

**Alaska Uniform Money Transmission
Modernization Act
SB 86**

**Senate Finance Committee
March XX, 2025**

What is Money Transmission?

There are four types of money transmission.

- **Money Transmission (sending or wiring money)** - Originally money transmission was wiring money to someone else using a business like Western Union inside many grocery stores. But the majority of sending money now is by mobile payment apps on your phone, like Venmo and Cash App.
- **Stored value** is going into the grocery store to the wall of gift cards and grabbing a loadable visa card and exchanging \$100 with the cashier for a visa card that you can use as payment for goods or services.
- **Cryptocurrency** (Bitcoin, Ethereum, Ripple, Dogecoin, etc.) is a digital representation of value that is used as a medium of exchange, whether or not denominated in money. Buying and transferring cryptocurrency is money transmission.
- **Payment instruments** are a money order or travelers' checks that allow money/value to be exchanged between a buyer and a seller without using cash.

Who Regulates Money Transmission?

- 53 United States jurisdictions, including Alaska, license money transmission, perform routine compliance examinations, and take enforcement action if necessary.
- No federal agency licenses money transmission or performs routine examinations. The Consumer Financial Protection Bureau (CFPB) previously conducted limited examinations on transmitters deemed high risk and would undertake large scale enforcement actions. All CFPB examinations and enforcement for money transmission have stopped.
- Alaska has regulated money transmission since 2008.

What does this bill do?

SB 86:

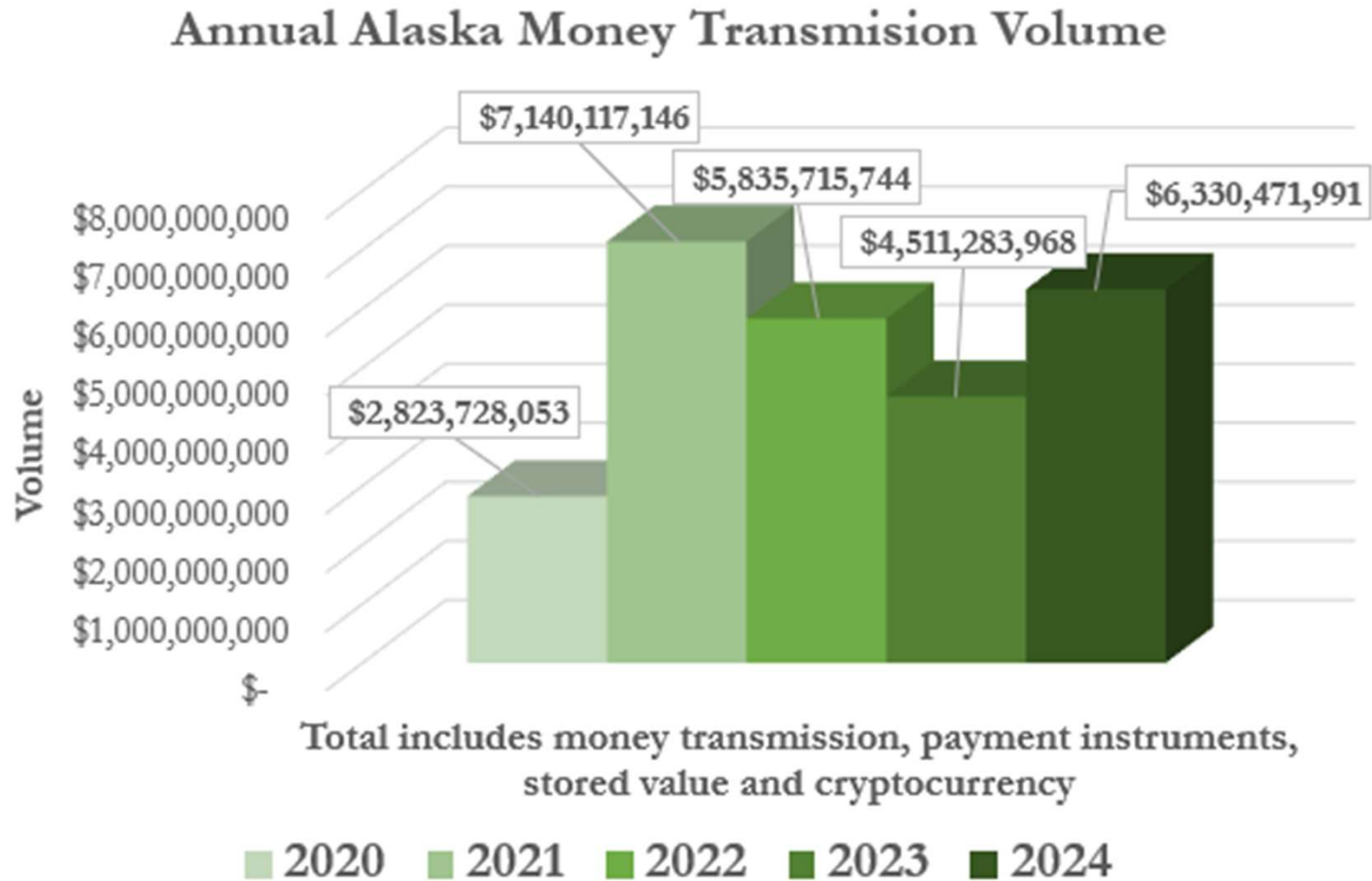
- Is a generational update to financial laws to accommodate new technologies and ensure uniformity. It is a model law developed by the Conference of State Bank Supervisors (CSBS) in collaboration with industry stakeholders and state regulators, adopted in whole or in part by 27 states.
- Reduces regulatory burden by streamlining licensing, renewal, and examinations.
- Facilitates innovative financial products and services, such as virtual currency and digital assets, while broadly strengthening consumer protection around those assets.
- Ensures DBS 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.

Money Transmission in Alaska

This legislation amends and modernizes the Alaska Uniform Money Services Act (AS 06.55) by adopting pertinent sections of the Money Transmission Modernization Act (Model Law).

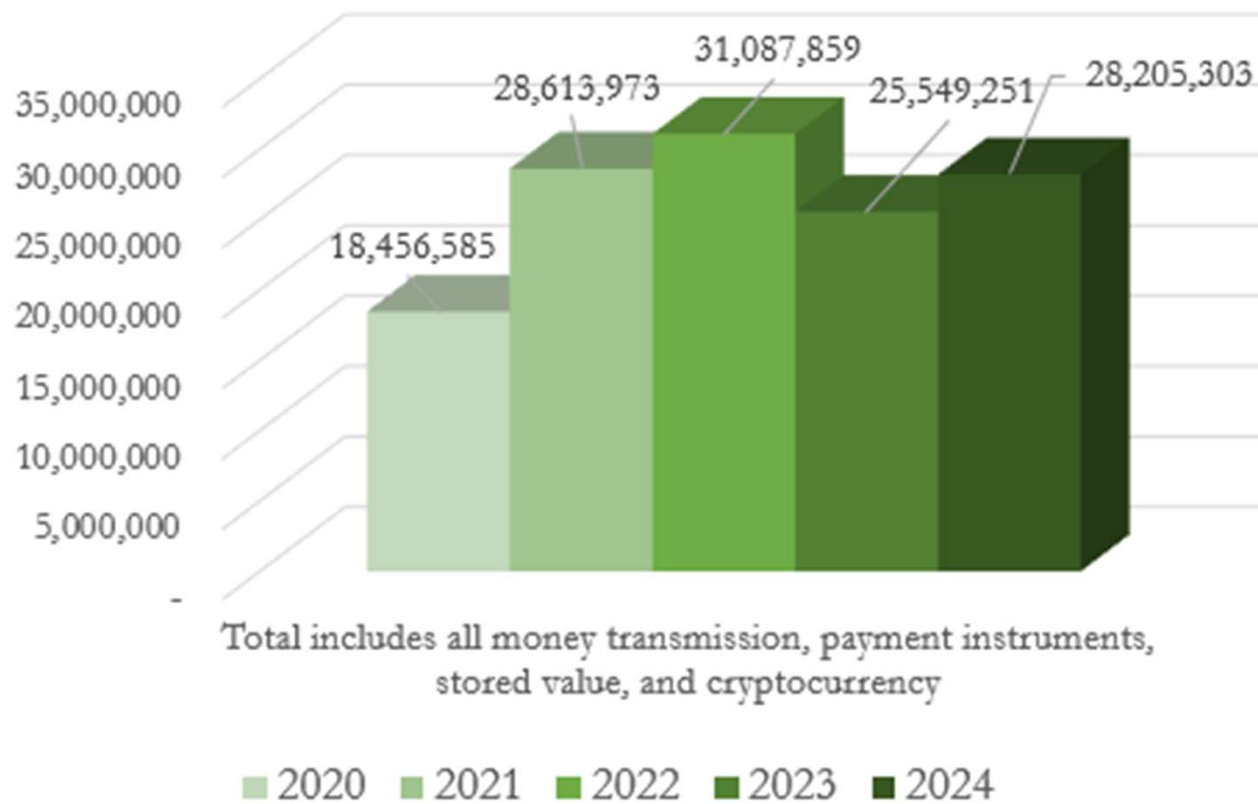
- Alaska's current money transmission law is based on a uniform act written in 2004, passed by the legislature in 2007, and went into effect in Alaska in July 2008. The first mobile payment application (PayPal) for smart phones was released in 2008. Cryptocurrency was invented in 2007 and would not become widespread for years.
- The Division of Banking and Securities conducts an average of 11 money transmission examinations annually.
- Alaska's current law is out of step with most other states in areas of licensing, renewal, examinations, consumer protection, and enforcement.
- 27 states have enacted the Model Law in full or in part as of February 24, 2025.

Money Transmission Volume



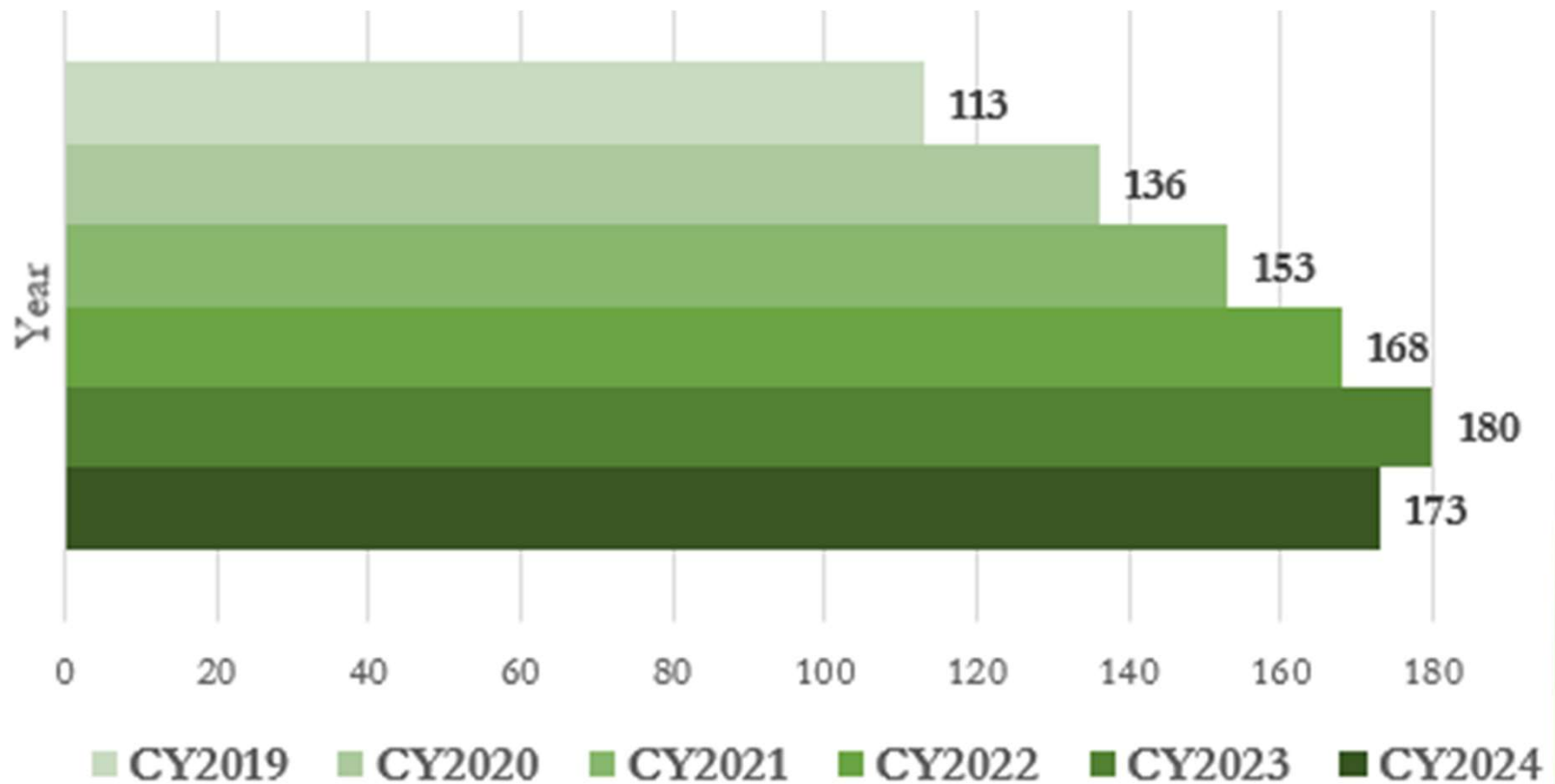
Alaska Money Transmission Transactions

Total Number of Transactions during Calendar Year

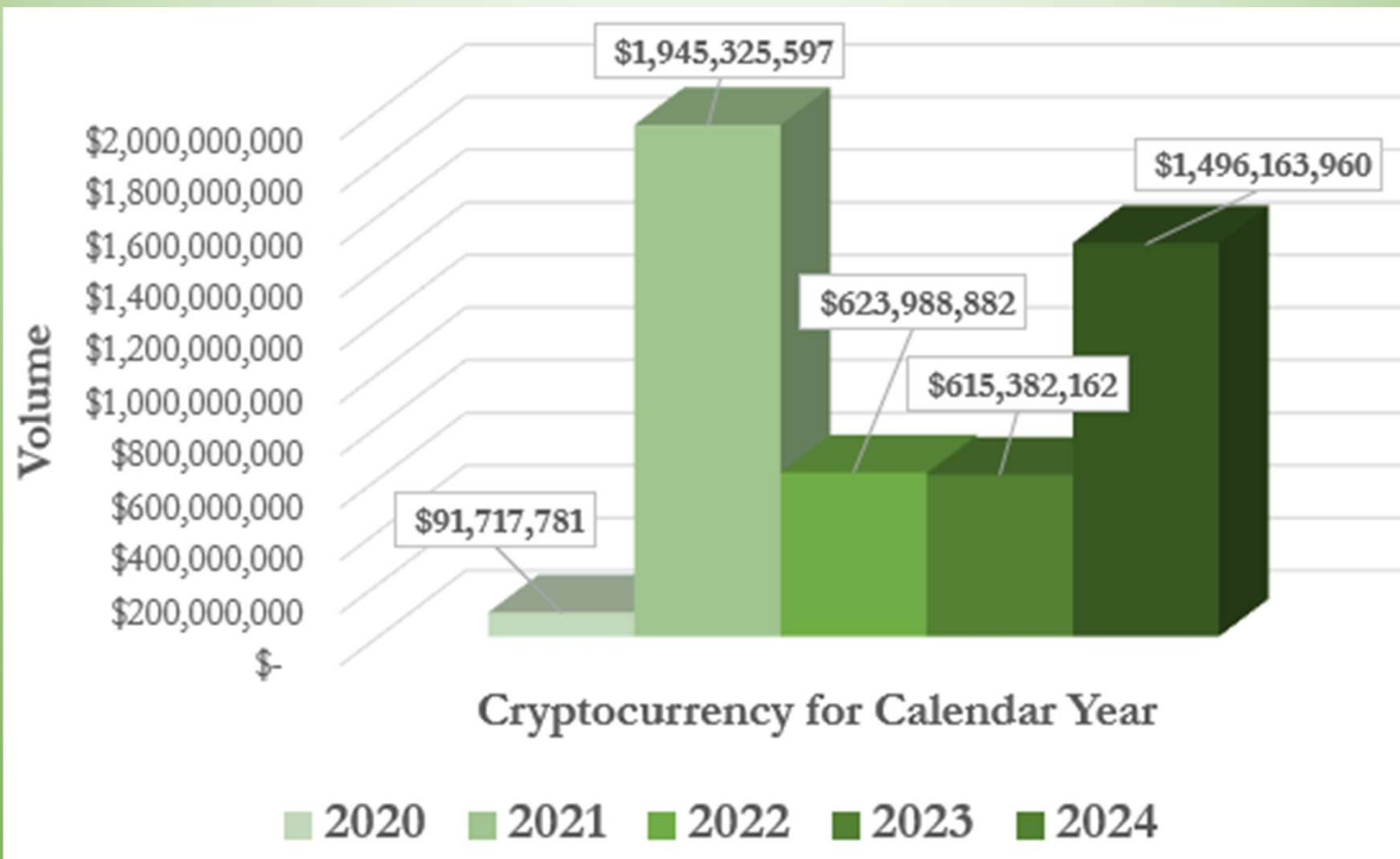


Money Transmission Licensees

CY2024	CY2023	CY2022	CY2021	CY2020	CY2019
173	180	168	153	136	113

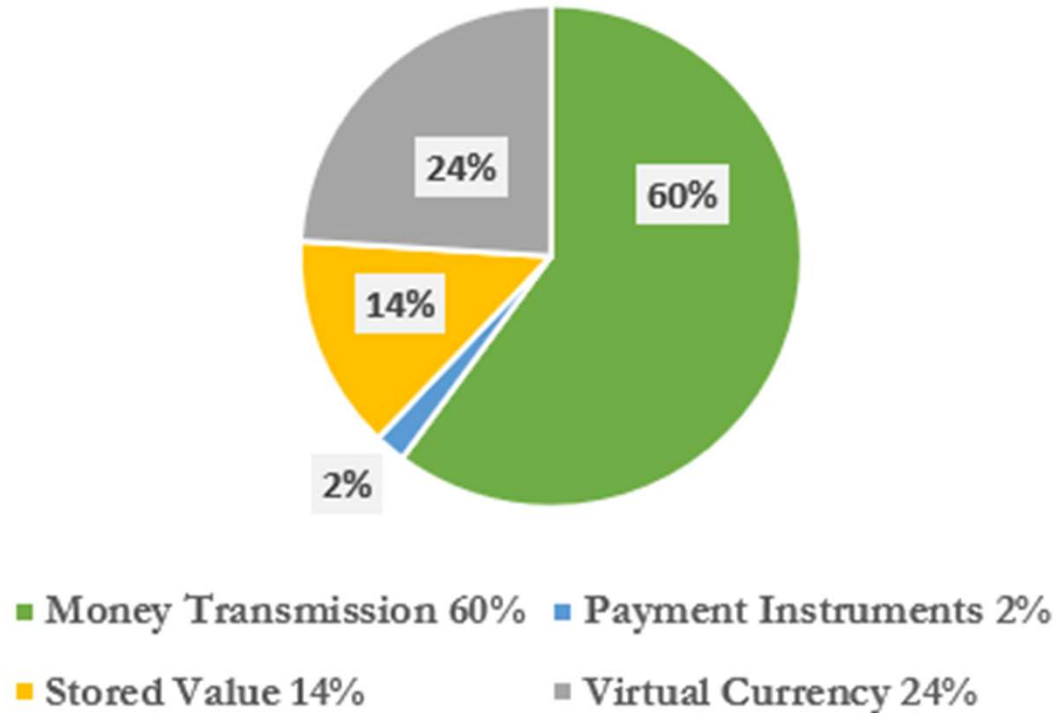


Cryptocurrency Transmission Volume in Alaska



What types of transmissions happen in Alaska?

2024 Money Transmitted Based on Value



Why regulate money transmission at all?

- 53 jurisdictions, including Alaska, already regulate money transmission.
- Industry wants this bill adopted.
- No industry stakeholder or state regulator wants federal pre-emption.
- DBS is uniquely qualified to protect Alaskans.
- States have licensed and regulated transmitters of money for over 100 years.
- States have the expertise and examination infrastructure that the feds completely lack. States can pivot and react more quickly as events transpire.

Why is this bill important?

This bill will:

- Foster innovation and reduce regulatory burden
- Protect consumers
- Adopt a Model Law that industry drafted with state regulators
- Prevent federal pre-emption by creating uniform statutes across the country
- Allow the division to keep up with technology and innovation in this dynamic financial industry

In 2024, Alaskans sent or received over 28 million money transmission transactions worth \$6.3 billion, most of them involving technology that did not exist when the current law was written.

Thank you!