



MEMORANDUM

TO: The Honorable Senator Jesse Bjorkman
Chair, Senate Labor and Commerce Committee

DATE: Tuesday, February 28, 2023

FROM: Julie Sande, Commissioner

RE: Hearing Request for SB 84

A handwritten signature in blue ink, appearing to read "Julie Sande".

Please accept this request to schedule Senate Bill (SB) 84: Money Transmission; Virtual Currency (Alaska Uniform Money Transmission Modernization Act) for consideration by the Senate Labor & Commerce Committee.

SB 84 would modernize Alaska's money transmission laws through adoption of pertinent sections of the Uniform Money Transmission Modernization Act (Model Law), which was developed by state regulators and the Conference of State Bank Supervisors (CSBS) with input and participation from industry stakeholders.

Among other changes, the bill would amend the Alaska Uniform Money Services Act (AS 06.55) to include the details to regulate transmission of virtual currency, eliminate currency exchange as a separate license type, and exempt regulation of payroll processing. The Alaska Uniform Money Services Act was adopted in 2008 before internet-based fintech business models, virtual currencies, and mobile phone applications were regularly in use; but in 2021, virtual currency transmissions accounted for over \$2.3 billion (or nearly one-third of the total money transmission volume in Alaska). Expanding current law to include statutes to regulate cryptocurrency will protect consumers and ensure the safety and soundness of the businesses interacting with Alaskans.

Finally, adoption of key components of the Model Law will allow our department to coordinate with other states while more effectively utilizing state resources, which would benefit licensees by adopting a standardized nationwide multistate licensing process.

The hearing request packet for SB 84 includes the following documents:

- This bill hearing request memo
- Version A of the bill
- Sponsor Statement (Transmittal Letter)
- Sectional Analysis (Version A)

We do not yet have a complete list of all testifiers for this bill, but we will submit a list to the committee aide via email no less than 24 hours to the scheduled hearing. As of right now, here is who we know will testify:

- Robert H. Schmidt, Director, Division of Banking and Securities, (907) 269-5496, rob.schmidt@alaska.gov
- Tracy Reno, Chief of Examinations, Division of Banking and Securities, (907) 269-8112, tracy.reno@alaska.gov

If you have any questions regarding this hearing request, please feel free to contact DCCED Legislative Liaison Greg Smith at (907) 465-2564 or Greg.Smith@alaska.gov.