[Resolution Urging the Passing of Assembly Bill No. 714]

Resolution urging the California State Senate to pass Assembly Bill No. 714.

WHEREAS, According to the 2000 census, there is a large and growing number of foreign-born individuals residing in San Francisco; and,

WHEREAS, 285,541 San Francisco residents were born outside the United States (approximately 36.8% of the population), representing a percentage significantly higher than the State average; and,

WHEREAS, A great proportion of this population utilizes money transmitter companies, such as Western Union or MoneyGram, to “wire” money back to their country of origin; and,

WHEREAS, According to the California Department of Financial Institutions, there are at least 52 licensed money transmitter companies (including Western Union and MoneyGram) with about 12,000 retail outlets in California and more than half of these companies operate in San Francisco; and,

WHEREAS, In 1999, there were approximately 8.7 million money transmission transactions that originated in California totaling over $3.1 billion; and,

WHEREAS, With an increase in both competition among money transmitter companies and the number of individuals needing their services, the lack of full disclosure to money transmission customers grows; and

WHEREAS, Some money transmitter companies advertise misleading prices for their services to unsuspecting customers; and

Supervisor Gerardo Sandoval
BOARD OF SUPERVISORS
WHEREAS, Consumers may purchase money transfer services without knowledge of hidden charges involving commissions and fees for transferring funds; and

WHEREAS, Consumers contend that fees charged to them are often exorbitant and concealed or abstruse due to improper disclosure from these money transmitters; and

WHEREAS, Money transmitters are currently able to recover revenue on the difference between the exchange rate given to customers and the exchange rate that they receive; and

WHEREAS, Assembly Bill No. 714 was passed by the California State Assembly on May 24, 2002 and is awaiting passage in the State Senate; and,

WHEREAS, Assembly Bill No. 714 is a consumer protection bill to ensure that people are receiving accurate, updated information about money transfer transactions; and

WHEREAS, Assembly Bill No. 714 would require that money transmitter companies post the exchange rates and fees for certain currencies and transmission services in English and other languages predominantly spoken by customers in their place of business; and,

WHEREAS, Assembly Bill 714 would enable customers of money transmitter companies to ask for a refund if they find a less expensive transaction rate at a competing business; and,

WHEREAS, Assembly Bill 714 would also require money transmitter companies to report quarterly to the Department of Financial Institutions and would regulate their exchange rate practices; now, therefore be it

RESOLVED, That the Board of Supervisors of the City and County of San Francisco urges the California State Senate to pass Assembly Bill No. 714.
Resolution urging the California State Senate to pass Assembly Bill No. 714.

August 26, 2002  Board of Supervisors — ADOPTED
Ayes: 8 - Daly, Gonzalez, Hall, Leno, Maxwell, Peskin, Sandoval, Yee
Absent: 3 - Ammiano, McGoldrick, Newsom

File No. 021472

I hereby certify that the foregoing Resolution was ADOPTED on August 26, 2002 by the Board of Supervisors of the City and County of San Francisco.

Gloria L. Young
Clerk of the Board

SEP 06 2002
Date Approved

Mayor Willie L. Brown Jr.