.4002. After reviewing information submitted to the OCC by the banks that

¹ [], for example, explains that he has incurred these fees rather than depositing the checks in his own institution, which would place a hold of up to five days on the funds.

² OCC Interpretive Letters Nos. 932, 933, and 934 (May 2002). These letters are publicly available on the OCC's website at www.occ.treas.gov/interp/monthly.htm.

³ See *Bank of America, N.A. v. City and County of San Francisco*, 309 F.3d 551 (9th Cir. 2002), *cert. denied*, 123 S. Ct. 2220 (2003) (city ordinances prohibiting ATM fees held preempted and permanently enjoined); *Metrobank v. Foster*, 193 F. Supp. 2d 1156 (S.D. Iowa 2002) (national bank authority to charge fees for ATM use preempted Iowa prohibition on such fees). See also *Bank One v. Guttau*, 190 F.3d 844 (8th Cir. 1999) (various restrictions on the operation of ATMs imposed by Iowa law held preempted and permanently enjoined).

sought our opinion,⁴ we concluded that the on-us fees charged by each bank were authorized pursuant to this Federal statute and regulation.

That conclusion was subsequently upheld by the U.S. Court of Appeals for the Fifth Circuit. In a case concerning the applicability to national banks of a Texas statute prohibiting on-us fees, the Fifth Circuit confirmed that the OCC had the authority to determine that Federal law authorized a national bank to charge such fees and expressly upheld the OCC's determination. Moreover, the appeals court affirmed the lower court's decision that the Texas statute prohibiting on-us fees was preempted by Federal law. As the Fifth Circuit's decision thus makes clear, state statutes that prohibit the fees do not apply to national banks.⁵

Mr. Goddard's letter makes reference to a memorandum that he has prepared opining that charging an on-us fee constitutes wrongful dishonor of a check under the Indiana UCC if the payee is a holder in due course. The March 2000 Memorandum was written before the Fifth Circuit's decision, however, and provided that Indiana regulators should apply this interpretation of Indiana law "pending a resolution on the Federal level." As we note above, and as Mr. Goddard's letter to you acknowledges, Federal courts have upheld the OCC's determination that national banks may charge on-us fees, notwithstanding contrary state law. We also note that the March 2000 Memorandum's conclusion concerning the Indiana UCC is limited to financial institutions operating under a state charter. The OCC takes no position on the interpretation of the Indiana UCC that the March 2000 Memorandum sets forth for state banks.⁶

I trust this explanation is helpful in understanding national banks' authority to charge on-us fees. If you have any further questions, please do not hesitate to contact me or Michele Meyer, an attorney on my staff, at (202) 874-5090.

Sincerely,

signed

Julie L. Williams
Acting Comptroller of the Currency

⁴ The OCC requires a bank seeking an opinion about whether a particular type of fee is authorized to provide certain information that is described in the applicable regulation. See 12 C.F.R. § 7.4002(b). A national bank's authority to charge a particular fee is not conditioned on obtaining such an opinion, however.

⁵ *Wells Fargo Bank of Texas, N.A. v. James*, 321 F.3d 488 (5th Cir. 2003), *aff'g* 184 F. Supp. 2d 588 (W.D. Tex. 2001).

⁶ As we recognized in our opinions addressing on-us fees, however, the wrongful dishonor provision in the UCC also is subject to a different interpretation than the one advanced in Mr. Goddard's memorandum. The banks requesting our opinion provided a legal analysis indicating that an on-us fee would not be considered wrongful dishonor so long as the bank's agreement with its accountholder provided for the imposition of check cashing fees. This analysis was included in the submissions made by the banks to demonstrate their consideration of any litigation risk presented by charging such fees. The OCC did not consider it for purposes of opining on the proper interpretation of the UCC. See OCC Interpretive Letters Nos. 932, 933, and 934.



ATTACHMENT # 4

P.O. Box 2586, Concord, NH 03302-2586
15 North Main Street, Suite 204, Concord, NH 03301
Phone (603) 224-5373 Fax (603) 224-3381
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The 35 Banks in New Hampshire, By Charter Type

Headquartered in NH

State-Chartered (19)

Bank of New England
Centrix Bank
Claremont Savings Bank
Community Guaranty Savings Bank
First Colebrook Bank
Franklin Savings Bank
GreatWaters Bank (In Formation)
Hampshire First Bank
Laconia Savings Bank
Meredith Village Savings Bank
Merrimack County Savings Bank
Northway Bank
Optima Bank & Trust
Piscataqua Savings Bank
Salem Co-operative Bank
Savings Bank of Walpole
Sugar River Bank
The Nashua Bank
Woodsville Guaranty Savings Bank

Federally-Chartered (6)

Federal Savings Bank
Lake Sunapee Bank, FSB
Monadnock Community Bank
Ocean Bank
Profile Bank, FSB
Mascoma Savings Bank

Headquartered Out-of-State

State-Chartered (3)

Passumpsic Savings Bank (VT)
Pentucket Bank (MA)
Union Bank (VT)

Federally-Chartered (7)

Bank of America (NC)
Citizens Bank (RI)
Connecticut River Bank, N.A. (VT)
First National Bank of Ipswich (MA)
Ledyard National Bank (VT)
Sovereign Bank (PA)
TD BankNorth (ME)

ATTACHMENT #5

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**SENATE CALENDAR NOTICE
COMMERCE, LABOR, AND
CONSUMER PROTECTION**

✓ Senator Hassan, Chairman
✓ Senator DeVries, V Chairman
✓ Senator Reynolds
Senator Cilley
✓ Senator Bragdon
✓ Senator Roberge

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Proof:	Calendar	Bill Status
	House Calendar (Chapter Studies)	

SENATE HEARING ON RE-REFERRED BILLS

Date: October 29, 2009

Wednesday	November 18, 2009
(Day)	(Date)

Commerce, Labor and Consumer Protection	Room 102, LOB	9:30 a.m.
(Name of Committee)	(Place)	(Time)

Executive session may follow

9:30 a.m. SB 61 – relative to consumer credit report of satisfied debts.
9:45 a.m. SB 194 – relative to the negotiation of payroll checks.
10:00 a.m. HB 602-FN-A - relative to costs associated with cashing payroll checks.

Sen. Maggie Hassan
Chairman

Sponsors:

SB 61 - Sen. Fuller Clark
SB 194 - Sen. Gatsas, Sen. Barnes, Sen. Bragdon, Sen Carson, Sen. D'Allesandro, Sen. Denley, Sen. Downing, Sen. Gallus, Sen. Gilmour, Sen. Lasky, Sen. Letourneau, Sen. Roberge, Sen. Sgambati, Rep. Goley, Rep. Infantine.
HB 602-FN-A - Rep. R. Holden, Rep. Wheeler

Deborah A. Chroniak 271-3096

doc

Date: November 18, 2009
Time: 9:50 a.m.
Room: LOB 102

The Senate Committee on Commerce, Labor and Consumer Protection held a hearing on the following:

SB 194 relative to the negotiation of payroll checks.

Members of Committee present: Senator Hassan
Senator DeVries
Senator Reynolds
Senator Bragdon
Senator Roberge

The Chair, Senator Margaret Wood Hassan, opened the hearing on SB 194 and invited Mr. James Demers to discuss the legislation.

Senator Margaret Wood Hassan, D. 23: We're taking testimony from Mr. Demers on SB 194, which was retained from the last session, the 2009 legislative session, and will be dealt with in the 2010 legislative session. So, Mr. Demers, why don't you introduce yourself for the record?

James Demers: Okay. Yes. For the record, my name is James Demers, and I am here on behalf of Bank of America today, to give you an update, and, really, to expand upon what the Chairman said.

Bank of America has implemented a program that allows for any individual to cash checks, without a charge, as long as they open an account with the bank. The account that they have established here in New Hampshire, there is a free checking account available, so that there are no fees associated with it. So, I think that addresses the concern that an individual... There is a way for an individual to cash a check without having a fee, because there's no fee to cash the check, nor is there any fees tied to the account.

The other issue that the Chairman raised was slips that they have, that they periodically give out to customers who come in to cash a check, that don't have an account. And, that slip does explain the options that are available to the individual, so that they can avoid the fee, primarily opening up the free account. And, also, it does explain that they have the option of getting a

dad

receipt, and going back to their employer to be reimbursed, in the event that they don't open up the account, and they're charged the six dollar fee.

So, the short of it is, is that the fee is still being charged if that, you know, was the question that was raised.

Senator Deborah R. Reynolds, D. 2: I have a question.

Senator Margaret Wood Hassan, D. 23: Senator Reynolds.

Senator Deborah R. Reynolds, D. 2: Thank you, Madam Chair. Thank you, Mr. Demers. Is there a minimum... There's got to be a minimum balance in your checking account. Do you know what that is?

Mr. Demers: There is a minimum to open the account.

Senator Deborah R. Reynolds, D. 2: Okay.

Mr. Demers: But, there is no minimum to maintain the account.

Senator Deborah R. Reynolds, D. 2: Okay. So, what's ...

Mr. Demers: So, it is \$25.00 ...

Senator Deborah R. Reynolds, D. 2: Okay.

Mr. Demers: ... to open the account.

Senator Deborah R. Reynolds, D. 2: And,

Mr. Demers: And, then once it's opened ...

Senator Deborah R. Reynolds, D. 2: Okay.

Mr. Demers: ... they don't have to even maintain any balance at all.

Senator Deborah R. Reynolds, D. 2: Okay. Now, if they get an ATM card, are they charged ATM fees?

Mr. Demers: I shouldn't speak to this not knowing, but ...

Senator Deborah R. Reynolds, D. 2: Okay.

Mr. Demers: ... my belief is that there is no charge if they use the ATM card at a Bank of America facility. But, if you were to take, like any bank, if you go to another bank with that, you could be assessed fees.

Senator Deborah R. Reynolds, D. 2: Right.

Mr. Demers: And, there would be no way for Bank of America, or any bank to be able to control that, because it's the bank where you use the card that's assessing that fee.

Senator Deborah R. Reynolds, D. 2: Okay. Just a final follow-up.

Senator Margaret Wood Hassan, D. 23: Hm-mm.

Senator Deborah R. Reynolds, D. 2: If you opened a savings account at Bank of America, would that be at no charge? Let's say you didn't want a checking account.

Mr. Demers: The, well, I only know that the account that they have designed, there is a free account.

Senator Deborah R. Reynolds, D. 2: Okay.

Mr. Demers: I don't know if they decided they wanted to open up a different type account, what would happen.

Senator Deborah R. Reynolds, D. 2: Sure.

Mr. Demers: But they're, I mean, they do have the option of having an account that has no fees tied to it.

Senator Deborah R. Reynolds, D. 2: Okay. Thank you.

Mr. Demers: Yep.

Senator Margaret Wood Hassan, D. 23: Other questions? Senator Bragdon?

Senator Peter E. Bragdon, D. 11: Thank you, Madam Chair. Could we, and maybe you already have this, could we get copies of these documents that people get so... It's tough to make a decision ...

Mr. Demers: Yes.

Senator Margaret Wood Hassan, D. 23: Yeah.

Mr. Demers: I can get those to you.

Senator Margaret Wood Hassan, D. 23: And, I'm sorry. There's literally one on my desk...

Senator Peter E. Bragdon, D. 11: I thought that's what you might have been referring to.

Senator Margaret Wood Hassan, D. 23: ... that I got recently, and I've been carrying it around. And, I finally ...

Senator Peter E. Bragdon, D. 11: Yeah, it would be good to see that.

Senator Margaret Wood Hassan, D. 23: ... unloaded my portfolio. I think it would be good to see that. I had a question, which is just, I want to be clear, because when Bank of America says it's a no-fee account, it's also that the no minimum balance, no-fee account has to be opened up over the internet. Is that right? Or, by computer?

Mr. Demers: That is correct.

Senator Margaret Wood Hassan, D. 23: Okay.

Mr. Demers: That it is opened up online.

Senator Margaret Wood Hassan, D. 23: Yeah.

Mr. Demers: You establish the account by going online to open it.

Senator Margaret Wood Hassan, D. 23: So, if you were in a Bank of America, and you got the slip of paper that says you can do this, and you didn't consider yourself particularly computer savvy, you couldn't get the free account if you asked a teller or a bank manager to help you open it?

Mr. Demers: Well, you have to go online to do it.

Senator Margaret Wood Hassan, D. 23: Okay.

Mr. Demers: I mean, that's... Whether or not an employee would help?

Senator Margaret Wood Hassan, D. 23: Yeah, I mean, what I'm trying to get at is, I thought there was some issue about whether you could literally then walk away from the teller's window, and sit down with an employee from Bank of America at one of the bank's computers, and open it up. And, my memory is that there was a problem with doing that.

Mr. Demers: It, the account is not designed for the employee to open the account.

Senator Margaret Wood Hassan, D. 23: Right.

Mr. Demers: So, it is something you're supposed to do online yourself.

Senator Margaret Wood Hassan, D. 23: Okay. So, if you are not a computer savvy person, or don't have access to a computer, you don't really have access to the free account.

Mr. Demers: If you are unable to figure out how to do it ...

Senator Margaret Wood Hassan, D. 23: Okay.

Mr. Demers: ... yes, you would ...

Senator Margaret Wood Hassan, D. 23: Yeah.

Mr. Demers: ... then ask for a receipt, and take the receipt back to your employer ...

Senator Margaret Wood Hassan, D. 23: Right.

Mr. Demers: ... for reimbursement.

Senator Margaret Wood Hassan, D. 23: Okay. Then why don't we ... Are there any other questions for Mr. Demers? And, is there anybody else out there who has anything to add, since I've kind of opened this up? Not kind of; I did. Okay. Then, do I have a motion to go back into executive session?

Senator Peter E. Bragdon, D. 11: I think you need to close ...

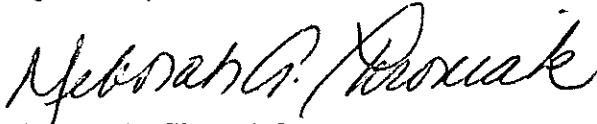
Deborah A. Chroniak: We're going to close ... yes.

Senator Peter E. Bragdon, D. 11: ... the hearing first?

Senator Margaret Wood Hassan, D. 23: Yeah. Close. (Gavel slams). That closes the new hearing on SB 194.

Hearing concluded at 9:56 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Deborah A. Chroniak". The signature is written in a cursive style with a large initial 'D'.

Deborah A. Chroniak
Senate Committee Secretary

12-21-09

SENATE EXECUTIVE SESSION NOTICE
COMMERCE, LABOR AND
CONSUMER PROTECTION

- ✓ Senator Hassan, Chairman
- Senator DeVries, V. Chairman
- ✓ Senator Reynolds
- Senator Cilley
- ✓ Senator Bragdon
- ✓ Senator Roberge

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Date: January 6, 2010

EXECUTIVE SESSION ON PENDING LEGISLATION

Tuesday

(Day)

January 12, 2010

(Date)

Commerce, Labor and Consumer Protection

(Name of Committee)

Room 102, LOB

(Place)

8:30 a.m.

(Time)

SENATE EXECUTIVE SESSION ON RE-REFERRED BILLS

8:30 a.m.	SB 61	Relative to consumer credit report of satisfied debts
	SB 141-FN	Relative to a life settlements model act
	SB 194	Relative to the negotiations of payroll checks
	HB 216-FN	Relative to fees for legal services rendered to workers' compensation claimants
	HB 602-FN-A	Relative to costs associated with cashing payroll checks

Sen. Margaret Wood Hassan
Chairman

Danielle Barker 271-3093

Speakers

Voting Sheets

Senate Commerce, Labor & Consumer Protection Committee

EXECUTIVE SESSION

Bill # SB 194

Hearing date: 3-17-09

Executive session date: 3-31-09

Motion of: re-refer

VOTE: 4-0

<u>Made by</u>	Hassan	<input type="checkbox"/>	<u>Seconded</u>	Hassan	<input type="checkbox"/>	<u>Reported</u>	Hassan	<input type="checkbox"/>
<u>Senator:</u>	DeVries	<input checked="" type="checkbox"/>	<u>by Senator:</u>	DeVries	<input type="checkbox"/>	<u>by Senator:</u>	DeVries	<input type="checkbox"/>
	Reynolds	<input type="checkbox"/>		Reynolds	<input type="checkbox"/>		Reynolds	<input checked="" type="checkbox"/>
	Cilley	<input type="checkbox"/>		Cilley	<input checked="" type="checkbox"/>		Cilley	<input type="checkbox"/>
	Bragdon	<input type="checkbox"/>		Bragdon	<input type="checkbox"/>		Bragdon	<input type="checkbox"/>
	Roberge	<input type="checkbox"/>		Roberge	<input type="checkbox"/>		Roberge	<input type="checkbox"/>

Motion of: _____

VOTE: _____

<u>Made by</u>	Hassan	<input type="checkbox"/>	<u>Seconded</u>	Hassan	<input type="checkbox"/>	<u>Reported</u>	Hassan	<input type="checkbox"/>
<u>Senator:</u>	DeVries	<input type="checkbox"/>	<u>by Senator:</u>	DeVries	<input type="checkbox"/>	<u>by Senator:</u>	DeVries	<input type="checkbox"/>
	Reynolds	<input type="checkbox"/>		Reynolds	<input type="checkbox"/>		Reynolds	<input type="checkbox"/>
	Cilley	<input type="checkbox"/>		Cilley	<input type="checkbox"/>		Cilley	<input type="checkbox"/>
	Bragdon	<input type="checkbox"/>		Bragdon	<input type="checkbox"/>		Bragdon	<input type="checkbox"/>
	Roberge	<input type="checkbox"/>		Roberge	<input type="checkbox"/>		Roberge	<input type="checkbox"/>

<u>Committee Member</u>	<u>Present</u>	<u>Yes</u>	<u>No</u>	<u>Reported out by</u>
Senator Hassan, Chairman	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator DeVries, Vice-Chair	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Reynolds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Senator Cilley	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Bragdon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Roberge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Amendments: _____

Notes: _____

Senate Commerce, Labor & Consumer Protection Committee EXECUTIVE SESSION

Bill # SB 194

Hearing date: 11-18-09

Executive session date: 1/12/10

Motion of: ITL

VOTE: 4-0

Made by Hassan
Senator: DeVries
 Reynolds
 Cilley
 Bragdon
 Roberge

Seconded Hassan
by Senator: DeVries
 Reynolds
 Cilley
 Bragdon
 Roberge

Reported Hassan
by Senator: DeVries
 Reynolds
 Cilley
 Bragdon
 Roberge

Motion of: _____

VOTE: _____

Made by Hassan
Senator: DeVries
 Reynolds
 Cilley
 Bragdon
 Roberge

Seconded Hassan
by Senator: DeVries
 Reynolds
 Cilley
 Bragdon
 Roberge

Reported Hassan
by Senator: DeVries
 Reynolds
 Cilley
 Bragdon
 Roberge

<u>Committee Member</u>	<u>Present</u>	<u>Yes</u>	<u>No</u>	<u>Reported out by</u>
Senator Hassan, Chairman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator DeVries, Vice-Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Reynolds	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Cilley	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Bragdon	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Roberge	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Amendments: _____

Notes: _____

Committee Report

STATE OF NEW HAMPSHIRE
SENATE
REPORT OF THE COMMITTEE

Date: March 29, 2009

THE COMMITTEE ON Commerce, Labor and Consumer Protection
to which was referred Senate Bill 194

AN ACT relative to the negotiation of payroll checks.

Having considered the same, the committee recommends that the Bill:

BE RE-REFERRED TO COMMITTEE

BY A VOTE OF: 4-0

AMENDMENT # s

Senator Deborah R. Reynolds
For the Committee

Deb Chroniak 271-3096

New Hampshire General Court - Bill Status System

Docket of SB194

Docket Abbreviations

Bill Title: relative to the negotiation of payroll checks.

Official Docket of SB194:

Date	Body	Description
02/18/2009	S	Introduced and Referred to Commerce, Labor and Consumer Protection; SJ 5 , Pg.70
03/04/2009	S	Hearing; March 17, 2009, Room 102, LOB, 9:45 a.m.; SC14
03/31/2009	S	Committee Report; Rereferred to Committee [04/08/09]; SC18
04/08/2009	S	Rereferred to Committee, RC 14Y - 8N , MA

NH House

NH Senate

Contact Us

*New Hampshire General Court Information Systems
107 North Main Street - State House Room 31, Concord NH 03301*

STATE OF NEW HAMPSHIRE
SENATE
REPORT OF THE COMMITTEE

Date: January 12, 2010

THE COMMITTEE ON Commerce, Labor and Consumer Protection
to which was referred Senate Bill 194

AN ACT relative to the negotiation of payroll checks.

Having considered the same, the committee recommends that the Bill:

IS INEXPEDIENT TO LEGISLATE

BY A VOTE OF: 4-0

AMENDMENT # s

Senator Peter E. Bragdon
For the Committee

Danielle Barker 271-3093

New Hampshire General Court - Bill Status System

Docket of SB194

Docket Abbreviations

Bill Title: relative to the negotiation of payroll checks.*Official Docket of SB194:*

Date	Body	Description
02/18/2009	S	Introduced and Referred to Commerce, Labor and Consumer Protection; SJ 5 , Pg.70
03/04/2009	S	Hearing; March 17, 2009, Room 102, LOB, 9:45 a.m.; SC14
03/31/2009	S	Committee Report; Rereferred to Committee [04/08/09]; SC18
04/08/2009	S	Rereferred to Committee, RC 14Y - 8N , MA
01/12/2010	S	Committee Report; Inexpedient to Legislate 1/13/10; SC2A

NH House

NH Senate

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New Hampshire General Court - Bill Status System

Docket of SB194

Docket Abbreviations

Bill Title: relative to the negotiation of payroll checks.*Official Docket of SB194:*

Date	Body	Description
02/18/2009	S	Introduced and Referred to Commerce, Labor and Consumer Protection; SJ 5 , Pg.70
03/04/2009	S	Hearing; March 17, 2009, Room 102, LOB, 9:45 a.m.; SC14
03/31/2009	S	Committee Report; Rereferred to Committee [04/08/09]; SC18
04/08/2009	S	Rereferred to Committee, RC 14Y - 8N , MA
01/12/2010	S	Committee Report; Inexpedient to Legislate 1/13/10; SC2A
01/13/2010	S	Inexpedient to Legislate, MA, VV === BILL KILLED === SJ 2 , Pg.18

NH House

NH Senate

Contact Us

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Other Referrals

COMMITTEE REPORT FILE INVENTORY

SB 194 ORIGINAL REFERRAL _____ RE-REFERRAL

1. THIS INVENTORY IS TO BE SIGNED AND DATED BY THE COMMITTEE SECRETARY AND PLACED INSIDE THE FOLDER AS THE FIRST ITEM IN THE COMMITTEE FILE.
2. PLACE ALL DOCUMENTS IN THE FOLDER FOLLOWING THE INVENTORY IN THE ORDER LISTED.
3. THE DOCUMENTS WHICH HAVE AN "X" BESIDE THEM ARE CONFIRMED AS BEING IN THE FOLDER.
4. THE COMPLETED FILE IS THEN DELIVERED TO THE CALENDAR CLERK.

DOCKET (Submit only the latest docket found in Bill Status)

COMMITTEE REPORT

CALENDAR NOTICE on which you have taken attendance

HEARING REPORT (written summary of hearing testimony)

HEARING TRANSCRIPT (verbatim transcript of hearing)

List attachments (testimony and submissions which are part of the transcript) by number [1 thru 4 or 1, 2, 3, 4] here: _____

SIGN-UP SHEET

ALL AMENDMENTS (passed or not) CONSIDERED BY COMMITTEE:

____ - AMENDMENT # _____ - AMENDMENT # _____
____ - AMENDMENT # _____ - AMENDMENT # _____

ALL AVAILABLE VERSIONS OF THE BILL:

AS INTRODUCED _____ AS AMENDED BY THE HOUSE
____ FINAL VERSION _____ AS AMENDED BY THE SENATE

____ PREPARED TESTIMONY AND OTHER SUBMISSIONS (Which are not part of the transcript)

List by letter [a thru g or a, b, c, d] here: _____

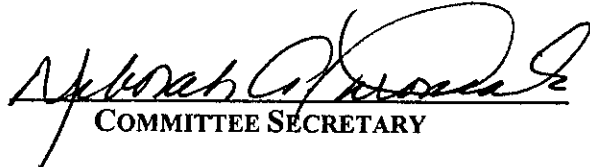
EXECUTIVE SESSION REPORT

____ OTHER (Anything else deemed important but not listed above, such as amended fiscal notes):

IF YOU HAVE A RE-REFERRED BILL, YOU ARE GOING TO MAKE UP A DUPLICATE FILE FOLDER

DATE DELIVERED TO SENATE CLERK

7/16/09


COMMITTEE SECRETARY

COMMITTEE REPORT FILE INVENTORY

 ORIGINAL REFERRAL

SB 194 RE-REFERRAL

1. THIS INVENTORY IS TO BE SIGNED AND DATED BY THE COMMITTEE SECRETARY AND PLACED INSIDE THE FOLDER AS THE FIRST ITEM IN THE COMMITTEE FILE.
2. PLACE ALL DOCUMENTS IN THE FOLDER FOLLOWING THE INVENTORY IN THE ORDER LISTED.
3. THE DOCUMENTS WHICH HAVE AN "X" BESIDE THEM ARE CONFIRMED AS BEING IN THE FOLDER.
4. THE COMPLETED FILE IS THEN DELIVERED TO THE CALENDAR CLERK.

DOCKET (Submit only the latest docket found in Bill Status)

COMMITTEE REPORT

CALENDAR NOTICE on which you have taken attendance

HEARING REPORT (written summary of hearing testimony)

HEARING TRANSCRIPT (verbatim transcript of hearing)

List attachments (testimony and submissions which are part of the transcript) by number [1 thru 4 or 1, 2, 3, 4] here: _____

SIGN-UP SHEET

ALL AMENDMENTS (passed or not) CONSIDERED BY COMMITTEE:

____ - AMENDMENT # _____ ____ - AMENDMENT # _____
____ - AMENDMENT # _____ ____ - AMENDMENT # _____

ALL AVAILABLE VERSIONS OF THE BILL:

AS INTRODUCED ____ AS AMENDED BY THE HOUSE
____ FINAL VERSION ____ AS AMENDED BY THE SENATE

____ PREPARED TESTIMONY AND OTHER SUBMISSIONS (Which are not part of the transcript)

List by letter [a thru g or a, b, c, d] here: _____

EXECUTIVE SESSION REPORT

____ OTHER (Anything else deemed important but not listed above, such as amended fiscal notes):

IF YOU HAVE A RE-REFERRED BILL, YOU ARE GOING TO MAKE UP A DUPLICATE FILE FOLDER

DATE DELIVERED TO SENATE CLERK

1/13/10

Danielle Banker
COMMITTEE SECRETARY

COMMITTEE REPORT FILE INVENTORY

ORIGINAL REFERRAL

S13194 RE-REFERRAL

1. THIS INVENTORY IS TO BE SIGNED AND DATED BY THE COMMITTEE SECRETARY AND PLACED INSIDE THE FOLDER AS THE FIRST ITEM IN THE COMMITTEE FILE.
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_____ AS INTRODUCED _____ AS AMENDED BY THE HOUSE
_____ FINAL VERSION _____ AS AMENDED BY THE SENATE

_____ PREPARED TESTIMONY AND OTHER SUBMISSIONS (Which are not part of the transcript)

List by letter [a thru g or a, b, c, d] here: _____

_____ EXECUTIVE SESSION REPORT

_____ OTHER (Anything else deemed important but not listed above, such as amended fiscal notes):

IF YOU HAVE A RE-REFERRED BILL, YOU ARE GOING TO MAKE UP A DUPLICATE FILE FOLDER

DATE DELIVERED TO SENATE CLERK 10/13/10

Debra Brown
COMMITTEE SECRETARY