

CS FOR SENATE BILL NO. 272(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered: 4/21/04

Referred: Finance

Sponsor(s): SENATE RULES COMMITTEE

A BILL

FOR AN ACT ENTITLED

1 **"An Act relating to certain monetary advances in which the deposit or other negotiation**
2 **of checks to pay the advances is delayed until a later date; and providing for an effective**
3 **date."**

4 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

5 *** Section 1.** AS 06.01.020(a) is amended to read:

6 (a) Notwithstanding other provisions of this title, the department may by order
7 authorize state financial institutions, except licensees subject to AS 06.20, [OR]
8 AS 06.40, or AS 06.50, to exercise any of the powers conferred upon, or to be subject
9 to any of the limitations imposed upon, a federally chartered financial institution doing
10 business in this state with deposits insured by an agency of the federal government if
11 the department finds that the exercise of the power or imposition of the limitation both
12 (1) serves the public convenience and advantage; and
13 (2) equalizes and maintains the quality of competition between state
14 financial institutions and federally chartered financial institutions.

1 * **Sec. 2.** AS 06.01.050(3) is amended to read:

2 (3) "financial institution" means an institution subject to the regulation
3 of the department under this title; in this paragraph, "institution" includes a
4 commercial bank, savings bank, credit union, premium finance company, small loan
5 company, bank holding company, financial holding company, trust company, [AND]
6 savings and loan association, and a deferred deposit advance licensee under
7 AS 06.50;

8 * **Sec. 3.** AS 06 is amended by adding a new chapter to read:

9 **Chapter 50. Deferred Deposit Advances.**

10 **Article 1. Licensing.**

11 **Sec. 06.50.010. License required.** A person, including a person doing
12 business from outside this state, may not engage in the business of making or offering
13 to make deferred deposit advances in this state without having a license under this
14 chapter. A separate license is required for each location from which the person
15 conducts the business.

16 **Sec. 06.50.020. Qualifications for license.** (a) To qualify for a license, an
17 applicant shall

18 (1) have cash assets of at least \$25,000, as determined under generally
19 accepted accounting principles, except that an applicant who wants to engage in the
20 business of making advances at more than one location in the state shall have cash
21 assets of at least \$25,000 for each location;

22 (2) demonstrate the financial responsibility, financial condition,
23 business experience, character, and general fitness that reasonably warrant the
24 department's belief that the applicant's business will be conducted lawfully and fairly;
25 when determining whether this qualification has been met, and for the purpose of
26 investigating compliance with this chapter, the department may review

27 (A) the relevant business records of the applicant and the
28 adequacy of the capital of the applicant;

29 (B) the competence, experience, integrity, and financial ability
30 of the applicant, and, if the applicant is an entity, of any person who is a
31 member, partner, director, senior officer, or owner of 10 percent or more of the

1 equity of the applicant; and

2 (C) a record of conviction, on the part of the applicant or a
3 person described in (B) of this paragraph, of

4 (i) criminal activity, fraud, or other act of personal
5 dishonesty;

6 (ii) an act, an omission, or a practice that constitutes a
7 breach of a fiduciary duty; or

8 (iii) a suspension, a revocation, a removal, or an
9 administrative act by an agency or a department of the United States or
10 a state from participation in the conduct of a business;

11 (3) if the person has a physical business location in the state, have a
12 physical business location that is accessible by and convenient to the public;

13 (4) have a current business license issued under AS 43.70; and

14 (5) if applicable, have a certificate of incorporation under
15 AS 10.06.218, have a certificate of authority under AS 10.06.705, have a copy of
16 articles of organization that satisfies AS 10.50.090, be registered under AS 10.50.605,
17 have a statement of foreign qualification filed under AS 32.06.922, have a certificate
18 of limited partnership filed under AS 32.11.060, or be registered under AS 32.11.420.

19 (b) The requirements in (a) of this section are continuing in nature and may be
20 reviewed periodically by the department.

21 **Sec. 06.50.030. Application.** (a) An application for a license must be in
22 writing and under oath, in a form prescribed by the department by regulation, and
23 include at least

24 (1) the legal name, residence, and business address of the applicant
25 and, if the applicant is not a natural person, of each member, partner, director, senior
26 officer, or owner of 10 percent or more of the equity of the applicant;

27 (2) the address and physical location of the principal place of business
28 named in the application; and

29 (3) other information the department may require with respect to the
30 applicant and, if the applicant is not a natural person, about the applicant's members,
31 partners, directors, senior officers, or owners of 10 percent or more of the equity of the

1 applicant.

2 (b) The applicant shall submit with the application the bond required by
3 AS 06.50.040 and a nonrefundable application fee in an amount that is established by
4 the department by regulation and that does not exceed \$2,000. The application fee for
5 the initial license may not be prorated.

6 **Sec. 06.50.040. Bond.** (a) An applicant for a license shall file with the
7 application a bond

8 (1) in a form to be approved by the department;

9 (2) in which the applicant is the obligor; and

10 (3) in the sum of \$25,000 for a business with one location and \$50,000
11 for a business with more than one location.

12 (b) Only one bond is required for an application for a business with more than
13 one location.

14 (c) The bond required by (a) of this section is for the use of the state and a
15 person who may have a cause of action against the obligor under this chapter.

16 (d) The bond must state that the obligor will

17 (1) faithfully conform to and abide by the provisions of this chapter
18 and regulations adopted by the department under this chapter; and

19 (2) pay to the state and to a person all money that may become due or
20 owing to the state or to the person from the applicant under this chapter.

21 (e) The bond must remain in effect for three years following the denial of a
22 renewal of a license or the expiration of a license.

23 (f) If, at any time, the department finds that a bond filed under (a) of this
24 section is unsatisfactory for any reason, the department may require the licensee to
25 file, within 10 days after the receipt of a written demand, an additional bond to comply
26 with this section.

27 (g) The licensee shall file a new bond that complies with this section each time
28 a license is renewed.

29 **Sec. 06.50.050. Investigation by department.** Within 60 days after an
30 applicant files a completed application, the bond, and an application fee, the
31 department shall investigate whether the applicant satisfies the qualifications of

1 AS 06.50.020(a). If the department finds that the applicant satisfies the qualifications,
2 it shall approve the application and issue the applicant a license to engage in the
3 business of making deferred deposit advances.

4 **Sec. 06.50.060. Conditions precedent to license.** The requirements of
5 AS 06.50.030 - 06.50.050 are conditions precedent to the issuance of a license under
6 this chapter. The license permits the applicant to make advances under this chapter at
7 the location specified in the application.

8 **Sec. 06.50.070. Duration of license.** A license issued under this chapter is
9 valid for two calendar years. Each license remains in force through the calendar year
10 after the calendar year in which the license was issued unless surrendered, suspended,
11 or revoked under this chapter.

12 **Sec. 06.50.080. Renewal of license.** A license issued under this chapter shall
13 be renewed on or before the date set by the department by submitting to the
14 department a completed renewal application on a form established by the department
15 and paying a nonrefundable renewal fee established by the department, which may not
16 exceed \$2,000.

17 **Sec. 06.50.090. Denial of license or renewal.** (a) If the department
18 determines that an applicant is not qualified to receive a license or a license renewal,
19 the department shall notify the applicant in writing within 20 days that the application
20 has been denied and state the basis for the denial.

21 (b) The decision of the department to deny an application or a renewal may be
22 reviewed in the manner provided in AS 44.62.330 - 44.62.630 (Administrative
23 Procedure Act).

24 (c) If the denial of a renewal is upheld, the former licensee shall return the
25 license to the department within 10 days after the former licensee receives notice of
26 the denial.

27 (d) A license application shall be considered withdrawn within the meaning of
28 this section if the applicant fails to respond to a written notification of a deficiency in
29 the application within 60 days after the date of the notification.

30 (e) If a license renewal is denied or if a license is surrendered, suspended, or
31 revoked, all accounts of the licensee remain subject to this chapter until paid in full.

1 **Article 2. Licensee Transfer, Assignment, Control, and Change.**

2 **Sec. 06.50.200. Transfer or assignment.** Except for the transfer of a license
3 to a new location under AS 06.50.220, a licensee may not transfer or assign the
4 licensee's license.

5 **Sec. 06.50.210. Change in control.** The prior written approval of the
6 department is required for the continued operation of a licensee's deferred deposit
7 advance business when a change in control of the licensee is proposed. The
8 department may require the information it considers necessary to determine whether a
9 new application is required. The licensee requesting approval of the change in control
10 shall pay all reasonable expenses incurred by the department to investigate and
11 approve or deny the change in control.

12 **Sec. 06.50.220. Change in location or name.** A licensee shall notify the
13 department in writing at least 15 days before any proposed change in the licensee's
14 business location or name, and shall provide the department with the information
15 described in AS 06.50.030(a).

16 **Sec. 06.50.230. Conduct of other business.** A licensee may conduct other
17 business at a location where it engages in making advances unless it conducts the
18 other business for the purpose of evading or violating the provisions of this chapter.

19 **Article 3. Department Supervision.**

20 **Sec. 06.50.300. Suspension or revocation of license.** (a) The department
21 may suspend or revoke a license under AS 44.62 (Administrative Procedure Act) if the
22 department finds that

23 (1) the licensee has failed to pay the license fee, failed to maintain the
24 required bond in effect, or failed to comply with a demand, ruling, or requirement of
25 the department made under this chapter;

26 (2) the licensee has violated a provision of this chapter or a regulation
27 adopted by the department under this chapter; or

28 (3) a fact or condition exists that, if it had existed at the time of the
29 original application for the license, clearly would have constituted ground for denial of
30 the issuance of the license.

31 (b) If the reason for suspension or revocation of a licensee's license at one

1 location applies generally to all locations operated by the licensee, the department may
2 suspend or revoke all licenses issued to the licensee.

3 **Sec. 06.50.310. Reports to department.** (a) On or before March 15 of each
4 year, a licensee shall file with the department a composite annual report for the
5 preceding calendar year in the form prescribed by the department relating to all
6 advances made by the licensee. The department may require that the report be
7 submitted under oath or affirmation, or with notice that false statements made are
8 punishable as unsworn falsification under AS 11.56.210.

9 (b) The report must include

10 (1) the total number and dollar amount of advances made by the
11 licensee;

12 (2) the total number of individual customers who received advances;

13 (3) the minimum, maximum, and average amount of advances;

14 (4) the average annual percentage rate of the fee charged for advances;

15 (5) the average number of days of the advances;

16 (6) the total number and dollar amount of returned checks;

17 (7) the total number and dollar amount of checks paid by advance
18 recipients;

19 (8) the total number and dollar amount of checks charged off as a loss;

20 (9) the total dollar amount of outstanding advances as of the last day of
21 the calendar year;

22 (10) the total number of outstanding advances as of the last day of the
23 calendar year; and

24 (11) any other information the department determines is required to
25 conduct its review.

26 (c) Within 15 days after the occurrence of any of the following events, a
27 licensee shall file a written report with the department describing the event and its
28 expected effect on the activities of the licensee in the state:

29 (1) filing for bankruptcy or reorganization by the licensee;

30 (2) institution of suspension or revocation proceedings against the
31 licensee by a state or other governmental authority;

1 (3) a felony indictment or felony conviction of the licensee and, if the
 2 licensee is not a natural person, of a member, partner, director, senior officer, or holder
 3 of 10 percent or more of the licensee's equity; and

4 (4) other events that the department determines and identifies by
 5 regulation that may impair the ability of the licensee to operate its business under this
 6 chapter.

7 (d) In the discretion of the department, the occurrence of an event in (c) of this
 8 section may constitute grounds for suspension or revocation of a license.

9 **Sec. 06.50.320. Records.** (a) A licensee shall maintain all records relating to
 10 this chapter at the location for which the licensee has a license. The records must
 11 conform to generally accepted accounting principles and practices in a manner that
 12 will enable the department to determine whether the licensee is complying with the
 13 provisions of this chapter. The department shall have unrestricted access to the
 14 records of the licensee.

15 (b) A licensee shall retain records relating to an advance for at least two years
 16 after the last entry on the advance, unless otherwise required by the department.

17 (c) A licensee shall retain records of an advance that is the subject of a court
 18 action for at least two years after a judgment or settlement of the court action.

19 **Sec. 06.50.330. Examinations and investigations.** (a) The department shall
 20 examine the business records of a licensee at intervals the department considers
 21 appropriate. In addition, for the purpose of discovering violations of this chapter or
 22 securing information lawfully required, the department may, at any time, investigate
 23 the advances, business transactions, and records of a licensee. For these purposes, the
 24 licensee shall provide the department with unrestricted access to the offices, places of
 25 business, and records of the licensee. Within 30 days after the department requests
 26 payment, the licensee shall pay the department the cost of examination at a rate of \$75
 27 an hour for each examiner.

28 (b) For the purposes of this section, the department may administer oaths or
 29 affirmations and, upon its own motion or upon request of a party, may subpoena
 30 witnesses, compel the attendance of witnesses, take evidence, and require the
 31 production of material that is relevant to the investigation, including the existence,

1 description, nature, custody, condition, and location of books, documents, and other
 2 tangible items, and the identity and location of persons having knowledge of relevant
 3 facts, or other material reasonably calculated to lead to the discovery of admissible
 4 evidence.

5 (c) Upon failure without lawful excuse to obey a subpoena or to give
 6 testimony, and upon reasonable notice to all persons affected by the failure, the
 7 department may apply to the superior court for an order compelling compliance.

8 **Article 4. Licensee Practices and Recipient Rescission and Payment.**

9 **Sec. 06.50.400. Advance agreement.** (a) An advance shall be documented in
 10 a written agreement that is signed by the advance recipient and on a form approved by
 11 the department.

12 (b) The agreement must clearly and conspicuously disclose

13 (1) the name of the licensee;

14 (2) the date of the advance;

15 (3) the principal amount of the advance;

16 (4) a statement of the total amount of fees that may be charged under
 17 AS 06.50.460(a) as a condition of making the advance, expressed both as a dollar
 18 amount and as an annual percentage rate;

19 (5) the repayment terms;

20 (6) the due date;

21 (7) an itemization of all disbursements, including disbursements to
 22 third parties;

23 (8) the name and title of the employee who signs the agreement on
 24 behalf of the licensee; and

25 (9) any other item required to be disclosed under state or federal law.

26 (c) The written agreement required by (a) of this section may not require an
 27 advance recipient to waive any rights under 15 U.S.C. 1692 - 1692o (Fair Debt
 28 Collection Practices Act) or other state or federal laws that regulate debt collection
 29 practices.

30 **Sec. 06.50.410. Maximum amount of advances.** A licensee, including a
 31 licensee with more than one location, may not make advances to an advance recipient

1 that exceed \$500 outstanding in advances to the recipient at one time.

2 **Sec. 06.50.420. Prohibition on dividing advance amount or increasing**
 3 **number of advances.** A licensee may not induce or permit an advance recipient to
 4 divide the amount of an advance, or to become obligated, directly, contingently, or
 5 both, for more than one advance at the same time, if the purpose or result is to obtain
 6 additional origination fees under AS 06.50.460(a)(1).

7 **Sec. 06.50.430. Prohibition on collateral and services.** The licensee may
 8 not accept collateral or services as security for or payment of an advance.

9 **Sec. 06.50.440. Duration of advances.** The minimum duration of an advance
 10 is 14 days.

11 **Sec. 06.50.450. Prohibition on advances on behalf of another.** A licensee
 12 may not make an advance to a person who purports to be acting on behalf of another
 13 person.

14 **Sec. 06.50.460. Fees.** (a) Notwithstanding any other provision of law, except
 15 for the fee allowed under AS 06.50.510(b)(3) and where federal law provides
 16 otherwise, a licensee may only charge

17 (1) a nonrefundable origination fee in an amount not to exceed \$5; and

18 (2) a fee that does not exceed \$15 for each \$100 of an advance, or 15
 19 percent of the total amount of the advance, whichever is less.

20 (b) A licensee may not charge a fee other than the fees allowed under (a) of
 21 this section.

22 (c) The fees allowed by (a) of this section are considered earned at the time of
 23 the transaction and may not be prorated.

24 (d) A licensee may not charge the advance recipient an additional fee to access
 25 the proceeds of an advance.

26 **Sec. 06.50.470. Renewal of advance.** (a) The minimum term of a renewal of
 27 an advance is 14 days.

28 (b) A licensee may not renew an advance more than two consecutive times,
 29 after which the licensee shall require the advance recipient to repay the advance in
 30 full.

31 (c) A licensee may not renew an advance for fees greater than the fees under

1 AS 06.50.460(a).

2 **Sec. 06.50.480. Rescission.** A person who receives an advance may rescind
3 an advance without cause and without cost, except for the nonrefundable origination
4 fee, at any time before the close of business on the business day following the day on
5 which the advance was made by paying the principal amount of the advance to the
6 licensee in cash or other immediately available funds.

7 **Sec. 06.50.490. Prohibited arbitration requirement.** A licensee may not
8 require a recipient to agree to mandatory arbitration.

9 **Sec. 06.50.500. Posted fee notice.** A licensee shall post a notice in each
10 business location that discloses the fees that the licensee charges for advances. The
11 fees in the notice must be expressed as a dollar amount, as an annual percentage rate
12 for 14 days for each \$100, and as an annual percentage rate for 30 days for each \$100.
13 The notice must also contain any other reasonably necessary information required by
14 the department by regulation. The notice shall be posted so that it is conspicuous to an
15 advance recipient or a potential advance recipient. The lettering in the notice must be
16 legible and at least one inch in height.

17 **Sec. 06.50.510. Required disclosures before disbursement.** (a) Before
18 disbursing funds under an advance, a licensee shall provide a clearly written statement
19 that is separate from the written advance agreement required by AS 06.50.400(a).
20 This disclosure statement must be reviewed and signed by the advance recipient. The
21 licensee shall keep the signed original in the advance file for the recipient and give a
22 copy to the recipient.

23 (b) The disclosure statement required by (a) of this section must

24 (1) indicate the advance is intended to address short-term, not long-
25 term, financial needs;

26 (2) include an explanation of all fees for advances and renewals of
27 advances;

28 (3) state that the licensee may charge an advance recipient a bad check
29 fee for costs as allowed under AS 09.68.115(a)(2) if a payment is returned unpaid;

30 (4) state that, in the event of the advance recipient's default, the
31 licensee may sue the recipient and recover up to \$700 over the amount of the payment

1 and, if the payment is a check, recover as permitted under AS 06.50.550(b);

2 (5) give the department's address and telephone number for receiving
3 calls regarding customer complaints and concerns;

4 (6) state that the licensee may not accept collateral or services for an
5 advance;

6 (7) state that the check given as security for the advance may be
7 negotiated as part of the advance;

8 (8) state that

9 (A) the advance recipient may rescind the advance without
10 cause at any time before the close of business on the business day following
11 the day on which the licensee makes the advance by paying the principal
12 amount of the advance to the licensee in cash or other immediately available
13 funds;

14 (B) if the advance recipient rescinds under this paragraph, the
15 origination fee is not refundable, but the licensee may not charge the recipient
16 another fee, except for a bad check fee for costs as allowed under
17 AS 09.68.115(a)(2) if the payment is returned unpaid;

18 (9) state that a criminal action may not be brought against the advance
19 recipient for failure to pay the advance; and

20 (10) include other information reasonably required by the department
21 to inform and protect advance recipients.

22 **Sec. 06.50.520. Payment by licensee.** (a) A licensee may give an advance
23 recipient the amount of the advance in cash, by the licensee's business check, by a
24 money order, or by a reasonable electronic payment mechanism, including an
25 electronic funds transfer to the advance recipient's account.

26 (b) A licensee may not use another form of payment than the form of payment
27 authorized in (a) of this section to make an advance to an advance recipient. In this
28 subsection, "another form of payment" includes coupons, merchandise, services, or
29 chattel of any kind.

30 **Sec. 06.50.530. Payment by advance recipient.** (a) An advance recipient
31 may repay an advance

1 (1) in cash;
 2 (2) by negotiation of the recipient's check that secures the advance; or
 3 (3) with the agreement of the licensee, a debit card, a cashier's check,
 4 an electronic funds transfer from the recipient's bank account, or a reasonable
 5 electronic payment mechanism to which the parties agree.

6 (b) An advance is paid in full when the advance recipient repays the advance
 7 under (a) of this section, or when the advance recipient rescinds the advance under
 8 AS 06.50.480.

9 (c) A licensee may not accept payment of an advance from the proceeds of
 10 another advance provided by the same licensee.

11 **Sec. 06.50.540. Default fees.** If a payment received from an advance
 12 recipient is returned unpaid to a licensee, the licensee may not collect the fees allowed
 13 by this chapter unless the fees are disclosed in the agreement for the advance under
 14 AS 06.50.400.

15 **Sec. 06.50.550. Collection or court action after default.** (a) If an advance
 16 recipient defaults, before assigning the payment obligation to a third party for
 17 collection and before initiating a court action against the recipient, a licensee

18 (1) shall attempt in good faith to contact the advance recipient at
 19 reasonable times by telephone or mail to discuss the delinquency and to offer the
 20 recipient a payment plan under (2) of this subsection;

21 (2) shall offer the recipient a payment plan under which

22 (A) the recipient may repay the delinquent advance over an
 23 extended period of time, which may not exceed six months;

24 (B) at least five percent of the outstanding balance is due when
 25 the payment plan is signed;

26 (C) an additional fee by the licensee is not allowed, except for a
 27 bad check fee for costs as allowed under AS 09.68.115(a)(2);

28 (3) in addition to the contact required by (1) of this subsection, shall
 29 send a certified letter to the recipient's last known address at least 15 days before the
 30 action that makes the offer described in (2) of this subsection and that informs the
 31 recipient of the licensee's intent to proceed with a court action.

1 (b) The licensee may initiate a court action against a defaulting recipient to
 2 recover damages and costs allowed under AS 09.68.115 if the licensee has complied
 3 with (a) of this section. Notwithstanding AS 09.68.115, the total of all damages and
 4 costs, including damages recovered under AS 09.68.115(a), may not exceed the
 5 amount of the payment by \$700.

6 **Sec. 06.50.560. Threat of criminal action prohibited.** A licensee may not
 7 threaten an advance recipient with criminal action as a result of the recipient's default.

8 **Article 5. Miscellaneous Provisions.**

9 **Sec. 06.50.600. Regulations.** The department may adopt regulations under
 10 AS 44.62 (Administrative Procedure Act) to implement this chapter.

11 **Sec. 06.50.610. Relationship to federal and other state law.** (a) If a
 12 provision of this chapter is preempted by or conflicts with federal law in a particular
 13 situation, the provision does not apply to the extent of the preemption or conflict.

14 (b) If a provision of this chapter conflicts with another state law in a particular
 15 situation, the provision in this chapter governs to the extent of the conflict.

16 **Article 6. General Provisions.**

17 **Sec. 06.50.900. Definitions.** In this chapter, unless the context requires
 18 otherwise,

19 (1) "advance" means a deferred deposit advance;

20 (2) "advance recipient" means a borrower to whom an advance is
 21 made;

22 (3) "control," in the case of a person who is not a natural person,
 23 means direct or indirect ownership, the right to vote or otherwise control 10 percent or
 24 more of the governance interests of the entity, or the ability of a person to elect a
 25 majority of the directors;

26 (4) "deferred deposit advance" means a transaction in which a person

27 (A) accepts a dated check from a person seeking an advance;

28 (B) agrees to hold the check for a specified period of time
 29 before depositing or otherwise negotiating the check; and

30 (C) pays to the advance recipient, credits to the account of the
 31 advance recipient, or pays to another person on behalf of the advance recipient

1 the amount of the check less the charges allowed under this chapter;

2 (5) "department" means the Department of Community and Economic
3 Development;

4 (6) "license" means a license issued under this chapter;

5 (7) "licensee" means a person to whom a license has been issued under
6 this chapter.

7 * **Sec. 4.** AS 44.62.330(a) is amended by adding a new paragraph to read:

8 (61) Department of Community and Economic Development relating
9 to the licensing and regulation of persons making deferred deposit advances under
10 AS 06.50.

11 * **Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to
12 read:

13 TRANSITION: EXISTING ACTIVITIES. (a) Notwithstanding the licensing
14 requirements of AS 06.50.010 - 06.50.090, enacted by sec. 3 of this Act, a person who, on the
15 day before the effective date of secs. 1 - 5 of this Act, is engaged in the business of making
16 deferred deposit advances may continue to make deferred deposit advances for 60 days after
17 the effective date of secs. 1 - 5 of this Act without being licensed under AS 06.50, enacted by
18 sec. 3 of this Act. Beginning on the 61st day after the effective date of secs. 1 - 5 of this Act,
19 a person described in this subsection shall be licensed under AS 06.50.010 in order to
20 continue making deferred deposit advances.

21 (b) In this section, "deferred deposit advance" has the meaning given in
22 AS 06.50.900, enacted by sec. 3 of this Act.

23 * **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to
24 read:

25 TRANSITIONAL PROVISIONS: REGULATIONS. The Department of Community
26 and Economic Development may proceed to adopt regulations necessary to implement this
27 Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not
28 before the effective date of secs. 1 - 5 of this Act.

29 * **Sec. 7.** Section 6 of this Act takes effect immediately under AS 01.10.070(c).

30 * **Sec. 8.** Sections 1 - 5 of this Act take effect January 1, 2005.