

CS FOR SENATE BILL NO. 152(L&C)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-NINTH LEGISLATURE - SECOND SESSION

BY THE SENATE LABOR AND COMMERCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to money transmission and currency exchange businesses; relating to
2 transmitting value that substitutes for money; relating to licensing requirements and
3 registration through the Nationwide Multistate Licensing System and Registry; relating
4 to surety bonding requirements; authorizing certain licensees to contract to use
5 subdelegates for reloading funds on certain stored-value cards; relating to record
6 retention, reporting requirements, and enforcement provisions; relating to exemptions;
7 relating to money services Internet activities; relating to transmitting value and
8 currency; and providing for an effective date."

9 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

10 * **Section 1.** AS 06.55.101(a) is amended to read:

11 (a) **Unless exempt under AS 06.55.802, a** [A] person may not engage in the
12 business of money transmission or advertise, solicit, or hold the person out as

providing money transmission unless the person

- (1) holds a money transmission license; or
- (2) is an authorized delegate of a person who holds a money license.

* Sec. 2. AS 06.55.101 is amended by adding a new subsection to read:

(c) A person required to be licensed under AS 06.55.101 - 06.55.106 shall register with the registry and maintain a valid unique identifier issued by the registry.

* Sec. 3. AS 06.55.102 is repealed and reenacted to read:

Sec. 06.55.102. Application for license. An application for a money transmission license must

- (1) be in a format established by the department;
- (2) contain complete information required by the department;
- (3) include each control person's fingerprints for submission to the Department of Public Safety or the Federal Bureau of Investigation and any governmental agency or entity authorized to receive that information to obtain a report of criminal justice information and a national criminal history record check;
- (4) include personal history and experience in a format established by the department to obtain
 - (A) an independent credit report from a consumer reporting agency; and
 - (B) information related to administrative, civil, or criminal findings by a governmental jurisdiction;
- (5) contain other information or supporting material that the department may require concerning the applicant, including the organization and operations of an applicant for a money transmission license and the financial responsibility, background, experience, and activities of the applicant;
- (6) include a nonrefundable application fee and an initial license fee, as established by the department; and
- (7) include a surety bond as required by AS 06.55.104.

* Sec. 4. AS 06.55.104(a) is amended to read:

(a) A [EXCEPT AS OTHERWISE PROVIDED IN (b) OF THIS SECTION,]

1 A] surety bond [, A LETTER OF CREDIT, OR ANOTHER SIMILAR SECURITY
 2 ACCEPTABLE TO THE DEPARTMENT IN THE AMOUNT OF \$25,000 PLUS
 3 \$5,000 FOR EACH LOCATION, NOT EXCEEDING A TOTAL ADDITION OF
 4 \$125,000,] must accompany an application for a money transmission license. The
 5 surety bond must be at least \$25,000 and may not exceed \$1,000,000 as
 6 established by the department.

7 * Sec. 5. AS 06.55.104(b) is amended to read:

8 (b) The surety bond [SECURITY] must be in a form satisfactory to the
 9 department and payable to the state for the benefit of the state and any person who
 10 suffers loss because of a violation of this chapter by a [CLAIMANT AGAINST
 11 THE] money transmission licensee or [TO SECURE THE FAITHFUL
 12 PERFORMANCE OF THE OBLIGATIONS OF] the money transmission licensee's
 13 authorized delegate [LICENSEE WITH RESPECT TO MONEY TRANSMISSION].

14 * Sec. 6. AS 06.55.104(d) is amended to read:

15 (d) A surety bond must cover claims for as long as the department specifies,
 16 but for at least five years after the date the money transmission licensee stops
 17 providing [CEASES TO PROVIDE] money services in this state. The [HOWEVER,
 18 THE] department may permit the amount of security to be reduced or eliminated
 19 before the expiration of that time to the extent the amount of the money transmission
 20 licensee's payment instruments or stored-value obligations outstanding [IN THIS
 21 STATE] is reduced. [THE DEPARTMENT MAY PERMIT A MONEY
 22 TRANSMISSION LICENSEE TO SUBSTITUTE ANOTHER FORM OF
 23 SECURITY ACCEPTABLE TO THE DEPARTMENT FOR THE SECURITY
 24 EFFECTIVE AT THE TIME THE MONEY TRANSMISSION LICENSEE CEASES
 25 TO PROVIDE MONEY SERVICES IN THIS STATE.]

26 * Sec. 7. AS 06.55.104 is amended by adding new subsections to read:

27 (g) The surety bond must be obtained from a surety company authorized to do
 28 business in this state.

29 (h) If a money transmission licensee does not maintain a surety bond in the
 30 amount required under (a) of this section, the department may issue an order under
 31 AS 06.55.603.

1 * Sec. 8. AS 06.55.105(a) is amended to read:

2 (a) When an application is filed under AS 06.55.102, the department shall
 3 investigate the applicant's financial condition and responsibility, financial and business
 4 experience, competence, character, and general fitness. The department may conduct
 5 an [ON-SITE] investigation of the applicant, the reasonable cost of which the
 6 applicant shall pay. The department shall issue a money transmission license to an
 7 applicant under AS 06.55.102 if the department finds that all of the following
 8 conditions have been fulfilled:

9 (1) the applicant has complied with the requirements of this chapter
 10 for obtaining the license [AS 06.55.102, 06.55.104, AND 06.55.107]; [AND]

11 (2) the financial condition and responsibility, financial and business
 12 experience, competence, character, and general fitness of the applicant [, AND THE
 13 COMPETENCE, EXPERIENCE, CHARACTER, AND GENERAL FITNESS OF
 14 THE EXECUTIVE OFFICERS, MANAGERS, DIRECTORS, AND PERSONS IN
 15 CONTROL OF THE APPLICANT] indicate that it is in the interest of the public to
 16 permit the applicant to engage in money transmission; and

17 (3) the applicant, including any employees or independent
 18 contractors of the applicant, is not listed on the Specially Designated Nationals
 19 and Blocked Persons List or any other Office of Foreign Assets Control sanctions
 20 list prepared by the United States Department of the Treasury or the United
 21 States Department of the Treasury's designated successor agency.

22 * Sec. 9. AS 06.55.105(b) is amended to read:

23 (b) When an application for an original money transmission license under
 24 AS 06.55.102 is complete, the department shall promptly notify the applicant in a
 25 record of the date on which the application was determined to be complete, and

26 [(1)] the department shall approve or deny the application not later
 27 than [WITHIN] 120 days after that date [; OR

28 (2) IF THE APPLICATION IS NOT APPROVED OR DENIED
 29 WITHIN 120 DAYS AFTER THAT DATE,

30 (A) THE APPLICATION IS APPROVED; AND

31 (B) THE MONEY TRANSMISSION LICENSE TAKES

EFFECT AS OF THE FIRST BUSINESS DAY AFTER EXPIRATION OF
THE 120-DAY PERIOD].

* Sec. 10. AS 06.55.105(d) is amended to read:

(d) An applicant whose application under AS 06.55.102 is denied by the department under AS 06.55.101 - 06.55.108 [AS 06.55.101 - 06.55.107] may appeal, not later than [WITHIN] 30 days after receipt of the notice of the denial, and request a hearing.

* **Sec. 11.** AS 06.55.105 is amended by adding a new subsection to read:

(f) A money transmission license issued under AS 06.55.101 - 06.55.106 remains in effect until December 31 of the year in which the money transmission license is issued, unless the money transmission license is revoked, suspended, or surrendered.

* Sec. 12. AS 06.55.106 is repealed and reenacted to read:

Sec. 06.55.106. Renewal of money transmission license. (a) To renew a money transmission license, a money transmission licensee shall submit to the department a

(1) renewal application at a time and in a format established by the department;

(2) renewal fee as established by the department; and

(3) report identifying any changes in the information that the money transmission licensee previously provided and any additional information requested by the department.

(b) The department shall approve or deny the application for renewal of a money transmission license not later than 60 days after the renewal application is filed.

(c) An applicant whose renewal application is denied by the department under this section may appeal, not later than 30 days after receipt of the notice of the denial, and request a hearing.

* Sec. 13. AS 06.55 is amended by adding a new section to article 1 to read:

Sec. 06.55.108. Annual assessment fee and annual report. (a) A money transmission licensee shall pay an annual assessment fee as established by the

1 department not later than the annual assessment fee due date or, if the annual
 2 assessment fee due date is not a business day, on the next business day. The
 3 department shall establish the annual assessment fee in regulation.

4 (b) A money transmission licensee shall submit an accurate annual report with
 5 the annual assessment fee in a format established by the department.

6 (c) If a money transmission licensee does not file an annual report or pay the
 7 annual assessment fee by the annual assessment fee due date, the department may
 8 assess the licensee a late fee, and may impose another consequence, as established by
 9 the department in regulation.

10 * Sec. 14. AS 06.55.201(a) is amended to read:

11 (a) Unless exempt under AS 06.55.802, a [A] person may not engage in the
 12 business of currency exchange or advertise, solicit, or hold the person out as providing
 13 currency exchange for which the person receives revenue [REVENUES] equal or
 14 greater than five percent of total revenue [REVENUES] unless the person

15 (1) holds a currency exchange license; or

16 (2) holds a money transmission license [; OR

17 (3) IS AN AUTHORIZED DELEGATE OF A PERSON WHO
 18 HOLDS A MONEY TRANSMISSION LICENSE].

19 * Sec. 15. AS 06.55.201 is amended by adding a new subsection to read:

20 (c) A person required to be licensed under AS 06.55.201 - 06.55.206 shall
 21 register with the registry and maintain a valid unique identifier issued by the registry.

22 * Sec. 16. AS 06.55.202 is repealed and reenacted to read:

23 **Sec. 06.55.202. Application for currency exchange license.** An application
 24 for a currency exchange license must

25 (1) be in a format established by the department;

26 (2) contain complete information required by the department;

27 (3) include each control person's fingerprints for submission to the
 28 Department of Public Safety or the Federal Bureau of Investigations and any
 29 governmental agency or entity authorized to receive that information to obtain a report
 30 of criminal justice information and a national criminal history record check;

31 (4) include personal history and experience in a format established by

1 the department to obtain

2 (A) an independent credit report from a consumer reporting
3 agency; and

4 (B) information related to administrative, civil, or criminal
5 findings by a governmental jurisdiction;

6 (5) contain other information or supporting material that the
7 department may require concerning the applicant, including the organization and
8 operations of an applicant for a currency exchange license and the financial
9 responsibility, background, experience, and activities of the applicant;

10 (6) include a nonrefundable application fee and an initial license fee, as
11 established by the department;

12 (7) include a surety bond as required by AS 06.55.206.

13 * Sec. 17. AS 06.55.203(a) is amended to read:

14 (a) When an application [FOR A CURRENCY EXCHANGE LICENSE] is
15 filed under AS 06.55.202 [AS 06.55.201 - 06.55.204], the department shall investigate
16 the applicant's financial condition and responsibility, financial and business
17 experience, competence, character, and general fitness. The department may conduct
18 an [ON-SITE] investigation of the applicant, the reasonable cost of which the
19 applicant shall pay. The department shall issue a currency exchange license to an
20 applicant under AS 06.55.202 [AS 06.55.201 - 06.55.204] if the department finds that
21 all of the following conditions have been fulfilled:

22 (1) the applicant has complied with the requirements of this chapter
23 for obtaining the currency exchange license under AS 06.55.202; [AND]

24 (2) the financial condition and responsibility, financial and business
25 experience, competence, character, and general fitness of the applicant [, AND THE
26 COMPETENCE, EXPERIENCE, CHARACTER, AND GENERAL FITNESS OF
27 THE EXECUTIVE OFFICERS, MANAGERS, DIRECTORS, AND PERSONS IN
28 CONTROL OF THE APPLICANT] indicate that it is in the interest of the public to
29 permit the applicant to engage in currency exchange; and

30 (3) the applicant, including any employees or independent
31 contractors of the applicant, is not listed on the Specially Designated Nationals

1 and Blocked Persons List or any other Office of Foreign Assets Control sanctions
 2 list prepared by the United States Department of the Treasury or its designated
 3 successor agency.

4 * Sec. 18. AS 06.55.203(b) is amended to read:

5 (b) When an application for an original currency exchange license under
 6 AS 06.55.202 [AS 06.55.201 - 06.55.204] is complete, the department shall promptly
 7 notify the applicant in a record of the date on which the application was determined to
 8 be complete, and

9 [(1)] the department shall approve or deny the application not later
 10 than [WITHIN] 120 days after that date [; OR

11 (2) IF THE APPLICATION IS NOT APPROVED OR DENIED
 12 WITHIN 120 DAYS AFTER THAT DATE,

13 (A) THE APPLICATION IS APPROVED; AND
 14 (B) THE DEPARTMENT SHALL ISSUE THE CURRENCY
 15 EXCHANGE LICENSE UNDER AS 06.55.201 - 06.55.204 TO TAKE
 16 EFFECT AS OF THE FIRST BUSINESS DAY AFTER EXPIRATION OF
 17 THE PERIOD].

18 * Sec. 19. AS 06.55.203(d) is amended to read:

19 (d) An applicant whose application under AS 06.55.202 is denied by the
 20 department under AS 06.55.201 - 06.55.206 [AS 06.55.201 - 06.55.204] may appeal
 21 the denial not later than [, WITHIN] 30 days after receipt of the notice of the denial,
 22 [FROM THE DENIAL] and request a hearing.

23 * Sec. 20. AS 06.55.203 is amended by adding a new subsection to read:

24 (e) A currency exchange license issued under AS 06.55.201 - 06.55.206
 25 remains in effect until December 31 of the year in which the currency exchange
 26 license is issued, unless the license is revoked, suspended, or surrendered.

27 * Sec. 21. AS 06.55.204 is repealed and reenacted to read:

28 **Sec. 06.55.204. Renewal of license.** (a) To renew a currency exchange license,
 29 the currency exchange licensee shall submit to the department a

30 (1) renewal application at a time and in a format established by the
 31 department;

(2) renewal fee as established by the department; and

(3) report identifying any changes in the information previously provided by the currency exchange licensee and any additional information requested by the department.

(b) The department shall approve or deny the application for renewal of a currency exchange license not later than 60 days after the renewal application is filed.

(c) An applicant whose renewal application is denied by the department under this section may appeal, not later than 30 days after receipt of the notice of the denial, and request a hearing.

* Sec. 22. AS 06.55 is amended by adding new sections to article 2 to read:

Sec. 06.55.206. Security. (a) A surety bond must accompany an application for a currency exchange license. The surety bond must be at least \$25,000 and may not exceed \$1,000,000 as established by the department.

(b) The surety bond must be in a form satisfactory to the department and payable to this state for the benefit of this state and any person or persons who suffer loss because of a violation of this chapter by a currency exchange licensee or a currency exchange licensee's authorized delegate.

(c) The aggregate liability on a surety bond may not exceed the principal sum of the bond. A claimant against a currency exchange licensee may maintain an action on the bond, or the department may maintain an action on behalf of the claimant.

(d) A surety bond must cover claims for as long as the department specifies, but for at least five years after the date the currency exchange licensee stops providing currency exchange in this state. The department may permit the amount of security to be reduced or eliminated before the expiration of that time to the extent the amount of the currency exchange licensee's outstanding obligations in this state is reduced.

(e) The bond shall be obtained from a surety company authorized to do business in this state.

(f) If a currency exchange licensee does not maintain a surety bond in the amount required under (a) of this section, the department may issue an order under AS 06.55.603.

Sec. 06.55.207. Annual assessment fee and annual report. (a) A currency

1 exchange licensee shall pay an annual assessment fee as established by the department
 2 not later than the annual assessment fee due date or, if the annual assessment fee due
 3 date is not a business day, on the next business day. The department shall establish the
 4 annual assessment fee.

5 (b) A currency exchange licensee shall submit an accurate annual report with
 6 the annual assessment fee in a format established by the department.

7 (c) If a currency exchange licensee does not file an annual report or pay the
 8 annual assessment fee by the annual assessment fee due date, the department may
 9 assess the currency exchange licensee a late fee, and may impose another
 10 consequence, as established by the department in regulation.

11 * **Sec. 23.** AS 06.55.301(b) is amended to read:

12 (b) An authorized delegate shall remit all money owing to the money services
 13 licensee under the terms of the contract between the money services licensee and the
 14 authorized delegate. In this subsection, "remit" means to make direct payments of
 15 money to a money services licensee or its representative authorized to receive the
 16 money, or to deposit the money in a bank, credit union, savings and loan
association, or another similar financial institution in an account specified by the
 17 money services licensee.

18 * **Sec. 24.** AS 06.55.301(d) is amended to read:

19 (d) An authorized delegate may not provide money services outside the scope
 20 of activity permissible under the contract between the authorized delegate and the
 21 money services licensee, except activity in which the authorized delegate is authorized
 22 to engage under AS 06.55.101 - 06.55.206 [AS 06.55.101 - 06.55.204]. An authorized
 23 delegate of a money services licensee holds in trust for the benefit of the money
 24 services licensee all money net of fees received from money services
 25 [TRANSMISSION].

26 * **Sec. 25.** AS 06.55 is amended by adding a new section to article 3 to read:

27 **Sec. 06.55.304. Limited authorization of subdelegate.** (a) A money services
 28 licensee may contract with another money services licensee to use the other money
 29 services licensee's existing authorized delegate as a subdelegate to load funds on the
 30 first money services licensee's existing open-loop stored-value cards. If the
 31

1 subdelegate sells new open-loop stored-value cards for the first licensee, the money
2 services licensee shall add the subdelegate to the licensee's authorized delegate roster.

3 (b) A money services licensee shall maintain all contracts under (a) of this
4 section as part of the licensee's books and records and make them available to the
5 department on request.

6 * **Sec. 26.** AS 06.55.401 is repealed and reenacted to read:

7 **Sec. 06.55.401. Authority to conduct examinations.** (a) A money services
8 licensee or another person subject to this chapter shall make available to the
9 department on request the place of business, books, records, accounts, safes, and
10 vaults relating to the operations of the money services licensee or other person subject
11 to this chapter. The department may interview any person, including a control person,
12 officer, principal, employee, authorized delegate, and customer of the money services
13 licensee or other person subject to this chapter concerning the licensee's or other
14 person's business.

15 (b) The department may conduct an examination or investigation of the books,
16 records, accounts, papers, documents, files, and other information used in the business
17 of a money services licensee or its authorized delegates in conjunction with
18 representatives of other state agencies or agencies of another state or the federal
19 government. The department may accept an examination report or investigation report
20 of an agency of this state, another state, or the federal government.

21 (c) A joint examination or investigation, or an acceptance of an examination
22 or investigation report, does not preclude the department from conducting an
23 examination or investigation under this chapter. A joint report or a report accepted
24 under this section is an official report of the department for all purposes.

25 (d) For the purpose of hearings, investigations, or other proceedings under this
26 chapter, the department or an officer designated by the department may administer
27 oaths and affirmations, subpoena witnesses, compel the attendance of witnesses, take
28 evidence, and require the production of books, papers, correspondence, memoranda,
29 agreements, or other documents or records that the department considers relevant or
30 material to the matter. Information obtained during an examination under this chapter
31 may be disclosed only as provided in AS 06.55.407.

(e) A person shall reimburse the department for reasonable costs incurred by the department to conduct an examination or investigation of the person under this section.

* Sec. 27. AS 06.55.402 is amended to read:

Sec. 06.55.402. Cooperation; consultation. The department may consult and cooperate with other state **and federal** [MONEY SERVICES] regulators in enforcing and administering this chapter. [THE DEPARTMENT AND OTHER STATE MONEY SERVICE REGULATORS MAY JOINTLY PURSUE EXAMINATIONS AND TAKE OTHER OFFICIAL ACTION THAT THEY ARE OTHERWISE EMPOWERED TO TAKE.]

* Sec. 28. AS 06.55.403(b) is repealed and reenacted to read:

(b) A money services licensee shall file with the department not later than 45 days after the end of each fiscal quarter a report containing information about the licensee, its locations, authorized delegates, and other information required by the department. The department shall establish the content and format of the report.

* Sec. 29. AS 06.55.403(c) is amended to read:

(c) A money services licensee shall file a report with the department not later than [WITHIN] one business day after the money services licensee has reason to know of the occurrence of one or more [ANY] of the following events:

(1) the filing of a petition by or against the money services licensee under 11 U.S.C. 101 - 112 [11 U.S.C. 101 - 110] (Bankruptcy Code) for bankruptcy or reorganization;

(2) the filing of a petition by or against the money services licensee for receivership, the commencement of any other judicial or administrative proceeding for its dissolution or reorganization, or the making of a general assignment for the benefit of its creditors;

(3) the commencement of a proceeding to revoke or suspend its money services license in a state or country in which the money services licensee engages in business or is licensed;

(4) the cancellation or other impairment of the money services licensee's bond [OR OTHER SECURITY];

(5) a charge against or conviction of the money services licensee or of an [EXECUTIVE] officer, manager, director, or control person [IN CONTROL] of the money services licensee for a felony; or

(6) a charge against or conviction of an authorized delegate for a felony.

* Sec. 30. AS 06.55.403 is amended by adding a new subsection to read:

(d) The department may establish a late fee or other consequence for a money services licensee who fails to file a report as required by this section.

* Sec. 31. AS 06.55.404(a) is amended to read:

(a) A money services licensee shall

(1) give the department notice in a record 30 days before [OF] a proposed change of control [WITHIN 15 DAYS AFTER LEARNING OF THE PROPOSED CHANGE OF CONTROL];

(2) request approval of the change of control by submitting the information required by the department [ACQUISITION]; and

(3) submit a nonrefundable fee with the notice as required by the

* **Sec. 32.** AS 06.55.404(d) is amended to read:

(d) When an application for a change of control [UNDER AS 06.55.401 - 06.55.407] is complete, the department shall notify the money services licensee in a record of the date on which the request was determined to be complete, and

[1] the department shall approve or deny the request not later than [WITHIN] 120 days after that date [; OR

(2) IF THE REQUEST IS NOT APPROVED OR DENIED WITHIN 120 DAYS AFTER THAT DATE.

(A) THE REQUEST IS APPROVED; AND

(B) THE DEPARTMENT SHALL PERMIT THE CHANGE
L UNDER THIS SECTION, TO TAKE EFFECT AS OF THE
NESS DAY AFTER EXPIRATION OF THE PERIOD].

* Sec. 33. AS 06.55.405(a) is amended to read:

(a) A money services licensee shall maintain the following records for

1 determining its compliance with this chapter for at least five [THREE] years:

2 (1) a record of each payment instrument or stored-value obligation
3 sold;

4 (2) a general ledger posted at least monthly containing all asset,
5 liability, capital, income, and expense accounts;

6 (3) bank statements and bank reconciliation records;

7 (4) records of outstanding payment instruments and stored-value
8 obligations;

9 (5) records of each payment instrument and stored-value obligation
10 paid within the five-year [THREE-YEAR] period;

11 (6) a list of the last known names and addresses of all of the money
12 services licensee's authorized delegates; [AND]

13 (7) copies of all currency transaction reports and suspicious
14 activity reports filed in compliance with AS 06.55.406; and

15 (8) any other records the department reasonably requires by regulation.

16 * Sec. 34. AS 06.55.405(b) is amended to read:

17 (b) The items specified in (a) of this section shall [MAY] be provided
18 [MAINTAINED] in a format established by the department [ANY FORM OF
19 RECORD].

20 * Sec. 35. AS 06.55.406(a) is amended to read:

21 (a) A money services licensee and an authorized delegate shall file with the
22 United States Department of the Treasury, or its designated successor agency,
23 [ATTORNEY GENERAL] all reports required by federal currency reporting, record
24 keeping, and suspicious transaction reporting requirements as set out in 31 U.S.C.
25 5311 - 5332 [31 U.S.C. 5311, 31 C.F.R. 103,] and other federal and state laws
26 pertaining to money laundering.

27 * Sec. 36. AS 06.55.407(b) is amended to read:

28 (b) The department may disclose information that is not otherwise subject to
29 disclosure under (a) of this section to representatives of state or federal agencies who
30 agree in writing to [PROMISE IN A RECORD THAT THEY WILL] maintain the
31 confidentiality of the information or if the department finds that the release is

1 reasonably necessary for the protection of the public and in the interests of justice [,
 2 AND THE MONEY SERVICES LICENSEE HAS BEEN GIVEN PREVIOUS
 3 NOTICE BY THE DEPARTMENT OF ITS INTENT TO RELEASE THE
 4 INFORMATION].

5 * **Sec. 37.** AS 06.55.407(c) is amended to read:

6 (c) This section does not prohibit the department from disclosing to the public
 7 (1) a list of money services licensees or **authorized delegates**,
 8 including addresses and the names of contact individuals;
 9 (2) the identity of a money services licensee or authorized delegate
 10 subject to an emergency or final order of the department; or
 11 (3) the aggregated financial data of [CONCERNING THOSE] money
 12 services licensees.

13 * **Sec. 38.** AS 06.55.501(a) is amended to read:

14 (a) Except as provided in (b) of this section, a [A] money services licensee
 15 shall maintain at all times permissible investments that have a market value computed
 16 under generally accepted accounting principles of not less than the aggregate amount
 17 of all of its outstanding payment instruments and stored-value [STORED VALUE]
 18 obligations issued or sold in all states and money transmitted from all states by the
 19 money services licensee.

20 * **Sec. 39.** AS 06.55.501(c) is amended to read:

21 (c) A permissible investment subject to this section [PERMISSIBLE
 22 INVESTMENTS], even if commingled with other assets of the money services
 23 licensee, is considered by operation of law to be [ARE] held in trust for the benefit
 24 of any individual to whom an obligation arising under this chapter is owed by the
 25 money services licensee and may not be considered an asset or property of the
 26 money services licensee [THE PURCHASERS AND HOLDERS OF THE MONEY
 27 SERVICES LICENSEE'S OUTSTANDING PAYMENT INSTRUMENTS AND
 28 STORED VALUE OBLIGATIONS] in the event of bankruptcy, [OR] receivership, or
 29 a claim against [OF] the money services licensee unrelated to any of the money
 30 services licensee's obligations under this chapter.

31 * **Sec. 40.** AS 06.55.601 is amended to read:

Sec. 06.55.601. Suspension and revocation; receivership. (a) The department may issue an order under AS 06.55.603 to suspend or revoke a money services license, place a money services licensee in receivership, or order a money services licensee to revoke the designation of an authorized delegate if

(1) the money services licensee violates this chapter or a regulation adopted or an order issued under this chapter;

(2) the money services licensee does not permit or cooperate with an examination or investigation by the department;

(3) the money services licensee engages in fraud, intentional misrepresentation, or gross negligence;

(4) a money services licensee or an authorized delegate is convicted of a violation of a state or federal anti-money laundering statute or a law listed in AS 06.55.860, or violates a regulation adopted or an order issued under this chapter, as a result of the money services licensee's wilful misconduct or wilful blindness;

(5) the competence, experience, character, or general fitness of the money services licensee, authorized delegate, control person [IN CONTROL] of a money services licensee, or responsible person of the money services licensee or authorized delegate indicates that it is not in the public interest to permit the person to provide money services;

(6) the money services licensee engages in an unsafe or unsound practice;

(7) the money services licensee is insolvent, suspends payment of its obligations, or makes a general assignment for the benefit of its creditors; [OR]

(8) the money services licensee does not remove an authorized delegate after the department issues and serves upon the money services licensee a final order including a finding that the authorized delegate has violated this chapter;

(9) a fact or condition exists that, if it had been known at the time the money services licensee applied for the license, would have been grounds for denying the application;

(10) the money services licensee engages in false, misleading, or deceptive advertising;

(11) the money services licensee fails to pay, not later than the 30th day after the date the stay of execution expires or is terminated, as applicable, a judgment entered in favor of a claimant or creditor in an action arising out of the money services licensee's activities under this chapter; or

(12) the money services licensee knowingly makes a material misstatement or suppresses or withholds material information on an application, request for approval, report, or other document required to be filed with the department under this chapter.

(b) In determining whether a money services licensee is engaging in an unsafe or unsound practice, the department may consider the size and condition of the money services licensee's money transmission or currency exchange, the magnitude of the loss or potential loss, the gravity of the violation of this chapter or a regulation adopted, an order issued under this chapter, or an action taken against the money services licensee by this state, another state, or the federal government, and the previous conduct of the person involved.

* Sec. 41. AS 06.55.602 is amended to read:

Sec. 06.55.602. Suspension and revocation of authorized delegates. (a) The department may issue an order under AS 06.55.603 to suspend or revoke [SUSPENDING OR REVOKING] the designation of an authorized delegate or the designation of a subdelegate if [THE DEPARTMENT FINDS THAT]

(1) the authorized delegate or subdelegate violated this chapter, [OR] a regulation adopted or an order issued under this chapter, or any other state or federal order enforcing a law applicable to a money services business;

(2) the authorized delegate or subdelegate did not permit or cooperate with an examination or investigation by the department;

(3) in connection with the operation of the delegate's business on behalf of the money services licensee or any transaction subject to this chapter, the authorized delegate or subdelegate has engaged in fraud, intentional misrepresentation, deceit, [OR] gross negligence, or an unfair or deceptive act or practice:

(4) the authorized delegate or subdelegate is convicted of a violation

1 of a state or federal anti-money laundering statute or a law listed in AS 06.55.860;

2 (5) the competence, experience, character, or general fitness of the
 3 authorized delegate or subdelegate, or a control person [IN CONTROL] of the
 4 authorized delegate or subdelegate, indicates that it is not in the public interest to
 5 permit the authorized delegate or subdelegate to provide money services; [OR]

6 (6) the authorized delegate or subdelegate is engaging in an unsafe or
 7 unsound practice; or

8 (7) the authorized delegate, a control person of the authorized
 9 delegate, or the subdelegate is listed on the Specially Designated Nationals List
 10 and the List of Persons Identified as Blocked Solely Pursuant to Executive Order
 11 13599, or any other Office of Foreign Assets Control sanctions list prepared by
 12 the United States Department of the Treasury, or the United States Department
 13 of the Treasury's designated successor agency.

14 (b) In determining whether an authorized delegate or subdelegate is engaging
 15 in an unsafe or unsound practice, the department may consider the size and condition
 16 of the authorized delegate's or subdelegate's provision of money services, the
 17 magnitude of the loss or potential loss, the gravity of the violation of this chapter or a
 18 regulation adopted, an [OR] order issued under this chapter, or an action taken
 19 against the delegate or subdelegate by this state, another state, or the federal
 20 government, and the previous conduct of the authorized delegate or subdelegate.

21 * Sec. 42. AS 06.55.603(a) is amended to read:

22 (a) If the department determines that a violation of this chapter, or of a
 23 regulation adopted or an order issued under this chapter, by a person [MONEY
 24 SERVICES LICENSEE OR AUTHORIZED DELEGATE] is likely to cause
 25 immediate and irreparable harm to the person [MONEY SERVICES LICENSEE], the
 26 person's [ITS] customers, or the public as a result of the violation, or cause
 27 insolvency or significant dissipation of the assets of the person [MONEY SERVICES
 28 LICENSEE], the department may issue an administrative order [REQUIRING THE
 29 MONEY SERVICES LICENSEE OR AUTHORIZED DELEGATE TO CEASE
 30 AND DESIST FROM THE VIOLATION]. The order becomes effective on service of
 31 the order [IT] on the person [MONEY SERVICES LICENSEE OR AUTHORIZED

1 DELEGATE].

2 * **Sec. 43.** AS 06.55.603(b) is amended to read:

3 (b) The department may issue an order against a person [MONEY
4 SERVICES LICENSEE] to

5 (1) stop [CEASE AND DESIST FROM] providing money services;
6 (2) compel payment of restitution to damaged parties;
7 (3) require affirmative action to comply with this chapter or a
8 regulation adopted under this chapter; and
9 (4) remove from office or prohibit from participation an officer,
10 control person, or employee [THROUGH AN AUTHORIZED DELEGATE WHO
11 IS THE SUBJECT OF A SEPARATE ORDER BY THE DEPARTMENT].

12 * **Sec. 44.** AS 06.55.603(c) is amended to read:

13 (c) An order [TO CEASE AND DESIST] remains effective and enforceable
14 pending the completion of an administrative proceeding under AS 06.55.701 or
15 06.55.702 [AS 06.55.601 OR 06.55.602].

16 * **Sec. 45.** AS 06.55.603(d) is amended to read:

17 (d) A person [MONEY SERVICES LICENSEE OR AN AUTHORIZED
18 DELEGATE] who is served with an order [TO CEASE AND DESIST] may petition
19 the superior court for a judicial order setting aside, limiting, or suspending the
20 enforcement, operation, or effectiveness of the order pending the completion of an
21 administrative proceeding under AS 06.55.701 or 06.55.702 [AS 06.55.601 OR
22 06.55.602].

23 * **Sec. 46.** AS 06.55.607(a) is amended to read:

24 (a) If the department has reason to believe that a person who is not a money
25 transmission licensee under AS 06.55.101, currency exchange licensee under
26 AS 06.55.201, authorized delegate under AS 06.55.301, or subdelegate under
27 AS 06.55.304 has violated or is violating AS 06.55.101 or 06.55.201, the department
28 may issue an order under AS 06.55.603 [TO SHOW CAUSE WHY AN ORDER TO
29 CEASE AND DESIST SHOULD NOT ISSUE REQUIRING THAT THE PERSON
30 CEASE AND DESIST FROM THE VIOLATION OF AS 06.55.101 OR 06.55.201].

31 * **Sec. 47.** AS 06.55.607(c) is amended to read:

(c) An order [TO CEASE AND DESIST] becomes effective upon service of **the order on** [IT UPON] the person.

* Sec. 48. AS 06.55.607(d) is amended to read:

(d) An order [TO CEASE AND DESIST] remains effective and enforceable pending the completion of an administrative proceeding under AS 06.55.701 and 06.55.702.

* Sec. 49. AS 06.55.607 is amended by adding a new subsection to read:

(g) An order issued by the department may include a monetary penalty in addition to a civil penalty authorized under AS 06.55.605 or established by regulation, if the department has reason to believe that a person who is not a money transmission licensee under AS 06.55.101, currency exchange licensee under AS 06.55.201, authorized delegate under AS 06.55.301, or subdelegate under AS 06.55.304 has violated or is violating AS 06.55.101 or 06.55.201.

* Sec. 50. AS 06.55.702(a) is amended to read:

(a) Except as otherwise provided in AS 06.55.603 and 06.55.607 [AND IN (b) OF THIS SECTION], the department may not suspend or revoke a money services license, place a money services licensee in receivership, issue an order to cease and desist, suspend, or revoke the designation of an authorized delegate, or assess a civil penalty without notice and an opportunity to be heard. The department shall also hold a hearing when requested to hold a hearing by an applicant whose application for a money services license is denied.

* Sec. 51. AS 06.55.802 is amended to read:

Sec. 06.55.802. Exemptions [EXCLUSIONS]. This chapter does not apply to

(1) the United States or a department, an agency, or an instrumentality of the United States;

(2) money transmission by the United States Postal Service or by a contractor on behalf of the United States Postal Service;

(3) a state, a municipality, a county, or another governmental agency or governmental subdivision of a state;

(4) a bank, a bank holding company, an office of an international banking corporation, a branch of a foreign bank, a corporation organized under 12

1 U.S.C. 1861 - 1867 (Bank Service Company Act), or a corporation organized under 12
2 U.S.C. 611 - 633 (Edge Act) under the laws of a state or the United States, if it does
3 not issue, sell, or provide payment instruments or stored value through an authorized
4 delegate who is not a bank, a bank holding company, an office of an international
5 banking corporation, a branch of a foreign bank, a corporation organized under 12
6 U.S.C. 1861 - 1867 (Bank Service Company Act), or a corporation organized under 12
7 U.S.C. 611 - 633 (Edge Act) under the laws of a state or the United States;

8 (5) electronic funds transfer of governmental benefits for a federal,
9 state, or municipal agency or a state political subdivision by a contractor on behalf of

10 (A) the United States or a department, an agency, or an
11 instrumentality of the United States; or

12 (B) a state, or a department, an agency, or an instrumentality of
13 a state;

14 (6) a board of trade or a person who, in the ordinary course of
15 business, provides clearance and settlement services for a board of trade, to the extent
16 of the operation of the person for a board of trade; in this paragraph, "board of trade"
17 means a board of trade designated as a contract market under 7 U.S.C. 1 - 27f
18 (Commodity Exchange Act);

19 (7) a registered futures commission merchant under the federal
20 commodities laws, to the extent of the merchant's operation as a registered futures
21 commission merchant under the federal commodities laws;

22 (8) a person who provides clearance or settlement services under a
23 registration as a clearing agency or an exemption from the registration granted under
24 the federal securities laws, to the extent of the person's operation as a provider of
25 clearance or settlement services under a registration as a clearing agency or an
26 exemption from the registration granted under the federal securities laws;

27 (9) an operator of a payment system to the extent that the operator
28 provides processing, clearing, or settlement services, between or among persons
29 excluded by this section, in connection with wire transfers, credit card transactions,
30 debit card transactions, stored-value transactions, automated clearing house transfers,
31 or similar funds transfers; [OR]

(10) a person registered as a securities broker-dealer under federal or state securities laws, to the extent of the person's operation as a securities broker-dealer under federal or state securities laws;

(11) an insurance company, title insurance company, or escrow agent, to the extent that the entity is lawfully authorized to conduct business in this state as an insurance company, title insurance company, or escrow agent and to the extent that the entity engages in money transmission or currency exchange as an ancillary service when conducting insurance, title insurance, or escrow activity; or

(12) an attorney, to the extent that the attorney is lawfully authorized to practice law in this state and to the extent that the attorney engages in money transmission or currency exchange as an ancillary service to the practice of law.

* Sec. 52, AS 06.55.810 is amended to read:

Sec. 06.55.810. Notices required. (a) A money services licensee shall provide a customer with a notice of how to file a complaint. A money services licensee shall provide notice [DISPLAY A SIGN] at each location where the money services licensee

(1) provides money services under this chapter; and

(2) has not designated an authorized delegate or subdelegate to provide money services on behalf of the money services licensee at the location.

(b) An authorized delegate shall provide [DISPLAY] a notice of how to file a complaint [SIGN] at each location where the authorized delegate or subdelegate provides money services under this chapter.

(c) The notice [SIGN] required by (a) or (b) of this section must [SHALL] be in a format and contain the information required by the department [DISPLAYED AT ALL TIMES IN FULL VIEW OF PERSONS VISITING THE LOCATION AND SHALL GIVE THE DEPARTMENT'S ADDRESS AND THE DEPARTMENT'S TELEPHONE NUMBER FOR RECEIVING CALLS REGARDING COMPLAINTS AND OTHER CONCERNS ABOUT MONEY SERVICES LICENSEES, AUTHORIZED DELEGATES, AND THE MONEY

1 SERVICES PROVIDED BY MONEY SERVICES LICENSEES AND
2 AUTHORIZED DELEGATES].

3 * **Sec. 53.** AS 06.55.820 is repealed and reenacted to read:

4 **Sec. 06.55.820. Transmission, receipt, and refund.** A money services
5 licensee who receives money or equivalent value for money transmission or currency
6 exchange shall comply with transmission, receipt, and refund provisions according to
7 federal law under 12 C.F.R. Part 1005, Subpart B (Federal Remittance Transfer Rule)
8 and any requirements established by the department.

9 * **Sec. 54.** AS 06.55 is amended by adding new sections to read:

10 **Sec. 06.55.855. Virtual currency.** In this chapter, a reference to virtual
11 currency shall be broadly construed to cover digital units of exchange that

12 (1) have a centralized repository; in this paragraph, "centralized
13 repository" means a single third-party administrating authority that controls the
14 system, issues the currency, establishes the rules for the currency's use, maintains a
15 central payment ledger, and has authority to redeem the currency or withdraw the
16 currency from circulation;

17 (2) are decentralized, distributive, open-source, math-based, peer-to-
18 peer virtual currency with no central administrating authority and no central
19 monitoring or oversight; in this paragraph,

20 (A) "distributive" means validated through distribution among
21 a network of participants who run an algorithm to validate the transaction;

22 (B) "open-source" means available through software that can
23 be downloaded for free from an Internet website to send, receive, and store
24 virtual currency; or

25 (3) may be created or obtained by computing or manufacturing effort.

26 **Sec. 06.55.860. Compliance with federal requirements.** A person subject to
27 this chapter shall conduct the person's money services activities in compliance with

28 (1) 12 U.S.C. 1829b (Federal Deposit Insurance Act);

29 (2) 12 U.S.C. 1951 - 1959;

30 (3) 18 U.S.C. 981 - 982 (Money Laundering Control Act of 1986);

31 (4) 31 U.S.C. 5311 - 5314;

(5) 31 U.S.C. 5316 - 5329;

(6) 31 U.S.C. 5330 (Money Laundering Suppression Act of 1994);

(7) 31 U.S.C. 5331 - 5332 (International Money Laundering

Abatement and Financial Anti-Terrorism Act of 2001); and

(8) any other federal statute or regulation the purpose of which is to regulate money transmission, currency exchange, or money services.

Sec. 06.55.870. Unclaimed property. A person subject to this chapter shall comply with AS 34.45 (Uniform Unclaimed Property Act).

Sec. 06.55.880. Application to Internet activities. This chapter applies to a person who engages in activities regulated under this chapter by using an Internet website from within or outside the state.

* Sec. 55. AS 06.55 is amended by adding new sections to article 9 to read:

Sec. 06.55.900. Administration. (a) The department may require an applicant or a licensee to submit information, documentation, or payment of a fee required under this chapter through the registry in a format established by the department and acceptable to the registry.

(b) The department may use the registry for obtaining information required for licensing purposes under this chapter, including

(1) criminal history record information from the Federal Bureau of Investigation, the United States Department of Justice, or any other agency or entity identified by the department;

(2) information related to administrative, civil, or criminal findings by other states.

* Sec. 56, AS 06.55.990(3) is amended to read:

(3) "control" means

(A) the ownership of, or the power to vote, directly or indirectly, at least 10 [25] percent, including the voting securities or voting interests of any spouse, parent, or child, of a class of voting securities or voting interests of

(i) a money services licensee; or
(ii) a person that owns or has the power to vote,
directly or indirectly, at least 10 percent, including the voting
securities or voting interests of any spouse, parent, or child of the
voting securities or voting interests of the [IN CONTROL OF A]
money services licensee referred to in (i) of this subparagraph;

(B) the power to elect a majority of [EXECUTIVE] officers, managers, directors, trustees, or other persons exercising managerial authority of

- (i) a money services licensee; or
- (ii) a person that has the power to elect a majority of officers, managers, directors, trustees, or other persons exercising managerial authority of the [IN CONTROL OF A] money services licensee referred to in (i) of this subparagraph; or

(C) the power to exercise, directly or indirectly, an [A CONTROLLING] influence over the management or policies of

- (i) a money services licensee; or
- (ii) a person that has the power to exercise, directly or indirectly, an influence over the management or policies of the
[IN CONTROL OF A] money services licensee referred to in (i) of
this subparagraph;

* Sec. 57. AS 06.55.990(5) is amended to read:

(5) "currency exchange license" means a license under AS 06.55.201 - 06.55.201 - 06.55.204;

* Sec. 58. AS 06.55.990(15) is repealed and reenacted to read:

(15) "money transmission" means

(A) the acceptance and the transmission of currency, funds, or other value that substitutes for currency from one person to another location or person within the United States or to locations abroad, by

- (i) a financial agency or institution;
- (ii) an electronic funds transfer network;

(iii) wire;

(iv) facsimile;

(v) payment instrument;

(vi) an informal value transfer system; in this sub-subparagraph, "informal value transfer system" means a system, mechanism, or network that receives money for the purpose of making funds or an equivalent value payable to a third party in another geographic location, whether or not in the same form, and that generally takes place outside of a conventional banking system through nonbank financial institutions or other business entities whose primary business activity is not limited to the transmission of money; or

(vii) any other means;

(B) selling, issuing, or acting as an intermediary for open-loop stored-value devices and payment instruments; or

(C) conducting the following types of activity in this state or involving a resident of this state:

(i) receiving virtual currency for transmission;

(ii) transmitting virtual currency;

(iii) securing, storing, holding, or maintaining custody or control of virtual currency on behalf of others;

(iv) buying and selling virtual currency as or through a third party;

(v) performing retail conversion services, including the conversion or exchange of fiat currency or other value into virtual currency, the conversion or exchange of virtual currency into fiat currency or other value, or the conversion or exchange of one form of virtual currency into another form of virtual currency; or

(vi) controlling, administering, or issuing virtual currency;

* Sec. 59. AS 06.55.990(16) is amended to read:

(16) "money transmission license" means a license under

AS 06.55.101 - 06.55.108 [AS 06.55.101 - 06.55.107 OR AN APPROVAL UNDER AS 06.55.103];

* Sec. 60. AS 06.55.990(18) is repealed and reenacted to read:

(18) "outstanding" means

(A) with respect to a payment instrument, a payment instrument that has been issued and sold in the United States directly by a money services licensee, or sold by an authorized delegate or subdelegate of the money services licensee in the United States and reported to the money services licensee, that has not yet been paid by or for the money services licensee;

(B) with respect to a stored value, a stored value that has been issued and sold in the United States directly by a money services licensee, or sold by an authorized delegate or subdelegate of the money services licensee in the United States and reported to the money services licensee, until the funds are deposited into the stored value program's issuing bank account; or

(C) with respect to money transmission, a money transmission for which the money transmission licensee, directly or through an authorized delegate of the money transmission licensee, has received money or monetary value from the customer for transmission, but has not yet completed the money transmission by delivering the money or monetary value to the person designated by the customer or refunded the money or monetary value to the customer;

* Sec. 61. AS 06.55.990(19) is amended to read:

(19) "payment instrument"

(A) means an electronic or written [A] check, a draft, a money order, a traveler's check, or another electronic or written instrument order for the transmission or payment of money or monetary value, whether or not **the instrument is negotiable**;

(B) [, BUT] does not include a credit card voucher, a letter of credit, or any other [AN] instrument that is redeemable by the issuer in goods or services;

1 * Sec. 62. AS 06.55.990(20) is amended to read:

2 (20) "person" means an individual, a corporation, a business trust, an
 3 estate, a trust, a partnership, a limited liability company, an association, a joint
 4 venture, a government, a governmental subdivision, a governmental [AN] agency, a
 5 governmental [OR AN] instrumentality, a public corporation, or any other legal or
 6 commercial entity;

7 * Sec. 63. AS 06.55.990(23) is amended to read:

8 (23) "stored value"

9 (A) means

10 (i) monetary value that is evidenced by an electronic
 11 record that is prefunded and for which value is reduced on each
 12 use;

13 (ii) access to funds or the value of funds that have
 14 been paid in advance and can be retrieved or transferred at some
 15 point in the future through an electronic device or vehicle; in this
 16 sub subparagraph, "electronic device or vehicle" means a card
 17 code, electronic serial number, mobile identification number,
 18 personal identification number, or other electronic device or
 19 vehicle;

20 (B) does not include an electronic record that is primarily
 21 intended to be redeemable only for goods or services from a specified
 22 merchant or set of affiliated merchants, or others involved in transactions
 23 functionally related to the issuer or the issuer's affiliates;

24 * Sec. 64. AS 06.55.990(24) is amended to read:

25 (24) "unsafe or unsound practice" means a practice or conduct by a
 26 money services [TRANSMISSION] licensee or an authorized delegate or
 27 subdelegate of the money services [TRANSMISSION] licensee if the practice creates
 28 the likelihood of material loss, insolvency, or dissipation of the money services
 29 [TRANSMISSION] licensee's assets, or otherwise materially prejudices the interests
 30 of the money services [TRANSMISSION] licensee's customers.

31 * Sec. 65. AS 06.55.990 is amended by adding new paragraphs to read:

(25) "applicant" means a person filing an application to receive a money services license, whether the filing is done by the owner, a control person, an officer, a director, or a manager of the person to receive the money services license;

(26) "currency" means the coin and paper money of the United States or a foreign government that is

- (A) designated as legal tender and circulates; and
- (B) customarily used and accepted as a medium of exchange in the country of issuance;

(27) "fiat currency" means government-issued currency that is designated as legal tender in its country of issuance through government decree, regulation, or law;

(28) "funds" means money or other value that may be accepted for money;

(29) "medium of exchange" means something commonly accepted in exchange for goods and services and recognized as representing a standard of value;

(30) "money laundering" means an activity criminalized by 18 U.S.C. 1956 or 1957, or an activity that would be criminalized by 18 U.S.C. 1956 or 1957 if the activity occurred in the United States;

(31) "officer" means a president, a chair of the executive committee, a chief financial officer, a chief compliance officer, a responsible individual, or another individual who performs similar functions; in this paragraph, "responsible individual" means an individual who is employed by a money services licensee and has principal managerial authority over the provision of money services by the money services licensee in this state;

(32) "open-loop stored value" means stored value redeemable at

- (A) multiple, unaffiliated merchants or service providers; or
- (B) automated teller machines;

(33) "payment system" means a system enabling the transfer of funds between parties;

(34) "registry" means the Nationwide Multistate Licensing System and Registry; in this paragraph, "Nationwide Multistate Licensing System and Registry"

1 means a licensing system developed by the Conference of State Bank Supervisors and
2 the American Association of Residential Mortgage Regulators and owned and
3 operated by the State Regulatory Registry, LLC, or a successor or an affiliated entity,
4 for the licensing and registration of persons in the mortgage and other financial
5 services industries;

6 (35) "subdelegate" means an authorized delegate that provides limited
7 money services on behalf of a money services licensee without having a direct
8 contractual relationship with the money services licensee;

9 (36) "virtual currency"

10 (A) means a digital representation of value that does not have
11 legal tender status in the United States but

12 (i) can be digitally traded and functions as a medium of
13 exchange, a unit of account, a store of value; or

14 (ii) is incorporated into payment system technology;

15 (B) does not include digital units that are used

16 (i) solely within online gaming platforms with no
17 market or application outside of those gaming platforms; or

18 (ii) exclusively as part of a customer affinity or rewards
19 program, and can be applied solely as payment for purchases with the
20 issuer or other designated merchants, and that cannot be converted into,
21 or redeemed for, fiat currency.

22 * **Sec. 66.** AS 06.55.995 is amended to read:

23 **Sec. 06.55.995. Short title.** This chapter may be cited as the Alaska
24 [UNIFORM] Money Services Act.

25 * **Sec. 67.** AS 12.62.400(a) is amended to read:

26 (a) To obtain a national criminal history record check for determining a
27 person's qualifications for a license, permit, registration, employment, or position, a
28 person shall submit the person's fingerprints to the department with the fee established
29 by AS 12.62.160. The department may submit the fingerprints to the Federal Bureau
30 of Investigation to obtain a national criminal history record check of the person for the
31 purpose of evaluating a person's qualifications for

- (1) a license or conditional contractor's permit to manufacture, sell, offer for sale, possess for sale or barter, traffic in, or barter an alcoholic beverage under AS 04.11;
- (2) licensure as a mortgage lender, a mortgage broker, or a mortgage loan originator under AS 06.60;
- (3) admission to the Alaska Bar Association under AS 08.08;
- (4) licensure as a collection agency operator under AS 08.24;
- (5) a certificate of fitness to handle explosives under AS 08.52;
- (6) licensure as a massage therapist under AS 08.61;
- (7) licensure to practice nursing or certification as a nurse aide under AS 08.68;
- (8) certification as a real estate appraiser under AS 08.87;
- (9) a position involving supervisory or disciplinary power over a minor or dependent adult for which criminal justice information may be released under AS 12.62.160(b)(9);
- (10) a teacher certificate under AS 14.20;
- (11) licensure as a security guard under AS 18.65.400 - 18.65.490;
- (12) a concealed handgun permit under AS 18.65.700 - 18.65.790;
- (13) licensure as an insurance producer, managing general agent, reinsurance intermediary broker, reinsurance intermediary manager, surplus lines broker, or independent adjuster under AS 21.27;
- (14) serving and executing process issued by a court by a person designated under AS 22.20.130;
- (15) a school bus driver license under AS 28.15.046;
- (16) licensure as an operator or an instructor for a commercial driver training school under AS 28.17;
- (17) registration as a broker-dealer, agent, investment adviser representative, or state investment adviser under AS 45.55.030 - 45.55.060;
- (18) licensure as a money transmission licensee or a currency exchange licensee under AS 06.55.**

* Sec. 68. AS 12.62.400 is amended by adding a new subsection to read:

(c) Notwithstanding (a) of this section, an applicant for a license under AS 06.55 may submit the applicant's fingerprints to the Nationwide Multistate Licensing System and Registry. In this subsection, "Nationwide Multistate Licensing System and Registry" has the meaning given to "registry" in AS 06.55.990.

* **Sec. 69.** AS 06.55.103, 06.55.104(e), 06.55.104(f), 06.55.105(e), 06.55.107, 06.55.404(g), 06.55.406(b), 06.55.607(f), 06.55.702(b), 06.55.801, 06.55.830, 06.55.840, 06.55.850(b), 06.55.850(c), 06.55.850(d), 06.55.850(e), 06.55.890, 06.55.990(8), and 06.55.990(9) are repealed.

* **Sec. 70.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The Department of Commerce, Community, and Economic Development may adopt regulations to implement this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before July 1, 2016.

* **Sec. 71.** The uncodified law of the State of Alaska is amended by adding a new section to read:

REVISOR'S INSTRUCTIONS. The revisor of statutes is requested to change the chapter heading of AS 06.55 from "Alaska Uniform Money Services Act" to "Alaska Money Services Act."

* Sec. 72. Section 70 of this Act takes effect immediately under AS 01.10.070(c).

* Sec. 73. Except as provided in sec. 72 of this Act, this Act takes effect July 1, 2016.