

1 AN ACT relating to earned wage advances.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 367 IS CREATED TO
4 READ AS FOLLOWS:

5 (1) As used in this section:

6 (a) "Consumer" includes an employee; and

7 (b) "Earned wage advance transaction":

8 1. Means:

9 a. An advance of earned wages, salary, commissions, or other
10 compensation for services; or

11 b. Any other advance or payment in money, funds, or credit in
12 exchange for, or that is secured by, a sale, assignment, or order
13 for the payment of earned wages, salary, commissions, or other
14 compensation for services; and

15 2. Does not include:

16 a. A consumer loan made by a consumer loan company under
17 Subtitle 4 of KRS Chapter 286; or

18 b. A deferred deposit transaction entered into by a deferred deposit
19 service business under Subtitle 9 of KRS Chapter 286.

20 (2) An earned wage advance transaction shall be deemed a loan without regard to:

21 (a) The means of collection;

22 (b) Whether the lender has legal recourse against the borrower in the event of
23 nonpayment; or

24 (c) Whether the transaction involves required charges or payments by the
25 consumer.

26 (3) A person shall not:

27 (a) Solicit, offer, or enter into an earned wage advance transaction that

1 requires or permits the payment of any consideration, whether voluntary or
2 required, by a consumer that exceeds the following:

- 3 1. Three dollars (\$3) for the first transaction within a calendar month;
4 2. Two dollars (\$2) for the second transaction within a calendar month;
5 3. One dollar (\$1) for the third transaction within a calendar month; and
6 4. Zero dollars (\$0) for the fourth or any subsequent transaction within a
7 calendar month; or

8 (b) Solicit or accept any gift or gratuity in connection with an earned wage
9 advance transaction.

10 (4) (a) A violation of this section shall be deemed to be an unfair, false, misleading,
11 or deceptive act or practice in the conduct of trade or commerce in violation
12 of KRS 367.170.

13 (b) All of the remedies, powers, and duties provided to the Attorney General or
14 any other person under KRS 367.110 to 367.300, and the penalties provided
15 in KRS 367.990, pertaining to acts and practices declared unlawful by KRS
16 367.170, shall apply with equal force and effect to a violation of this section.

17 (5) (a) The remedies and penalties prescribed in this section shall be cumulative.

18 (b) Nothing in this section shall be construed to limit or restrict the powers,
19 duties, remedies, or penalties available to the Attorney General, the
20 Commonwealth, or any other person under any other statutory or common
21 law.

22 (6) The Attorney General may promulgate administrative regulations in accordance
23 with KRS Chapter 13A necessary to effectuate, or as an aid to the effectuation of,
24 the proper enforcement of this section.