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Governor Mike Dunleavy STATE OF ALASKA

February 23, 2023

The Honorable Cathy Tilton
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Tilton:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill to modernize the Alaska Uniform Money Services Act.

This bill would amend the Alaska Uniform Money Services Act (AS 06.55) through selective adoption of the Uniform Money Transmission Modernization Act (“Model Law”), which was developed by industry stakeholders and the Conference of State Bank Supervisors to recognize significant changes in the operation and regulatory supervision of money services businesses. The Alaska Uniform Money Services Act was adopted in 2008 before internet-based business models, virtual currencies, and mobile phone applications were regularly in use. Today, virtual currency transmission and online transactions account for nearly one-third of money transmission volume in Alaska. The Model Law sections incorporated in the bill clarify application of state law to virtual currency transmitters, which will protect consumers and ensure the safety and soundness of the businesses interacting with Alaskans.

Adoption of key components of the Model Law will also allow the Department of Commerce, Community, and Economic Development to coordinate with other states while more effectively utilizing state resources. This change benefits licensees by adopting a standardized nationwide multistate licensing process.

The bill streamlines the regulatory process by eliminating the separate currency exchange license type and clarifying activities that are exempt from the requirement of obtaining a license, such as payroll processing services. The bill also provides for criminal and civil background checks designed to provide better consumer protection.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in blue ink, appearing to read "m.d." followed by "m.j.".

Mike Dunleavy
Governor

Enclosure