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State of Minnesota
HOUSE OF REPRESENTATIVES

EIGHTY-FIFTH
SESSION

HOUSE FILE No. **1079**

February 19, 2007

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The bill was read for the first time and referred to the Committee on Commerce and Labor

1.1 A bill for an act
1.2 relating to commerce; prohibiting financial institutions from imposing a service
1.3 charge to cash certain checks; amending Minnesota Statutes 2006, section
1.4 48.512, subdivision 7.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2006, section 48.512, subdivision 7, is amended to read:

1.7 Subd. 7. **Transaction account service charges and charges relating to dishonored**
1.8 **checks.** (a) The establishment of transaction account service charges and the amounts of
1.9 the charges not otherwise limited or prescribed by law or rule is a business decision to
1.10 be made by each financial intermediary according to sound business judgment and safe,
1.11 sound financial institution operational standards. In establishing transaction account
1.12 service charges, the financial intermediary may consider, but is not limited to considering:

1.13 (1) costs incurred by the institution, plus a profit margin, in providing the service;

1.14 (2) the deterrence of misuse by customers of financial institution services;

1.15 (3) the establishment of the competitive position of the financial institution in
1.16 accordance with the institution's marketing strategy; and

1.17 (4) maintenance of the safety and soundness of the institution.

1.18 (b) Transaction account service charges must be reasonable in relation to these
1.19 considerations and should be arrived at by each financial intermediary on a competitive
1.20 basis and not on the basis of any agreement, arrangement, undertaking, or discussion with
1.21 other financial intermediaries or their officers.

1.22 (c) A financial intermediary may not impose a service charge in excess of \$4 for a
1.23 dishonored check on any person other than the issuer of the check.

- 2.1 (d) A financial intermediary may not impose a service charge to cash a check for less
- 2.2 than \$100 drawn on a transaction account at that financial institution.