

IN THE SENATE

SENATE BILL NO. 1093

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO PAYDAY LOANS; AMENDING SECTION 28-46-402, IDAHO CODE,
 2 TO PROVIDE THAT A LENDER THAT IS NOT A SUPERVISED FINANCIAL
 3 ORGANIZATION MAY NOT DEPOSIT A CONSUMER'S CHECK, WITHDRAW
 4 FUNDS ELECTRONICALLY FROM A CONSUMER'S ACCOUNT OR OTHERWISE
 5 COLLECT THE PRINCIPAL OF, INTEREST ON, OR ANY FEES OR CHARGES
 6 FOR, A LOAN SUBJECT TO THIS PART IF AT THE TIME THE LENDER MAKES
 7 THE LOAN, THE LENDER DOES NOT HAVE A CURRENT AND VALID LICENSE
 8 TO MAKE LOANS IN THIS STATE; AND DECLARING AN EMERGENCY.
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10 Be It Enacted by the Legislature of the State of Idaho:

11 SECTION 1. That Section 28-46-402, Idaho Code, be, and the same is hereby amended
 12 to read as follows:

13 28-46-402. LICENSE REQUIRED. (1) No person shall engage in the business of
 14 payday loans, offer or make a payday loan, or arrange a payday loan for a third party lender in
 15 a payday loan transaction without having first obtained a license under this chapter. A separate
 16 license shall be required for each location from which such business is conducted.

17 (2) Any "supervised financial organization," as defined in section 28-41-301(45), Idaho
 18 Code, or any person organized, chartered, or holding an authorization certificate under the laws
 19 of another state to engage in making loans and receiving deposits, including a savings, share,
 20 certificate, or deposit account and who is subject to supervision by an official or agency of the
 21 other state, shall be exempt from the licensing requirements of this section.

22 (3) A lender that is not a supervised financial organization as defined in subsection
 23 (2) of this section may not deposit a consumer's check, withdraw funds electronically from
 24 a consumer's account or otherwise collect the principal of, interest on, or any fees or charges
 25 for, a loan subject to this part if at the time the lender makes the loan, the lender does not have
 26 a current and valid license to make loans in this state.

27 SECTION 2. An emergency existing therefor, which emergency is hereby declared to
 28 exist, this act shall be in full force and effect on and after its passage and approval.