

BANKING  
DEPARTMENT OF BANKING AND INSURANCE  
DIVISION OF BANKING

License Fees

Proposed Readoption with Amendments: N.J.A.C. 3:23

Authorized By: Holly C. Bakke, Department of Commissioner Banking and Insurance

Authority: N.J.S.A. 17:1-8.1, 17:1-15e, 17:15C-9(c), 17:15A-40, 17:16C-8, 17:16C-82, 17:16D-4 and 45:22-4 and 11

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2002-236

Submit comments by September 13, 2002 to:

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The agency proposal follows:

**Summary**

The Department of Banking and Insurance (“Department”) proposes to readopt N.J.A.C. 3:23, which is scheduled to expire on December 18, 2002 pursuant to N.J.S.A. 52:14B-5.1c.

The Department has reviewed these rules and determined them to be necessary, reasonable and proper for the purpose for which they were originally promulgated and is therefore proposing to readopt the rules with amendments at this time.

The rules proposed for readoption set forth the license fees which the Department charges money transmitters, foreign money transmitters, check cashers, motor vehicle installment sellers,

finance companies, and pawnbrokers. The fees help defray the Department's expenses in regulating these licensees.

The Department is proposing to increase the fee charged to check cashers from \$1,200 to \$1,400 for the biennial fee and from \$600.00 to \$700.00 for the annual fee. The present fee is \$1,200 for two years or \$600.00 for an applicant obtaining a license during the second half of the biennial licensing period. The statutory ceiling is \$2,000 for the biennial fee and \$1,000 for the annual fee. The Department notes that the proposed increase is below the statutory cap. Furthermore, check cashers fees were last increased in 1995. This increased fee is being proposed as a result of increased regulatory costs to the Department over the intervening time period and the planned enhancements to the Department website to provide a variety of regulatory and licensing information and forms that will benefit check cashers. The Department is also proposing an increase in the check cashers fees so that the fees are in line with other licensing fees that were increased in 1998.

This rule proposal provides for a comment period of 60 days, and therefore, pursuant to N.J.A.C. 1:30-3.3(a)5, is not subject to the provisions of N.J.A.C.1:30-3.1 and 3.2 governing rulemaking calendars.

### **Social Impact**

The Department has the legislative mandate to regulate these licenses and to ensure that satisfactory standards for the conduct of business are maintained. To help defray the Department's expenses in performing its statutorily assigned role, the Legislature gave the Department the authority to promulgate rules setting license fees. Failure to readopt these rules would result in a sharp curtailment of the Department's oversight of these industries.

### **Economic Impact**

The regulated industries bear the economic burden for the Department's regulatory activities, since the industries benefit economically from engaging in these lines of business. The biennial license fees imposed on check cashers will increase from \$1,200 to \$1,400 on re-adoption. The Department notes that check cashers fees were last increased in 1995. The Department considers the proposed increases both very modest and necessary to offset increased administrative costs.

### **Federal Standards Statement**

A Federal standards analysis is not required because the rules proposed for re-adoption with amendments are not subject to any Federal requirements or standards.

### **Jobs Impact**

The Department does not anticipate that any jobs will be created, increased or lost as a result of the rules proposed for re-adoption with amendments.

The Department invites commenters to submit any data or studies concerning the jobs impact of the proposed re-adoption with amendments together with their written comments on other aspects of this proposal.

### **Agriculture Industry Impact**

The Department does not expect any agriculture industry impact from the rules proposed for re-adoption with amendments.

### **Regulatory Flexibility Analysis**

Most licensees are small businesses as defined in the Regulatory Flexibility Act, N.J.S.A.

of the costs it incurs in providing regulatory services. Thus the fees are related to the services provided to these businesses and not to their size. Accordingly, the Department does not differentiate the fees based on the size of the business. The Department believes that the compliance requirements to pay the license fees specified are not unduly burdensome and finds that they are consistent with prudent regulatory practices. The Department does not anticipate that outside professional services will be required for compliance.

### **Smart Growth Impact**

The rules proposed for readoption and amendments have no impact on the achievement of smart growth and implementation of the State Development and Redevelopment Plan.

Full text of the proposed readoption may be found in the New Jersey Administrative Code at N.J.A.C. 3:23.

Full text of the proposed amendments follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

#### SUBCHAPTER 1. GENERAL PROVISIONS

##### 3:23-1.1 Purpose and authority

This chapter shall implement the provisions of [P.L. 1981, c.321] **N.J.S.A. 17:1-8.1** which permits the Commissioner of Banking and Insurance to establish license fees for new and renewal licenses issued by the Commissioner for annual and biennial license periods. The license fees established by the Commissioner shall be subject to the limitations imposed by the provisions of [P.L. 1981, c.321] **the applicable statutes establishing the licenses.**

## SUBCHAPTER 2. BIENNIAL AND ANNUAL LICENSE FEES

## 3:23-2.1 Licensees

The following table indicates the license fees established by the Commissioner of Banking and Insurance for annual and biennial license periods, the maximum biennial license fees permitted by law and the specific statutory sections authorizing the establishment of such biennial and annual license fees:

<b>Licensees</b>	<b>Statutory Maximum Biennial Fee</b>	<b>Biennial Fee</b>	<b>Annual Fee</b>
<b>Money Transmitter</b>			
(a) Money Transmitter (N.J.S.A. 17:15C-9c)	\$4,000.00	\$1,400.00	\$700.00
(b) Foreign Money Transmitter (N.J.S.A. 17:15C-9c)	\$4,000.00	\$1,200.00	\$600.00
(c) Check Cashier (N.J.S.A: 17:15A-40)	\$2,000.00	\$1,400.00	\$700.00
<b>Retail Installment Sales</b>			
(a) Motor Vehicle Installment Seller (N.J.S.A. 17:16C-8)	\$300.00	\$300.00	\$150.00
(b) Home Financing Agency	\$600.00	\$600.00	\$300.00

(c) Home Repair Contractor	\$300.00	\$300.00	\$150.00
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(N.J.S.A. 17:16C-82(b))

(d) Home Repair [Salesman]	\$60.00	\$60.00	\$30.00
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**Salesperson**

(N.J.S.A. 17:16C-82(c))

Insurance Premium	\$1,000.00	\$1,000.00	\$500.00
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Finance Company

(N.J.S.A. 17:16D-4)

Pawnbroker	\$800.00	\$800.00	\$400.00
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(N.J.S.A. 45:22-4)