Final Draft

Initiative #126
Limitations on Payday Loans

Proposition ? proposes amending the <u>Colorado statutes</u> to:

- reduce the total cost for a payday loan to a 36 percent annual percentage rate; and
- expand what constitutes unfair or deceptive trade practices for payday lending.

Summary and Analysis

Background. Payday loans are small, easy-to-access short-term loans that do not require a credit check. In 2016, about 207,000 individuals in Colorado secured over 414,000 payday loans. These loans totaled over $166 million, and consumers paid an estimated $50 million in loan costs (any combination of fees and interest), with a default rate of 23 percent. The Department of Law licenses and establishes rules for payday lenders and conducts compliance examinations of their loans. The department also investigates and litigates cases involving payday lenders.

Annual percentage rate (APR). The APR is the total loan cost expressed as a yearly rate and includes the interest on the loan amount, origination fees, and monthly maintenance fees. The APR varies on a daily basis and, because of the way maintenance fees are structured in Colorado, tends to increase over the life of the loan. In 2016, the average APR on payday loans in Colorado was 129 percent.

Current payday loan regulations. Colorado law limits payday loans to $500 with a minimum repayment term of six months, no maximum repayment term, and no penalty for early repayment. The law allows lenders to charge an origination fee of up to 20 percent of the first $300 loaned, plus 7.5 percent of any amount in excess of $300. In addition, lenders may charge an interest rate of 45 percent per year per loan and a monthly maintenance fee of $7.50 per $100 loaned, up to a total of $30 per month. If the borrower repays the loan early, the lender must refund a prorated portion of the fees. Current law defines unfair and deceptive trade practices as making loans disguised as personal property sale and leaseback agreements or as a cash rebate.

Changes under the measure. The measure reduces the loan costs on a payday loan to a maximum APR of 36 percent and eliminates the current fee structure. In addition, regardless of whether payday lenders have a physical location in the state, they may not offer higher cost loans via electronic or U.S. mail, the internet, or telemarketing.

Table 1 below provides an example of the total cost, including interest and any fees, of a $500 loan that is repaid in six months under current law and under Proposition ?.

Table 1. Comparison of Estimated Cost of a Six-Month Payday Loan*

	Current Law	Proposition?
Loan amount	$500	$500
Total cost of loan	$293	$53
Total amount paid	$793	$553
APR	180%	36%

**The actual costs may vary by lender.*

For information on those issue committees that support or oppose the measures on the ballot at the November 6, 2018, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html

Argument For:

1) Coloradans are paying too much to borrow small amounts of money from payday lenders. The APR for these loans can exceed 180 percent. Some consumers borrow money to pay off other payday loans, which leads to a cycle of debt. Because the measure reduces the high cost of payday loans, consumers may be better able to repay their loans and avoid further financial stress.

Argument Against:

1) This measure may eliminate the payday lending business in Colorado. Payday loans provide options for consumers who may not qualify for other types of credit. With limited or no access to these loans, consumers may pay higher costs to other creditors for late payment, bounced check, overdraft, or utility disconnect fees, or turn to unregulated lenders for higher-cost loans. This measure is unnecessary because the state legislature passed reforms in 2010 that led to reduced loan costs and fewer defaults, while ensuring that consumers have access to a well-regulated source of short-term credit.

Estimate of Fiscal Impact

State revenue and spending. If Proposition ? results in payday lenders choosing not to renew their licenses, there will be a reduction in fee revenue to the Department of Law.

Initiative #126
Limitations on Payday Loans

Proposition ? proposes amending the <u>Colorado statutes</u> to:

- reduce the total cost for a payday loan to a 36 percent annual percentage rate; and
- expand what constitutes unfair or deceptive trade practices for payday lending.

Summary and Analysis

Background. Payday loans are small, easy-to-access short-term loans that do not require a credit check. In 2016, about 207,000 individuals in Colorado secured over 414,000 payday loans. These loans totaled over $166 million, and consumers paid an estimated $50 million in loan costs (any combination of fees and interest), with a default rate of 23 percent. The Department of Law licenses and establishes rules for payday lenders and conducts compliance examinations of their loans. The department also investigates and litigates cases involving payday lenders.

Annual percentage rate (APR). The APR is the total loan cost expressed as a yearly rate and includes the interest on the loan amount, origination fees, and monthly maintenance fees. The APR varies on a daily basis and, because of the way maintenance fees are structured in Colorado, tends to increase over the life of the loan. In 2016, the average APR on payday loans in Colorado was 129 percent.

Current payday loan regulations. Colorado law limits payday loans to $500 with a minimum repayment term of six months and no maximum repayment term. The law allows lenders to charge an origination fee of up to 20 percent of the first $300 loaned, plus 7.5 percent of any amount in excess of $300. In addition, lenders may charge an interest rate of 45 percent per year per loan and a monthly maintenance fee of $7.50 per $100 loaned, up to a total of $30 per month. If the borrower repays the loan early, the lender must refund a prorated portion of the fees. Current law defines unfair and deceptive trade practices as making loans disguised as personal property sale and leaseback agreements or as a cash rebate.

Changes under the measure. The measure reduces the loan costs on a payday loan to a maximum APR of 36 percent. In addition, regardless of whether payday lenders have a physical location in the state, they may not offer higher cost loans via electronic or U.S. mail, the internet, or telemarketing.

Table 1 below provides an example of the total cost, including interest and any fees, of a $500 loan that is repaid in six months under current law and under Proposition ?.

Table 1. Comparison of Estimated Cost of a Six-Month Payday Loan*

	Current Law	Proposition?
Loan amount	$500	$500
Total cost of loan	$293	$53
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APR	180%	36%

**The actual costs may vary by lender.*

For information on those issue committees that support or oppose the measures on the ballot at the November 6, 2018, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

http://www.sos.state.co.us/pubs/elections/Initiatives/InitiativesHome.html

Argument For:

1) Coloradans are paying too much to borrow small amounts of money from payday lenders. The APR for these loans can exceed 200 percent. Some consumers borrow money to pay off other payday loans, which leads to a cycle of debt. Because the measure reduces the high cost of payday loans, consumers may be better able to repay their loans and avoid further financial stress.

Argument Against:

1) This measure is unnecessary because the state legislature passed reforms in 2010 that led to reduced loan costs and fewer defaults, while ensuring that consumers have access to a well-regulated source of emergency loans. Payday loans provide options for consumers who may not qualify for other types of loans. With limited or no access to payday loans for emergencies, consumers may pay higher costs to other creditors from late payment fees, bounced check and overdraft fees, or utility disconnect fees.

Estimate of Fiscal Impact

State revenue and spending. If Proposition ? results in payday lenders choosing not to renew their licenses, there will be a reduction in fee revenue to the Department of Law.

Last Draft Comments from Interested Parties

Initiative #126
Limitations on Payday Loans

Corrine Fowler, Fowler Strategies & Consulting, representing proponents:

Please find attached comments and suggested Changes to draft 3 for the Blue Book, Initiative 126.

Ms. Fowler submitted written comments (Attachment A).

Sarah Mercer, Brownstein Hyatt Farber Schreck, representing opponents:

Please find the comments attached and let me know if you have any questions.

Ms. Mercer submitted written comments (Attachment B).

Initiative #126 Limitations on Payday Loans

Proposition ? proposes amending the Colorado statutes to:

♦ reduce the total cost for a payday loan to a 36 percent annual percentage rate; and

♦ expand what constitutes unfair or deceptive trade practices for payday lending.

Summary and Analysis

Background. Payday loans are small, easy-to-access short-term loans that do not require a credit check ~~.~~ and require the borrower to give the payday lender a check or access to their bank account as security for the loan. In 2016, about 207,000 individuals in Colorado secured over 414,000 payday loans. These loans totaled over $166 million, and consumers paid an estimated $50 million in loan costs (any combination of fees and interest), with nearly one in four loans going into default. ~~default rate of 23 percent~~. The Department of Law licenses and establishes rules for payday lenders and conducts compliance examinations of their loans. The department also investigates and litigates cases involving payday lenders.

Annual percentage rate (APR). The APR is the total loan cost expressed as a yearly rate and includes the interest on the loan amount, origination fees, and monthly maintenance fees. The APR varies on a daily basis and, because of the way maintenance fees are structured in Colorado, tends to increase over the life of the loan. In 2016, the average APR on payday loans in Colorado was 129 percent.

Current payday loan regulations. Colorado law limits payday loans to $500 with a minimum repayment term of six months and no maximum repayment term. The law allows lenders to charge an origination fee of up to 20 percent of the first $300 loaned, plus 7.5 percent of any amount in excess of $300. In addition, lenders may charge an interest rate of 45 percent per year per loan and a monthly maintenance fee of $7.50 per $100 loaned, up to a total of $30 per month. If the borrower repays the loan early, the lender must refund a prorated portion of the fees. Current law defines unfair and deceptive trade practices as making loans disguised as personal property sale and leaseback agreements or as a cash rebate.

Changes under the measure. The measure reduces the loan costs on a payday loan from an average APR of 129 percent to a maximum APR of 36 percent. In addition, regardless of whether payday lenders have a physical location in the state, they may not offer higher cost loans via

Commented [1]: See §5-3.1-102(3), (4):

(3)"Deferred deposit loan" or "payday loan" means a consumer loan whereby the lender, for a fee, finance charge, or other consideration, does the following:
(a) Accepts a dated instrument from the consumer as sole security for the loan and no other collateral;
(b) Agrees to hold the instrument for a period of time prior to negotiation or deposit of the instrument; and
(c) Pays to the consumer, credits to the consumer's account, or pays to another person on the consumer's behalf the amount of the instrument, less finance charges permitted bysection 5-3.1-105.
(4) "Instrument" means a personal check or authorization to transfer or withdraw funds from an account signed by the consumer and made payable to a person subject to this article.

Commented [2]: 1 in 4 loans in default may be easier for a voter to understand. There are so many references to percentages throughout the document. The voter may be confused that this percentage refers to cost of loan.

electronic or U.S. mail, the internet, or telemarketing.

Table 1 below provides an example of the total cost, including interest and any fees, of a $500 loan that is repaid in six months under current law and under Proposition ?

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Table 1. Comparison of Estimated Cost of a Six-Month Payday Loan*

	Current Law	Proposition?
Loan amount	$500	$500
Total cost of loan	$293	$53
Total amount paid	$793	$553
APR	180%	36%

*The actual costs may vary by lender.

Argument For:

1) Coloradans are paying too much to borrow small amounts of money from payday lenders. The APR for these loans can exceed 200 percent. Some consumers take out a new payday loan to fill the budget gap caused by the previous payday loan, leading to a cycle of debt. ~~Some consumers borrow money to pay off other payday loans, which leads to a cycle of debt~~. ~~Because the measure reduces the high cost of payday loans, consumers may be better able to repay their loans and avoid further financial stress.~~ Payday loans in Colorado today are associated with financial distress. Consumers face aggressive debt collections, overdraft fees, and insufficient fund fees. According to the Attorney General, in 2016, payday lenders charged consumers over $700,000 in insufficient fund fees. By reducing the cost of payday loans, this measure provides the same 36 percent APR to all consumers that is currently provided to active duty military personnel.

Argument Against:

1) This measure is unnecessary because the state legislature passed reforms in 2010 that led to reduced loan costs and fewer defaults, while ensuring that consumers have access to a well-regulated source of emergency loans. Payday loans provide options for consumers who may not qualify for other types of loans. ~~With limited or no access to payday loans for emergencies, consumers may pay higher costs to other creditors from late payment fees, bounced check and overdraft fees, or utility disconnect fees.~~

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Commented [3]: According to the Colorado AG data, in 2016, customers paid payday lenders $702,413 in "NSF fees" (fees for having insufficient funds in their bank account to cover a check or payment authorization processed by the lender).

https://coag.gov/sites/default/files/contentuploads/cp/ConsumerCreditUnit/UCCC/AnnualReportComposites/2016_ddl_composite.pdf

In addition, as noted, 1 in 4 loans in Colorado default, and default leads to overdraft fees by the bank because the payday lenders draw on the account.
SEE:"Online Payday Loan Payments." Washington, D.C.: Consumer Financial Protection Bureau, April 2016.

http://files.consumerfinance.gov/f/201604_cfpb_online - payday- loan- payments.pdf

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Commented [4]: There is no data to support this argument. To the contrary, studies have shown that financial distress and harm is cause to borrowers payday loans.

Payday loans are associated with delinquency on other bills, including utility bills. Source: Melzer, Brian T., The Real Costs of Credit Access: Evidence from the Payday Lending Market, Quarterly Journal of Economics, 126 (1), February 2011, 517–555, https://brianmelzer.com/payday-lending/

Furthermore, studies on which payday lenders rely to make these claims have been shown to have significant flaws. For example, a study on which the payday lenders frequently rely in support of these claims - a 2007 paper by Donald Morgan and Michael Strain - actually intermixes the data from states with payday loans with states without it . Specifically, the returned check data used to report increases for Georgia and North Carolina after payday lending was banned includes not only these two states, but also returned checks from Alabama, Louisiana, South Carolina, southern Mississippi, and Tennessee—states where payday lending is legal. So the findings cannot be relied upon to show the difference between states with payday loans and those without. For more detailed analysis of the critique of this study, view here: http://www.responsiblelending.org/payday-lending/policy-legislation/states/crl-morgan-critique-12-10.pdf

Other studies find opposite results that show without payday loans borrowers are less exposed to harms, have access to other forms of credit, and have other ...

Estimate of Fiscal Impact

State revenue and spending. If Proposition ? results in payday lenders choosing not to renew their licenses, there will be a reduction in fee revenue to the Department of Law.

Initiative #126
Limitations on Payday Loans

Proposition ? proposes amending the Colorado statutes to:

- reduce the total cost for a payday loan to a 36 percent annual percentage rate; and
- expand what constitutes unfair or deceptive trade practices for payday lending.

Summary and Analysis

Background. Payday loans are small-dollar, easy-to-access short-term loans that do not require a credit check. In 2016, about 207,000 individuals in Colorado secured over 414,000 payday loans. These loans totaled over $166 million, and consumers paid an estimated $50 million in loan costs (any combination of fees and interest), with a default rate of 23 percent, meaning 77% of these loans were successfully repaid. The Department of Law licenses and establishes rules for payday lenders and conducts compliance examinations of their loans. The department also investigates and litigates cases involving payday lenders. The department's data shows that, historically, women significantly outnumber men as borrowers of these loans.

Annual percentage rate (APR). The APR is the total loan cost expressed as a yearly rate and includes the interest on the loan amount, origination fees, and monthly maintenance fees. The APR varies on a daily basis and, because of the way maintenance fees are structured in Colorado, tends to increase over the life of the loan. In 2016, the average APR on payday loans in Colorado was 129 percent, the lowest of any state.

Current payday loan regulations. Colorado law underwent significant reform in 2010, and now limits payday loans to $500 with a minimum repayment term of six months and no maximum repayment term. The law allows lenders to charge an origination fee of up to 20 percent of the first $300 loaned, plus 7.5 percent of any amount in excess of $300. In addition, lenders may charge an interest rate of 45 percent per year per loan and a monthly maintenance fee of $7.50 per $100 loaned, up to a total of $30 per month. If the borrower repays the loan early, the lender must refund a prorated portion of the fees. Current law defines unfair and deceptive trade practices as making loans disguised as personal property sale and leaseback agreements or as a cash rebate.

Changes under the measure. The measure reduces the loan costs on a payday loan to a maximum APR of 36 percent, and prohibits all currently allowable fees. In addition, regardless of whether payday lenders have a physical location in the state, they may not offer higher cost loans via electronic or U.S. mail, the internet, or telemarketing.

Table 1 below provides an example of the total maximum cost, including interest and any fees, of a $500 loan that is repaid in six months under current law and under Proposition ?.

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Comment [BHFS1]: Colorado refers to these types of loans as deferred deposit loans, not payday loans. For example, the statutes regulating these loans is called the Deferred Deposit Loan Act. The Department of Law also uses that term and not the term payday loans. Accordingly, it is misleading to voters to call these loans payday loans and they should be referred to as deferred deposit or short-term installment loans throughout. See Attorney General report, available at https://coag.gov/sites/default/files/contentuploads/cp/ConsumerCreditUnit/UCCC/AnnualReportComposites/DemoStatsInfo/ddlasummary2000-2015.pdf

Comment [BHFS2]: Voters should hear both the default and repayment rates to prevent a negative bias

Comment [BHFS3]: This is important background information to break stereotypes about who uses this type of credit and for what: See Attorney General report, page 7, stating "In every year except 2015, women significantly outnumbered men as DDLA loan consumers," available at https://coag.gov/sites/default/files/contentuploads/cp/ConsumerCreditUnit/UCCC/AnnualReportComposites/DemoStatsInfo/ddlasummary2000-2015.pdf

Comment [BHFS4]: This is important context for voters who likely do not know much about how these loans work and who are likely to draw an uninformed comparison between the 129% APR and the APR of their mortgages or credit cards It is only fair that voters be given some apples to apples comparison. See Pew Report, page 4, stating "the average annualized interest [in Colorado] is . . . the lowest of any state," available at http://www.pewtrusts.org/en/research-and-analysis/issue-briefs/2014/12/trial-error-and-success-in-colorados-payday-lending-reforms

Comment [BHFS5]: Again, this is important context for voters, many of whom may have moved to Colorado from other states since 2010 and are unaware that Colorado's reform legislation is a model nationwide. This information should be located here in the summary and analysis not just in the arguments against section

Comment [BHFS6]: This sentence should be returned to the draft because it more accurately describes what the measure does – it reduces the allowable annual interest rate and prohibits all currently allowable origination, maintenance, renewal, or other fees. As stated in the background section above, "[C]onsumers paid an estimated $50 million in loan costs (any combination of fees and interest)." It is this one-two punch (reduced APR and prohibition of any fees) that will drive industry out of business in the state entirely

Table 1. Comparison of Maximum Estimated Cost of a Six-Month Payday Loan*

	Current Law	Proposition?
Loan amount	$500	$500
Total cost of loan	$293	$53
Total amount paid	$793	$553
APR	180%	36%

**The actual costs may vary by lender and depend on when the loan is repaid.*

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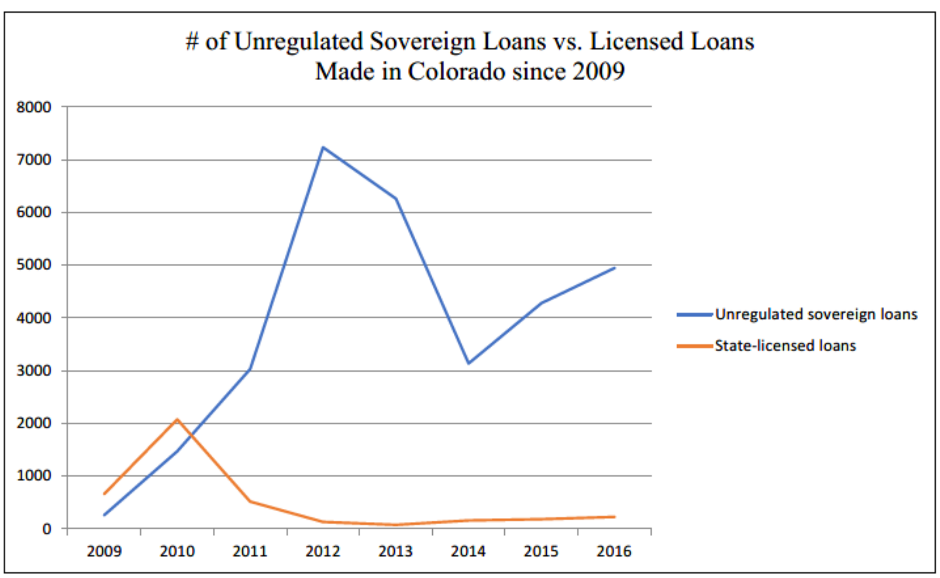
Argument For:

1) Coloradans are paying too much to borrow small amounts of money from payday lenders. The APR for these loans can exceed 200 percent. Some consumers borrow money to pay off other payday loans, which leads to a cycle of debt. Because the measure reduces the high cost of payday loans, consumers may be better able to repay their loans and avoid further financial stress.

Argument Against:

1) This measure is unnecessary because the state legislature passed blue-ribbon reforms in 2010 that led to reduced loan costs and fewer defaults, while ensuring that consumers continue to have access to a well-regulated source of ~~emergency loans~~short-term credit. Even so, such reforms have pushed Colorado consumers into the unregulated market, resulting in a 1,900% increase in unregulated online loans from 2009 to 2016, as shown by this graph:



Source: *Clarity Services, Inc.*

Comment [BHFS7]: It is misleading to state these are estimated costs when they are maximum costs

Comment [BHFS8]: This number has changed from 115% in the first draft to 116% in the second draft to now 180% - thus, it seems important to show voters the work here of how these numbers are being calculated as the Attorney General Report, page 13, shows, available at https://coag.gov/sites/default/files/contentuploads/cp/ConsumerCreditUnit/UCCC/AnnualReportComposites/DemoStatsInfo/ddlasummary2000-2015.pdf

Comment [BHFS9]: These loans aren't used solely by borrowers for emergencies.

2) Payday loans provide options for consumers who may not qualify for other types of loans. The 2010 reforms reduced the industry by nearly 50%, disproportionately in small towns and rural areas, and this measure will overregulate the industry out of existence entirely. Consumer need, however, will not go away. With limited or no access to payday loans for ~~emergencies~~short-term credit needs, even more consumers ~~may~~will pay higher costs to other creditors from late payment fees, bounced check and overdraft fees, or utility disconnect fees, or fall prey to illegal, offshore, online lenders and be left with no recourse.

Estimate of Fiscal Impact

State revenue and spending. If Proposition ? results in payday lenders choosing not to renew their licenses, there will be a reduction in fee revenue to the Department of Law.

Comment [BHFS10]: According to information from the Department of Law, 263 (52%) of storefronts have closed since 2009, available at https://coag.gov/sites/default/files/contentuploads/cp/ConsumerCreditUnit/InternetReports/ucccreport.pdf

Comment [BHFS11]: Voters have the right to know about these consequences. A push to the unregulated market has already occurred in Colorado as shown in the graph above. It has also occurred in other states that have passed initiatives similar to this measure, such as in South Dakota. See local news report, available at https://kelo.com/news/articles/2018/mar/19/study-borrowers-seeks-other-sources-after-payday-lenders/

Initiative #126
Limitations on Payday Loans
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Initiative 126
Limitations on Payday Loans

Ballot Title: Shall there be an amendment to the Colorado Revised Statutes concerning limitations on payday lenders, and, in connection therewith, reducing allowable charges on payday loans to an annual percentage rate of no more than thirty-six percent?

Be it Enacted by the People of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, **add** 5-3.1-101.5 as follows:

5-3.1-101.5. Legislative declaration. THE PEOPLE OF THIS STATE FIND AND DECLARE THAT PAYDAY LENDERS ARE CHARGING UP TO TWO HUNDRED PERCENT ANNUALLY FOR PAYDAY LOANS AND THAT EXCESS CHARGES ON SUCH LOANS CAN LEAD COLORADO FAMILIES INTO A DEBT TRAP OF REPEAT BORROWING. IT IS THE INTENT OF THE PEOPLE TO LOWER THE MAXIMUM AUTHORIZED FINANCE CHARGE FOR PAYDAY LOANS TO AN ANNUAL PERCENTAGE RATE OF THIRTY-SIX PERCENT.

SECTION 2. In Colorado Revised Statutes, **amend** 5-3.1-105 as follows:

5-3.1-105. Authorized charges. A lender may charge a finance charge for each deferred deposit loan or payday loan that ~~may~~ MUST not exceed ~~twenty~~ AN ANNUAL PERCENTAGE RATE OF THIRTY-SIX percent. ~~of the first three hundred dollars loaned plus seven and one-half percent of any amount loaned in excess of three hundred dollars. Such charge shall be deemed fully earned as of the date of the transaction. The lender may also charge an interest rate of forty-five percent per annum for each deferred deposit loan or payday loan.~~ If the loan is prepaid prior to the maturity of the loan term, the lender shall refund to the consumer a prorated portion of the ~~annual percentage rate~~ FINANCE CHARGE based upon the ratio of time left before maturity to the loan term. ~~In addition, the lender may charge a monthly maintenance fee for each outstanding deferred deposit loan, not to exceed seven dollars and fifty cents per one hundred dollars loaned, up to thirty dollars per month. The monthly maintenance fee may be charged for each month the loan is outstanding thirty days after the date of the original loan transaction.~~ ~~The~~ A lender ~~shall~~ MAY charge only those charges EXPRESSLY authorized in this article in connection with a deferred deposit loan OR PAYDAY LOAN**.**

SECTION 3. In Colorado Revised Statutes, 5-3.1-108 **amend** (2) as follows:

5-3.1-108. Renewal – new loan – consecutive loans – payment plan – definitions. (2) Upon renewal of a deferred deposit loan OR PAYDAY LOAN, the lender may assess ~~additional~~ A finance charge ~~not to~~ THAT MUST NOT exceed an annual percentage rate of ~~forty-five~~ THIRTY-SIX percent. If the deferred deposit loan OR PAYDAY LOAN is renewed prior to the maturity date, the lender shall refund to the consumer a prorated portion of the finance charge based upon the ratio of time left before maturity to the loan term.

SECTION 4. In Colorado Revised Statutes, 5-3.1-121 **amend** (2) as follows:

5-3.1-121. Unfair or deceptive practices. (2) ~~A person violates the requirements of this article by engaging in any act that limits or restricts the application~~ NO PERSON MAY ENGAGE IN ANY DEVICE, SUBTERFUGE, OR PRETENSE TO EVADE THE REQUIREMENTS of this article, including making loans disguised as A personal property~~, personal~~ sale, and leaseback transaction; ~~or by~~ disguising loan proceeds as A cash rebate for the pretextual installment sale of goods ~~and~~ OR services; OR MAKING, OFFERING, GUARANTEEING, ASSISTING, OR ARRANGING A CONSUMER TO

OBTAIN A LOAN WITH A GREATER RATE OF INTEREST, CONSIDERATION, OR CHARGE THAN IS PERMITTED BY THIS ARTICLE THROUGH ANY METHOD INCLUDING MAIL, TELEPHONE, INTERNET, OR ANY ELECTRONIC MEANS REGARDLESS OF WHETHER THE PERSON HAS A PHYSICAL LOCATION IN THE STATE.

SECTION 5. Effective date. This initiative takes effect on February 1, 2019.