



Alaska Uniform Money Transmission Modernization Act SB86 (34th Legislature) White Paper

OVERVIEW: This legislation amends and modernizes the Alaska Uniform Money Services Act (“Act”) (“AS 06.55”) utilizing a model law drafted by state regulators and industry representatives. The Act provides the legal framework for money transmission functions, including currency exchange, transfer or wiring of money, and loading and reloading of payment instruments including stored-value cards. Most money transmission now involves either mobile app transmission such as PayPal, CashApp, and Venmo or virtual currency. Those innovations did not exist when current law took effect. This legislation is a generational update to modernize licensing, recordkeeping, and enforcement provisions to support these business activities and protect Alaska consumers.

Reduces regulatory burden by streamlining initial licensing and license renewal using the Nationwide Multistate Licensing System and Registry (“NMLS”) for submitting license applications, filing documents, reporting, and payment of fees. Over 90% of states use the NMLS for money transmitters. This bill will allow Alaska to leverage NMLS to make licensure more streamlined for the regulated and more efficient for the regulator.

Protects Alaska consumers by conducting criminal background checks through the NMLS on individuals who control a money transmission business. (Note: background checks are currently conducted manually by the Division of Banking and Securities staff using a third-party software application and consume almost 130 staff hours per year.)

Broadens the definition of money transmission in statute to include virtual currency transactions and other methods of moving or transferring monetary value to better protect Alaskans. As of June 5, 2025, 31 states have adopted the model law in whole or in part.

Enhances Consumer Protection

- Requires licensees to comply with federal laws, including suspicious activity reporting.
- Increases the record retention schedule to five years for greater transparency and compliance with the Bank Secrecy Act.
- Ensures the division can coordinate with other states in all areas of regulation, licensing, and supervision to reduce regulatory burden on the industry and more effectively utilize regulator resources.
- Defines virtual currency money transmission activities and allows regulation of those activities to protect Alaska consumers.
- Updates enforcement provisions by allowing a broader spectrum of orders to be issued.

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Alaska Money Transmission Volume and Transaction Growth

*Total includes money transmission, payment instruments, stored value, and cryptocurrency
as of 4-7-2026

| | Total* | Crypto-currency | % of Crypto Volume (rounded) | # of Total* Transactions | # of Cryptocurrency Transactions |
|------|------------------|------------------------|---|-------------------------------------|---|
| 2025 | \$ 7,953,522,594 | \$2,290,734,963 | 29% | 31,433,112 | 5,805,266 |
| 2024 | \$ 6,330,471,991 | \$1,496,163,960 | 24% | 28,205,303 | 3,109,566 |
| 2023 | \$ 4,511,283,968 | \$ 615,382,162 | 14% | 25,549,251 | 1,908,142 |
| 2022 | \$ 5,835,715,744 | \$ 623,988,882 | 11% | 31,087,859 | 1,956,704 |
| 2021 | \$ 7,140,117,146 | \$1,945,325,597 | 27% | 28,613,973 | 3,283,291 |
| 2020 | \$ 2,823,728,053 | \$ 91,717,781 | 3% | 18,456,585 | 259,635 |
| 2019 | \$ 1,681,573,000 | \$ 33,603,484 | 2% | 10,548,048 | 84,719 |

| Money Transmitter/Currency Exchange Licenses | CY2025 | CY2024 | CY2023 | CY2022 | CY2021 | CY2020 | CY2019 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 189 | 173 | 180 | 168 | 153 | 136 | 113 |

For questions or additional information, please contact:

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