

**Statutes Repealed by SB 84**  
**(Sec. 65, Pg 54)**

**Sec. 06.55.103. Approval to engage in money transmission when licensed in another state.**

(a) A person who is licensed to engage in money transmission in at least one other state, with the approval of the department and under this section, may engage in money transmission, currency exchange, or both money transmission and currency exchange in this state without being licensed under AS 06.55.102 if

(1) the state in which the person is licensed has enacted the Uniform Money Services Act or the department determines that the money transmission laws of the state in which the person is licensed are substantially similar to those imposed by this chapter;

(2) the person submits to, and in the form required by, the department

(A) in a record, an application for approval to engage in money transmission, currency exchange, or both money transmission and currency exchange in this state without being licensed under AS 06.55.102;

(B) a nonrefundable application fee;

(C) a fee for the first year of operating with the approval given under this section; this fee shall be refunded if the application is denied; and

(D) a certification of license history in the other state.

(b) Before granting a person approval under this section to engage in money transmission, currency exchange, or both money transmission and currency exchange in this state, the department shall make findings and conclusions as required by regulation.

(c) When an application for approval under this section is complete, the department shall promptly notify the applicant, 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 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 approval takes effect as of the first business day after expiration of the 120-day period.

(d) An applicant whose application under this section is denied by the department may appeal, within 30 days after receipt of the notice of the denial, and request a hearing.

**Sec. 06.55.104. Security.**

(a) Except as otherwise provided in (b) of this section, a surety bond, a letter of credit, or another similar security acceptable to the department in the amount of \$25,000 plus \$5,000 for each location, not exceeding a total addition of \$125,000, must accompany an application for a money transmission license.

(b) Security must be in a form satisfactory to the department and payable to the state for the benefit of a claimant against the money transmission licensee to secure the faithful performance of the obligations of the money transmission licensee with respect to money transmission.

(c) The aggregate liability on a surety bond may not exceed the principal sum of the bond. A claimant against a money transmission 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 money transmission licensee ceases to provide money services in this state. However, 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 money transmission licensee's payment instruments or stored-value obligations outstanding in this state is reduced. The department may permit a money transmission licensee to substitute another form of security acceptable to the department for the security effective at the time the money transmission licensee ceases to provide money services in this state.

(e) Instead of the security prescribed in this section, an applicant for a money transmission license or a money transmission licensee may provide security in a form prescribed by the department.

(f) The department may increase the amount of security required to a maximum of \$500,000 if the financial condition of a money transmission licensee requires the increase, as evidenced by reduction of net worth, financial losses, or other relevant criteria.

#### **Sec. 06.55.107. Net worth.**

A money transmission licensee shall maintain a net worth of at least \$25,000 determined under generally accepted accounting principles.

#### **Sec. 06.55.201. License required.**

(a) A person may not engage in currency exchange or advertise, solicit, or hold the person out as providing currency exchange for which the person receives revenues equal or greater than five percent of total revenues unless the person

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

(b) A currency exchange license is not transferable or assignable.

#### **Sec. 06.55.202. Application for license.**

(a) A person applying for a currency exchange license under AS 06.55.201 - 06.55.204 shall apply in a form and in a medium prescribed by the department. The application must state or contain

(1) the legal name and residential and business addresses of the applicant if the applicant is an individual or, if the applicant is not an individual, the name of each partner, executive officer, manager, and director;

(2) the location of the principal office of the applicant;

(3) the complete addresses of other locations in this state where the applicant proposes to engage in currency exchange, including all mobile locations;

(4) a description of the source of money and credit to be used by the applicant to engage in currency exchange;  
and

(5) other information the department reasonably requires with respect to the applicant, but not more than the department may require under AS 06.55.101 - 06.55.107.

(b) A nonrefundable application fee and a currency exchange license fee must accompany an application for a currency exchange license. The currency exchange license fee shall be refunded if the application is denied.

#### **Sec. 06.55.203. Issuance of license.**

(a) When an application for a currency exchange license is filed under AS 06.55.201 - 06.55.204, the department shall investigate the applicant's financial condition and responsibility, financial and business experience, character, and general fitness. The department may conduct an on-site investigation of the applicant, the reasonable cost of which the applicant shall pay. The department shall issue a currency exchange license to an applicant under AS 06.55.201 - 06.55.204 if the department finds that all of the following conditions have been fulfilled:

(1) the applicant has complied with AS 06.55.202; and

(2) the financial condition and responsibility, financial and business experience, character, and general fitness of the applicant, and the competence, experience, character, and general fitness of the executive officers, managers, directors, and persons in control of the applicant indicate that it is in the interest of the public to permit the applicant to engage in currency exchange.

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

(1) the department shall approve or deny the application within 120 days after that date; or

(2) if the application is not approved or denied within 120 days after that date,

(A) the application is approved; and

(B) the department shall issue the currency exchange license under AS 06.55.201 - 06.55.204 to take effect as of the first business day after expiration of the period.

(c) The department may for good cause extend the application period.

(d) An applicant whose application is denied by the department under AS 06.55.201 - 06.55.204 may appeal, within 30 days after receipt of the notice of the denial, from the denial and request a hearing.

#### **Sec. 06.55.204. Renewal of license.**

(a) A currency exchange licensee shall pay a biennial renewal fee not later than 30 days before each biennial anniversary of the issuance of the currency exchange license or, if the last day is not a business day, on the next business day.

(b) A currency exchange licensee under AS 06.55.201 - 06.55.204 shall submit a renewal report with the renewal fee, in a form and in a medium prescribed by the department. The renewal report must state or contain

(1) a description of each material change in information submitted by the currency exchange licensee in its original currency exchange license application that has not been reported to the department on any required report; and

(2) a list of the locations in this state where the currency exchange licensee or an authorized delegate of the currency exchange licensee engages in currency exchange, including mobile locations.

(c) If a currency exchange licensee does not file a renewal report and pay its renewal fee by the renewal date or any extension of time granted by the department, the department shall send the currency exchange licensee a notice of suspension. Unless the currency exchange licensee files the report and pays the renewal fee before expiration of 10 days after the notice is sent, the currency exchange license is suspended 10 days after the department sends the notice of suspension.

(d) The department for good cause may grant an extension of the renewal date.

**Sec.06.55.406(b)**

(b) The timely filing of a complete and accurate report required under (a) of this section with the appropriate federal agency is compliance with the requirements of (a) of this section, unless the department notifies the money services licensee that the attorney general has notified the department that reports of this type are not being regularly and comprehensively transmitted by the federal agency to the attorney general.

**Sec.06.55.502(c)**

(c) The aggregate of investments under (b) of this section may not exceed 50 percent of the total permissible investments of a money services licensee calculated under AS 06.55.501.

**Sec.06.55.702(b)**

(b) Under AS 06.55.106(c) and 06.55.204(c), the department may suspend a money services license without a hearing unless the money services licensee requests a hearing.

**Sec. 06.55.820. Transmission.**

Within 10 business days after receiving the money or equivalent value for money transmission, unless otherwise ordered by the customer or unless the money transmission licensee has reason to believe a crime has occurred, is occurring, or may occur as a result of the money transmission, a money transmission licensee shall

(1) transmit after the deduction of fees the monetary equivalent of all money or equivalent value received for the money transmission; or

(2) issue instructions making the money or its monetary equivalent available to the person designated by the customer.

**Sec.06.55.850(e)**

(e) In this section,

(1) “fee” means an application fee, a money services license fee, a first-year operation fee under AS 06.55.103(a)(2)(C), a renewal fee, the daily late fee for not submitting a renewal report and paying the renewal fee under AS 06.55.106, investigation costs under AS 06.55.105 and 06.55.203, an examination cost under AS 06.55.401, and a fee for approving a change of control under AS 06.55.404;

(2) “regulatory costs” means the costs of the department that are attributable to regulation of money services licensing under this chapter.

**Sec. 06.55.890. Definitions.**

In AS 06.55.820 - 06.55.840,

(1) “fees” does not include revenue that a money services licensee generates from a money transmission when converting the currency of one government into the currency of another government;

(2) “monetary equivalent” means, for money transmissions that will be redeemed in a currency other than the currency that the customer uses to purchase the money transmission, the amount of money in the currency of the government that the recipient of the money transmission is to receive, as converted at the retail exchange rate offered by the money transmission licensee to the customer for the money transmission;

(3) “money transmission licensee” means a person who holds a money services license and a person who is an authorized delegate.

**Sec. 06.55.990. Definitions.**

In this chapter, unless the context indicates otherwise,

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

(6) “currency exchange licensee” means a person who holds a currency exchange license;

(8) “executive officer” means a president, a chair of the executive committee, a chief financial 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;

(9) “mobile location” means a vehicle or a movable facility where currency exchange occurs;

(12) “money services” means money transmission or currency exchange;

(13) “money services license” means a currency exchange license or a money transmission license;

(14) “money services licensee” means a person who holds a currency exchange license or a money transmission license;

(16) “money transmission license” means a license under AS 06.55.101 - 06.55.107 or an approval under AS 06.55.103;

(17) “money transmission licensee” means a person who holds a money transmission license;

(18) “outstanding” with respect to a payment instrument, means issued or sold by or for the money services licensee and reported as sold but not yet paid by or for the licensee;