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HOUSE CS FOR CS FOR SENATE BILL NO. 116(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-FIFTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 5/13/07

Referred: Rules

Sponsor(s): SENATOR ELTON

REPRESENTATIVE Kerttula

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Uniform Money Services Act, to money transmission services,
2 and to currency exchange services; and providing for an effective date."

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

4 * **Section 1.** AS 06 is amended by adding a new chapter to read:

5 **Chapter 55. Alaska Uniform Money Services Act.**

6 **Article 1. Money Transmission Licenses.**

7 **Sec. 06.55.101. License required.** (a) A person may not engage in the
8 business of money transmission or advertise, solicit, or hold the person out as
9 providing money transmission unless the person

10 (1) holds a money transmission license; or

11 (2) is an authorized delegate of a person who holds a money
12 transmission license.

13 (b) A money transmission license is not transferable or assignable.

14 **Sec. 06.55.102. Application for license.** (a) A person applying for a money

1 transmission license shall apply in a form and in a medium prescribed by the
2 department. The application must state or contain

3 (1) the legal name and residential and business addresses of the
4 applicant and any fictitious or trade name used by the applicant in conducting the
5 applicant's business;

6 (2) a list of any criminal convictions of the applicant and any material
7 litigation in which the applicant has been involved in the 10-year period next
8 preceding the submission of the application;

9 (3) a description of any money services previously provided by the
10 applicant and the money services that the applicant seeks to provide in this state;

11 (4) a list of the applicant's proposed authorized delegates and the
12 locations in this state where the applicant and its authorized delegates propose to
13 engage in money transmission or provide other money services;

14 (5) a list of other states in which the applicant is licensed to engage in
15 money transmission or provide other money services and any license revocations,
16 suspensions, or other disciplinary action taken against the applicant in another state;

17 (6) information concerning any bankruptcy or receivership
18 proceedings affecting the applicant;

19 (7) a sample form of contract for authorized delegates, if applicable,
20 and a sample form of payment instrument or instrument on which stored value is
21 recorded, if applicable;

22 (8) the name and address of any bank through which the applicant's
23 payment instruments and stored value will be paid;

24 (9) a description of the source of money and credit to be used by the
25 applicant to provide money services; and

26 (10) any other information the department reasonably requires with
27 respect to the applicant.

28 (b) If an applicant is a corporation, a limited liability company, a partnership,
29 or another entity, the applicant shall also provide

30 (1) the date of the applicant's incorporation or formation and state or
31 country of incorporation or formation;

1 (2) if applicable, a certificate of good standing from the state or
2 country in which the applicant is incorporated or formed;

3 (3) a brief description of the structure or organization of the applicant,
4 including any parent or subsidiary of the applicant, and whether any parent or
5 subsidiary is publicly traded;

6 (4) the legal name, any fictitious or trade name, all business and
7 residential addresses, and the employment, in the 10-year period next preceding the
8 submission of the application of each executive officer, manager, director, or person
9 who has control of the applicant;

10 (5) a list of any criminal convictions and material litigation in which
11 any executive officer, manager, director, or person in control of the applicant has been
12 involved in the 10-year period next preceding the submission of the application;

13 (6) a copy of the applicant's audited financial statements for the most
14 recent fiscal year and, if available, for the two-year period next preceding the
15 submission of the application;

16 (7) a copy of the applicant's unconsolidated financial statements for the
17 current fiscal year, whether audited or not, and, if available, for the two-year period
18 next preceding the submission of the application;

19 (8) if the applicant is publicly traded, a copy of the most recent report
20 filed with the United States Securities and Exchange Commission under 15 U.S.C.
21 78m (Securities Exchange Act of 1934);

22 (9) if the applicant is a wholly owned subsidiary of

23 (A) a corporation publicly traded in the United States, a copy of
24 audited financial statements for the parent corporation for the most recent
25 fiscal year or a copy of the parent corporation's most recent report filed under
26 15 U.S.C. 78m (Securities Exchange Act of 1934); or

27 (B) a corporation publicly traded outside the United States, a
28 copy of documentation that is similar to the documentation required by (A) of
29 this paragraph and that is filed with the regulator of the parent corporation's
30 domicile outside the United States;

31 (10) if the applicant has a registered agent in this state, the name and

1 address of the applicant's registered agent in this state; and

2 (11) any other information the department reasonably requires with
3 respect to the applicant.

4 (c) A nonrefundable application fee and a license fee must accompany an
5 application for a money transmission license. The license fee shall be refunded if the
6 application is denied.

7 (d) The department may waive a requirement of (a) and (b) of this section or
8 permit an applicant to submit other information instead of the required information.

9 (e) In this section,

10 (1) "material litigation" means litigation that, according to generally
11 accepted accounting principles, is significant to an applicant's or a money transmission
12 licensee's financial health and would be required to be disclosed in the applicant's or
13 money transmission licensee's annual audited financial statements, report to
14 shareholders, or similar records;

15 (2) "money transmission license" does not include an approval under
16 AS 06.55.103.

17 **Sec. 06.55.103. Approval to engage in money transmission when licensed**
18 **in another state.** (a) A person who is licensed to engage in money transmission in at
19 least one other state, with the approval of the department and under this section, may
20 engage in money transmission, currency exchange, or both money transmission and
21 currency exchange in this state without being licensed under AS 06.55.102 if

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

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

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

30 (B) a nonrefundable application fee;

31 (C) a fee for the first year of operating with the approval given

1 under this section; this fee shall be refunded if the application is denied; and

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

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

7 (c) When an application for approval under this section is complete, the
8 department shall promptly notify the applicant, in a record, of the date on which the
9 request was determined to be complete, and

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

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

14 (A) the request is approved; and

15 (B) the approval takes effect as of the first business day after
16 expiration of the 120-day period.

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

20 **Sec. 06.55.104. Security.** (a) Except as otherwise provided in (b) of this
21 section, a surety bond, a letter of credit, or another similar security acceptable to the
22 department in the amount of \$25,000 plus \$5,000 for each location, not exceeding a
23 total addition of \$125,000, must accompany an application for a money transmission
24 license.

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

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

1 (d) A surety bond must cover claims for as long as the department specifies,
2 but for at least five years after the money transmission licensee ceases to provide
3 money services in this state. However, the department may permit the amount of
4 security to be reduced or eliminated before the expiration of that time to the extent the
5 amount of the money transmission licensee's payment instruments or stored-value
6 obligations outstanding in this state is reduced. The department may permit a money
7 transmission licensee to substitute another form of security acceptable to the
8 department for the security effective at the time the money transmission licensee
9 ceases to provide money services in this state.

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

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

17 **Sec. 06.55.105. Issuance of license.** (a) When an application is filed under
18 AS 06.55.102, the department shall investigate the applicant's financial condition and
19 responsibility, financial and business experience, character, and general fitness. The
20 department may conduct an on-site investigation of the applicant, the reasonable cost
21 of which the applicant shall pay. The department shall issue a license to an applicant
22 under AS 06.55.102 if the department finds that all of the following conditions have
23 been fulfilled:

24 (1) the applicant has complied with AS 06.55.102, 06.55.104, and
25 06.55.107; and

26 (2) the financial condition and responsibility, financial and business
27 experience, character, and general fitness of the applicant, and the competence,
28 experience, character, and general fitness of the executive officers, managers,
29 directors, and persons in control of the applicant indicate that it is in the interest of the
30 public to permit the applicant to engage in money transmission;

31 (b) When an application for an original money transmission license under

1 AS 06.55.102 is complete, the department shall promptly notify the applicant in a
2 record of the date on which the application was determined to be complete, and

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

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

7 (A) the application is approved; and

8 (B) the money transmission license takes effect as of the first
9 business day after expiration of the 120-day period.

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

11 (d) An applicant whose application under AS 06.55.102 is denied by the
12 department under AS 06.55.101 - 06.55.107 may appeal, within 30 days after receipt
13 of the notice of the denial, and request a hearing.

14 (e) In this section, "money transmission license" does not include an approval
15 under AS 06.55.103.

16 **Sec. 06.55.106. Renewal of license.** (a) A money transmission licensee shall
17 pay an annual renewal fee not later than 30 days before the anniversary of the issuance
18 of the money transmission license or, if the last day is not a business day, on the next
19 business day.

20 (b) A money transmission licensee shall submit a renewal report with the
21 renewal fee, in a form and in a medium prescribed by the department. The renewal
22 report must state or contain

23 (1) a copy of the money transmission licensee's most recent audited
24 annual financial statement or, if the money transmission licensee is a wholly owned
25 subsidiary of another corporation, the most recent audited consolidated annual
26 financial statement of the parent corporation or the money transmission licensee's
27 most recent audited consolidated annual financial statement;

28 (2) the number and monetary amount of payment instruments and
29 stored value sold by the money transmission licensee in this state that have not been
30 included in a renewal report, and the monetary amount of payment instruments and
31 stored value currently outstanding;

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

4 (4) a list of the money transmission licensee's permissible investments
 5 and a certification that the money transmission licensee continues to maintain
 6 permissible investments according to the requirements set out in AS 06.55.501 and
 7 06.55.502;

8 (5) proof that the money transmission licensee continues to maintain
 9 adequate security as required by AS 06.55.104; and

10 (6) a list of the locations in this state where the money transmission
 11 licensee or an authorized delegate of the money transmission licensee engages in
 12 money transmission or provides other money services.

13 (c) If a money transmission licensee does not file a renewal report or pay its
 14 renewal fee by the renewal date or any extension of time granted by the department,
 15 the department shall send the money transmission licensee a notice of suspension.
 16 Unless the money transmission licensee files the report and pays the renewal fee
 17 before expiration of 10 days after the notice is sent, the money transmission licensee's
 18 license is suspended 10 days after the department sends the notice of suspension. The
 19 suspension shall be lifted if, within 20 days after its money transmission license is
 20 suspended, the money transmission licensee

21 (1) files the report and pays the renewal fee; and

22 (2) pays a late fee for each day after suspension that the department did
 23 not receive the renewal report and the renewal fee.

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

25 **Sec. 06.55.107. Net worth.** A money transmission licensee shall maintain a net
 26 worth of at least \$25,000 determined under generally accepted accounting principles.

27 **Article 2. Currency Exchange Licenses.**

28 **Sec. 06.55.201. License required.** (a) A person may not engage in currency
 29 exchange or advertise, solicit, or hold the person out as providing currency exchange
 30 for which the person receives revenues equal or greater than five percent of total
 31 revenues unless the person

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

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

6 **Sec. 06.55.202. Application for license.** (a) A person applying for a currency
 7 exchange license under AS 06.55.201 - 06.55.204 shall apply in a form and in a
 8 medium prescribed by the department. The application must state or contain

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

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

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

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

17 (5) other information the department reasonably requires with respect
 18 to the applicant, but not more than the department may require under AS 06.55.101 -
 19 06.55.107.

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

23 **Sec. 06.55.203. Issuance of license.** (a) When an application for a currency
 24 exchange license is filed under AS 06.55.201 - 06.55.204, the department shall
 25 investigate the applicant's financial condition and responsibility, financial and business
 26 experience, character, and general fitness. The department may conduct an on-site
 27 investigation of the applicant, the reasonable cost of which the applicant shall pay. The
 28 department shall issue a currency exchange license to an applicant under AS 06.55.201
 29 - 06.55.204 if the department finds that all of the following conditions have been
 30 fulfilled:

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

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

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

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

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

14 (A) the application is approved; and

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

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

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

22 **Sec. 06.55.204. Renewal of license.** (a) A currency exchange licensee shall
 23 pay a biennial renewal fee not later than 30 days before each biennial anniversary of
 24 the issuance of the currency exchange license or, if the last day is not a business day,
 25 on the next business day.

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

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

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

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

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

11 **Article 3. Authorized Delegates.**

12 **Sec. 06.55.301. Relationship between licensee and authorized delegate. (a)**

13 A contract between a money services licensee and an authorized delegate must require
 14 the authorized delegate to operate in full compliance with this chapter. The money
 15 services licensee shall furnish in a record to each authorized delegate policies and
 16 procedures sufficient for compliance with this chapter.

17 (b) An authorized delegate shall remit all money owing to the money services
 18 licensee under the terms of the contract between the money services licensee and the
 19 authorized delegate. In this subsection, "remit" means to make direct payments of
 20 money to a money services licensee or its representative authorized to receive money
 21 or to deposit money in a bank in an account specified by the money services licensee.

22 (c) If a money services license is suspended or revoked or a money services
 23 licensee does not renew its money services license, the department shall notify all
 24 authorized delegates of the money services licensee whose names are in a record filed
 25 with the department of the suspension, revocation, or nonrenewal. After notice is sent
 26 or publication is made, an authorized delegate shall immediately cease to provide
 27 money services as an authorized delegate of the money services licensee.

28 (d) An authorized delegate may not provide money services outside the scope
 29 of activity permissible under the contract between the authorized delegate and the
 30 money services licensee, except activity in which the authorized delegate is authorized
 31 to engage under AS 06.55.101 - 06.55.204. An authorized delegate of a money

1 services licensee holds in trust for the benefit of the money services licensee all money
2 net of fees received from money transmission.

3 (e) An authorized delegate may not use a subdelegate to conduct money
4 services on behalf of a money services licensee.

5 **Sec. 06.55.302. Unauthorized activities.** A person may not act as an
6 authorized delegate for, or otherwise provide money services on behalf of, a person
7 who does not hold a money services license under this chapter.

8 **Article 4. Examinations, Reports, Records.**

9 **Sec. 06.55.401. Authority to conduct examinations.** (a) The department may
10 conduct an annual examination of a money services licensee or of any of its authorized
11 delegates upon 45 days' notice in a record to the money services licensee.

12 (b) The department may examine a money services licensee or its authorized
13 delegate, at any time, without notice, if the department has reason to believe that the
14 money services licensee or authorized delegate is engaging in an unsafe or unsound
15 practice or has violated or is violating this chapter or a regulation adopted or an order
16 issued under this chapter.

17 (c) If the department concludes that an on-site examination is necessary under
18 (a) of this section, the money services licensee shall pay the reasonable cost of the
19 examination.

20 (d) Information obtained during an examination under this chapter may be
21 disclosed only as provided in AS 06.55.407.

22 **Sec. 06.55.402. Cooperation.** The department may consult and cooperate with
23 other state money services regulators in enforcing and administering this chapter. The
24 department and other state money service regulators may jointly pursue examinations
25 and take other official action that they are otherwise empowered to take.

26 **Sec. 06.55.403. Reports.** (a) A money services licensee shall file with the
27 department within 15 business days any material changes in information provided in a
28 money services licensee's application as prescribed by the department.

29 (b) A money services licensee shall file with the department within 45 days
30 after the end of each fiscal quarter a current list of all authorized delegates and
31 locations in this state where the money services licensee or an authorized delegate of

1 the money services licensee provides money services, including mobile locations. The
 2 money services licensee shall state the name and street address of each location and
 3 authorized delegate.

4 (c) A money services licensee shall file a report with the department within
 5 one business day after the money services licensee has reason to know of the
 6 occurrence of any of the following events:

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

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

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

16 (4) the cancellation or other impairment of the money services
 17 licensee's bond or other security;

18 (5) a charge against or conviction of the money services licensee or of
 19 an executive officer, manager, director, or person in control of the money services
 20 licensee for a felony; or

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

23 **Sec. 06.55.404. Change of control.** (a) A money services licensee shall

24 (1) give the department notice in a record of a proposed change of
 25 control within 15 days after learning of the proposed change of control;

26 (2) request approval of the acquisition; and

27 (3) submit a nonrefundable fee with the notice.

28 (b) After review of a request for approval under (a) of this section, the
 29 department may require the money services licensee to provide additional information
 30 concerning the proposed persons in control of the money services licensee. The
 31 additional information must be limited to the same types required of the money

1 services licensee or persons in control of the money services licensee as part of its
2 original money services license or renewal application.

3 (c) The department shall approve a request for change of control under (a) of
4 this section if, after investigation, the department determines that the person or group
5 of persons requesting approval has the competence, experience, character, and general
6 fitness to operate the money services licensee or person in control of the money
7 services licensee in a lawful and proper manner and that the public interest will not be
8 jeopardized by the change of control.

9 (d) When an application for a change of control under AS 06.55.401 -
10 06.55.407 is complete, the department shall notify the money services licensee in a
11 record of the date on which the request was determined to be complete, and

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

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

16 (A) the request is approved; and

17 (B) the department shall permit the change of control under this
18 section, to take effect as of the first business day after expiration of the period.

19 (e) The department, by regulation or order, may exempt a person from any of
20 the requirements of (a)(2) and (3) of this section if it is in the public interest to exempt
21 the person.

22 (f) The provisions of (a) of this section do not apply to a public offering of
23 securities.

24 (g) Before filing a request for approval to acquire control of a money services
25 licensee or person in control of a money services licensee, a person may request in a
26 record a determination from the department as to whether the person would be
27 considered a person in control of a money services licensee upon consummation of a
28 proposed transaction. If the department determines that the person would not be a
29 person in control of a money services licensee, the department shall enter an order to
30 that effect, and the proposed person and transaction are not subject to the requirements
31 of (a) - (c) of this section.

1 **Sec. 06.55.405. Records.** (a) A money services licensee shall maintain the
 2 following records for determining its compliance with this chapter for at least three
 3 years:

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

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

8 (3) bank statements and bank reconciliation records;

9 (4) records of outstanding payment instruments and stored-value
 10 obligations;

11 (5) records of each payment instrument and stored-value obligation
 12 paid within the three-year period;

13 (6) a list of the last known names and addresses of all of the money
 14 services licensee's authorized delegates; and

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

16 (b) The items specified in (a) of this section may be maintained in any form of
 17 record.

18 (c) Records may be maintained outside this state if they are made accessible to
 19 the department on seven business days' notice that is sent in a record.

20 (d) All records maintained by the money services licensee as required in (a) -
 21 (c) of this section are open to inspection by the department under AS 06.55.401.

22 **Sec. 06.55.406. Money laundering reports.** (a) A money services licensee and
 23 an authorized delegate shall file with the attorney general all reports required by
 24 federal currency reporting, record keeping, and suspicious transaction reporting
 25 requirements as set out in 31 U.S.C. 5311, 31 C.F.R. 103, and other federal and state
 26 laws pertaining to money laundering.

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

1 general.

2 **Sec. 06.55.407. Confidentiality.** (a) Except as otherwise provided in (b) of this
3 section, all information or reports obtained by the department from an applicant, a
4 licensee, or an authorized delegate are confidential and not subject to disclosure under
5 AS 40.25.100 - 40.25.220, including

6 (1) all information contained in or related to examination,
7 investigation, operating, or condition reports prepared by, on behalf of, or for the use
8 of the department; and

9 (2) financial statements, balance sheets, and authorized delegate
10 information.

11 (b) The department may disclose information that is not otherwise subject to
12 disclosure under (a) of this section to representatives of state or federal agencies who
13 promise in a record that they will maintain the confidentiality of the information or if
14 the department finds that the release is reasonably necessary for the protection of the
15 public and in the interests of justice, and the money services licensee has been given
16 previous notice by the department of its intent to release the information.

17 (c) This section does not prohibit the department from disclosing to the public
18 a list of money services licensees or the aggregated financial data concerning those
19 money services licensees.

20 (d) A money services licensee or an authorized delegate may not disclose to
21 another person financial information provided to the money services licensee or the
22 authorized delegate by a customer except when, and only to the extent that, the
23 disclosure is

24 (1) authorized in writing by the customer;

25 (2) required by federal, state, or local law;

26 (3) required by an order issued by a court or an administrative agency;

27 or

28 (4) part of the money services transaction ordered by the customer.

29 (e) In (d) of this section, "financial information" means an individual's social
30 security number, individual taxpayer identification number, account number, credit
31 card account number, debit card account number, personal identification number,

1 payment instrument number, or access code.

2 **Article 5. Permissible Investments.**

3 **Sec. 06.55.501. Maintenance of permissible investments.** (a) A money
4 services licensee shall maintain at all times permissible investments that have a market
5 value computed under generally accepted accounting principles of not less than the
6 aggregate amount of all of its outstanding payment instruments and stored value
7 obligations issued or sold in all states and money transmitted from all states by the
8 money services licensee.

9 (b) The department, with respect to any money services licensees, may limit
10 the extent to which a type of investment within a class of permissible investments may
11 be considered a permissible investment, except for money and certificates of deposit
12 issued by a bank. The department by regulation may prescribe or by order allow other
13 types of investments that the department determines to have a safety substantially
14 equivalent to other permissible investments.

15 (c) Permissible investments, even if commingled with other assets of the
16 money services licensee, are held in trust for the benefit of the purchasers and holders
17 of the money services licensee's outstanding payment instruments and stored value
18 obligations in the event of bankruptcy or receivership of the money services licensee.

19 **Sec. 06.55.502. Types of permissible investments.** (a) Except to the extent
20 otherwise limited by the department under AS 06.55.501, the following investments
21 are permissible under AS 06.55.501:

22 (1) cash, a certificate of deposit, or a senior debt obligation of an
23 insured depository institution; in this paragraph, "insured depository institution" has
24 the meaning given in 12 U.S.C. 1813 (Federal Deposit Insurance Act);

25 (2) banker's acceptance or bill of exchange that is eligible for purchase
26 on endorsement by a member bank of the Federal Reserve System and is eligible for
27 purchase by a Federal Reserve Bank;

28 (3) an investment bearing a rating of one of the three highest grades as
29 defined by a nationally recognized organization that rates securities;

30 (4) an investment security that is an obligation of the United States or a
31 department, agency, or instrumentality of the United States, an investment in an

1 obligation that is guaranteed fully as to principal and interest by the United States, or
 2 an investment in an obligation of a state or a governmental subdivision, agency, or
 3 instrumentality of a state;

4 (5) receivables that are payable to a money services licensee from its
 5 authorized delegates, in the ordinary course of business, under contracts that are not
 6 past due or doubtful of collection if the aggregate amount of receivables under this
 7 paragraph does not exceed 20 percent of the total permissible investments of a money
 8 services licensee and the money services licensee does not hold at one time
 9 receivables under this paragraph in any one person aggregating more than 10 percent
 10 of the money services licensee's total permissible investments; and

11 (6) a share or a certificate issued by an open-end management
 12 investment company that is registered with the United States Securities and Exchange
 13 Commission under 15 U.S.C. 80a-1 - 80a-64 (Investment Company Act of 1940), and
 14 whose portfolio is restricted by the management company's investment policy to
 15 investments specified in (1) - (4) of this subsection.

16 (b) The following investments are permissible under AS 06.55.501, but only
 17 to the extent specified:

18 (1) an interest-bearing bill, note, bond, or debenture of a person whose
 19 equity shares are traded on a national securities exchange or on a national over-the-
 20 counter market, if the aggregate of investments under this paragraph does not exceed
 21 20 percent of the total permissible investments of a money services licensee and the
 22 money services licensee does not at one time hold investments under this paragraph in
 23 any one person aggregating more than 10 percent of the money services licensee's
 24 total permissible investments;

25 (2) a share of a person traded on a national securities exchange or a
 26 national over-the-counter market or a share or a certificate issued by an open-end
 27 management investment company that is registered with the United States Securities
 28 and Exchange Commission under 15 U.S.C. 80a-1 - 80a-64 (Investment Company Act
 29 of 1940), and whose portfolio is restricted by the management company's investment
 30 policy to shares of a person traded on a national securities exchange or a national over-
 31 the-counter market, if the aggregate of investments under this paragraph does not

1 exceed 20 percent of the total permissible investments of a money services licensee
 2 and the money services licensee does not at one time hold investments in any one
 3 person aggregating more than 10 percent of the money services licensee's total
 4 permissible investments;

5 (3) a demand-borrowing agreement made to a corporation or a
 6 subsidiary of a corporation whose securities are traded on a national securities
 7 exchange, if the aggregate of the amount of principal and interest outstanding under
 8 demand-borrowing agreements under this paragraph does not exceed 20 percent of the
 9 total permissible investments of a money services licensee and the money services
 10 licensee does not at one time hold principal and interest outstanding under demand-
 11 borrowing agreements under this paragraph with any one person aggregating more
 12 than 10 percent of the money services licensee's total permissible investments; and

13 (4) any other investment the department designates, to the extent
 14 specified by the department.

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

18 **Article 6. Enforcement.**

19 **Sec. 06.55.601. Suspension and revocation; receivership.** (a) The
 20 department may suspend or revoke a money services license, place a money services
 21 licensee in receivership, or order a money services licensee to revoke the designation
 22 of an authorized delegate if

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

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

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

29 (4) an authorized delegate is convicted of a violation of a state or
 30 federal anti-money laundering statute, or violates a regulation adopted or an order
 31 issued under this chapter, as a result of the money services licensee's wilful

1 misconduct or wilful blindness;

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

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

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

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

14 (b) In determining whether a money services licensee is engaging in an unsafe
15 or unsound practice, the department may consider the size and condition of the money
16 services licensee's money transmission, the magnitude of the loss, the gravity of the
17 violation of this chapter, and the previous conduct of the person involved.

18 **Sec. 06.55.602. Suspension and revocation of authorized delegates.** (a) The
19 department may issue an order suspending or revoking the designation of an
20 authorized delegate if the department finds that

21 (1) the authorized delegate violated this chapter or a regulation adopted
22 or an order issued under this chapter;

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

25 (3) the authorized delegate engaged in fraud, intentional
26 misrepresentation, or gross negligence;

27 (4) the authorized delegate is convicted of a violation of a state or
28 federal anti-money laundering statute;

29 (5) the competence, experience, character, or general fitness of the
30 authorized delegate or a person in control of the authorized delegate indicates that it is
31 not in the public interest to permit the authorized delegate to provide money services;

1 or

2 (6) the authorized delegate is engaging in an unsafe or unsound
3 practice.

4 (b) In determining whether an authorized delegate is engaging in an unsafe or
5 unsound practice, the department may consider the size and condition of the
6 authorized delegate's provision of money services, the magnitude of the loss, the
7 gravity of the violation of this chapter or a regulation adopted or order issued under
8 this chapter, and the previous conduct of the authorized delegate.

9 **Sec. 06.55.603. Orders to cease and desist.** (a) If the department determines
10 that a violation of this chapter or of a regulation adopted or an order issued under this
11 chapter by a money services licensee or authorized delegate is likely to cause
12 immediate and irreparable harm to the money services licensee, its customers, or the
13 public as a result of the violation, or cause insolvency or significant dissipation of
14 assets of the money services licensee, the department may issue an order requiring the
15 money services licensee or authorized delegate to cease and desist from the violation.
16 The order becomes effective on service of it on the money services licensee or
17 authorized delegate.

18 (b) The department may issue an order against a money services licensee to
19 cease and desist from providing money services through an authorized delegate who is
20 the subject of a separate order by the department.

21 (c) An order to cease and desist remains effective and enforceable pending the
22 completion of an administrative proceeding under AS 06.55.601 or 06.55.602.

23 (d) A money services licensee or an authorized delegate who is served with an
24 order to cease and desist may petition the superior court for a judicial order setting
25 aside, limiting, or suspending the enforcement, operation, or effectiveness of the order
26 pending the completion of an administrative proceeding under AS 06.55.601 or
27 06.55.602.

28 (e) An order to cease and desist expires unless the department commences an
29 administrative proceeding under AS 06.55.601 or 06.55.602 within 10 days after it is
30 issued.

31 **Sec. 06.55.604. Consent orders.** The department may enter into a consent

1 order at any time with a person to resolve a matter arising under this chapter or a
 2 regulation adopted or order issued under this chapter. A consent order shall be signed
 3 by the person to whom it is issued or by the person's authorized representative and
 4 must indicate agreement with the terms contained in the order. A consent order may
 5 provide that it does not constitute an admission by a person that this chapter or a
 6 regulation adopted or an order issued under this chapter has been violated.

7 **Sec. 06.55.605. Civil penalties.** The department may assess a civil penalty
 8 against a person who violates this chapter or a regulation adopted or an order issued
 9 under this chapter in an amount not to exceed \$1,000 each day for each day the
 10 violation is outstanding.

11 **Sec. 06.55.606. Criminal penalties.** (a) A person who intentionally makes a
 12 false statement, misrepresentation, or false certification in a record filed or required to
 13 be maintained under this chapter or who intentionally makes a false entry or omits a
 14 material entry in a record filed or required to be maintained under this chapter is guilty
 15 of a class C felony.

16 (b) A person who knowingly engages in an activity for which a money
 17 services license is required under this chapter without being licensed as a money
 18 services licensee and who receives more than \$500 in compensation within a 30-day
 19 period from this activity is guilty of a class C felony.

20 (c) A person who knowingly engages in an activity for which a money
 21 services license is required under this chapter without being licensed as a money
 22 services licensee and who receives no more than \$500 in compensation within a 30-
 23 day period from this activity is guilty of a class A misdemeanor.

24 **Sec. 06.55.607. Unlicensed persons.** (a) If the department has reason to
 25 believe that a person has violated or is violating AS 06.55.101 or 06.55.201, the
 26 department may issue an order to show cause why an order to cease and desist should
 27 not issue requiring that the person cease and desist from the violation of AS 06.55.101
 28 or 06.55.201.

29 (b) In an emergency, the department may petition the superior court for the
 30 issuance of a temporary restraining order.

31 (c) An order to cease and desist becomes effective upon service of it upon the

1 person.

2 (d) An order to cease and desist remains effective and enforceable pending the
3 completion of an administrative proceeding under AS 06.55.701 and 06.55.702.

4 (e) A person who is served with an order to cease and desist for violating
5 AS 06.55.101 or 06.55.201 may petition the superior court for a judicial order setting
6 aside, limiting, or suspending the enforcement, operation, or effectiveness of the order
7 pending the completion of an administrative proceeding under AS 06.55.701 and
8 06.55.702.

9 (f) An order to cease and desist expires unless the department commences an
10 administrative proceeding within 10 days after it is issued.

11 **Article 7. Administrative Procedures.**

12 **Sec. 06.55.701. Administrative proceedings.** All administrative proceedings
13 under this chapter shall be conducted under AS 44.62 (Administrative Procedure Act),
14 except that hearings shall be conducted by the office of administrative hearings
15 (AS 44.64.010).

16 **Sec. 06.55.702. Hearings.** (a) Except as otherwise provided in AS 06.55.603
17 and 06.55.607 and in (b) of this section, the department may not suspend or revoke a
18 money services license, place a money services licensee in receivership, issue an order
19 to cease and desist, suspend or revoke the designation of an authorized delegate, or
20 assess a civil penalty without notice and an opportunity to be heard. The department
21 shall also hold a hearing when requested to hold a hearing by an applicant whose
22 application for a money services license is denied.

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

26 **Sec. 06.55.703. Investigative powers.** (a) In its investigations under this
27 chapter, the department may administer oaths or affirmations and, on its own motion
28 or on the request of a party to a proceeding, may subpoena witnesses, compel the
29 attendance of witnesses, take evidence, and require the production of material that is
30 relevant to the investigation, including the existence, description, nature, custody,
31 condition, and location of books, documents, and other tangible items, and the identity

1 and location of persons having knowledge of relevant facts or other material
2 reasonably calculated to lead to the discovery of admissible evidence.

3 (c) If a person fails without a lawful excuse to obey a subpoena, and after
4 reasonable notice to all persons affected by the failure, the department may apply to
5 the superior court for an order compelling the person to obey the subpoena.

6 **Article 8. Miscellaneous Provisions.**

7 **Sec. 06.55.801. Uniformity of application and construction.** In applying and
8 construing this chapter, consideration shall be given to the need to promote uniformity
9 of the law with respect to its subject matter among states that enact it.

10 **Sec. 06.55.802. Exclusions.** This chapter does not apply to

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

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

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

17 (4) a bank, a bank holding company, an office of an international
18 banking corporation, a branch of a foreign bank, a corporation organized under 12
19 U.S.C. 1861 - 1867 (Bank Service Company Act), or a corporation organized under 12
20 U.S.C. 611 - 633 (Edge Act) under the laws of a state or the United States, if it does
21 not issue, sell, or provide payment instruments or stored value through an authorized
22 delegate who is not a bank, a bank holding company, an office of an international
23 banking corporation, a branch of a foreign bank, a corporation organized under 12
24 U.S.C. 1861 - 1867 (Bank Service Company Act), or a corporation organized under 12
25 U.S.C. 611 - 633 (Edge Act) under the laws of a state or the United States;

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

28 (A) the United States or a department, an agency, or an
29 instrumentality of the United States; or

30 (B) a state, or a department, an agency, or an instrumentality of
31 a state;

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

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

9 (8) a person who provides clearance or settlement services under a
 10 registration as a clearing agency or an exemption from the registration granted under
 11 the federal securities laws, to the extent of the person's operation as a provider of
 12 clearance or settlement services under a registration as a clearing agency or an
 13 exemption from the registration granted under the federal securities laws;

14 (9) an operator of a payment system to the extent that the operator
 15 provides processing, clearing, or settlement services, between or among persons
 16 excluded by this section, in connection with wire transfers, credit card transactions,
 17 debit card transactions, stored-value transactions, automated clearing house transfers,
 18 or similar funds transfers; or

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

22 **Sec. 06.55.810. Notices required.** (a) A money services licensee shall display
 23 a sign at each location where the money services licensee

24 (1) provides money services under this chapter; and

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

27 (b) An authorized delegate shall display a sign at each location where the
 28 authorized delegate provides money services under this chapter.

29 (c) The sign required by (a) or (b) of this section shall be displayed at all times
 30 in full view of persons visiting the location and shall give the department's address and
 31 the department's telephone number for receiving calls regarding complaints and other

1 concerns about money services licensees, authorized delegates, and the money
2 services provided by money services licensees and authorized delegates.

3 **Sec. 06.55.820. Transmission.** Within 10 business days after receiving the
4 money or equivalent value for money transmission, unless otherwise ordered by the
5 customer or unless the money transmission licensee has reason to believe a crime has
6 occurred, is occurring, or may occur as a result of the money transmission, a money
7 transmission licensee shall

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

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

12 **Sec. 06.55.830. Receipt.** (a) A money transmission licensee who receives
13 money or equivalent value for a money transmission shall provide a receipt to the
14 customer that clearly states the amount of the money or the equivalent value presented
15 by the customer for the money transmission and the total fees charged by the money
16 transmission licensee.

17 (b) If a money transmission licensee fixes, when the money transmission is
18 initiated, the rate of exchange for a money transmission to be paid in the currency of
19 another government, the receipt provided by (a) of this section must disclose the rate
20 of exchange for the transaction and any limit on the length of time that the payment
21 will be made at that fixed rate of exchange.

22 (c) If a money transmission licensee does not fix the rate of exchange for a
23 money transmission to be paid in the currency of another government, the receipt
24 provided under (a) of this section must disclose that the rate of exchange for the
25 money transmission will be set when the person designated by the customer to receive
26 the money takes possession of the money.

27 **Sec. 06.55.840. Refunds.** Within 10 days after receiving a written request for a
28 refund, a money transmission licensee shall refund to a customer money equal to the
29 money or equivalent value received from the customer for a money transmission,
30 unless

31 (1) before receiving the written request

1 (A) the money has been transmitted to the person designated by
 2 the customer to receive the money transmission and the person has taken
 3 possession of the money; in this section, "transmitted" means made available
 4 to the person designated by the customer to receive the money, whether or not
 5 the person designated by the customer has taken possession of the money; or

6 (B) instructions have been given making a monetary equivalent
 7 available to the person designated by the customer to receive the money
 8 transmission;

9 (2) the money transmission licensee has reason to believe that a crime
 10 has occurred, is occurring, or may occur as a result of transmitting or refunding the
 11 money as requested by the customer; or

12 (3) the money transmission licensee is otherwise prohibited by law
 13 from making a refund.

14 **Sec. 06.55.850. Establishment of fees and other charges.** (a) The department
 15 shall adopt regulations that establish the amount and manner of payment of fees
 16 required under this chapter.

17 (b) The department shall establish fee levels under (a) of this section so that
 18 the total amount of fees collected for both money transmission licenses and currency
 19 exchange licenses under this chapter approximately equals the department's actual
 20 total regulatory costs for both money transmission licenses and currency exchange
 21 licenses. The department shall set the fee levels so that the fee levels for both money
 22 transmission licenses and currency exchange licenses are the same.

23 (c) The department shall annually review each fee level to determine whether
 24 the regulatory costs are approximately equal to fee collections. If the review indicates
 25 that fee collections and regulatory costs are not approximately equal, the department
 26 shall calculate fee adjustments and adopt regulations under (a) of this section to
 27 implement the adjustments.

28 (d) In January of each year, the department shall report to the office of
 29 management and budget all fee levels and revisions made for the previous year under
 30 this section.

31 (e) In this section,

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

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

8 **Sec. 06.55.890. Definitions.** In AS 06.55.820 - 06.55.840,

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

12 (2) "monetary equivalent" means, for money transmissions that will be
 13 redeemed in a currency other than the currency that the customer uses to purchase the
 14 money transmission, the amount of money in the currency of the government that the
 15 recipient of the money transmission is to receive, as converted at the retail exchange
 16 rate offered by the money transmission licensee to the customer for the money
 17 transmission.

18 (2) "money transmission licensee" means a person who holds a money
 19 services license and a person who is an authorized delegate.

20 **Article 9. General Provisions.**

21 **Sec. 06.55.990. Definitions.** In this chapter, unless the context indicates
 22 otherwise,

23 (1) "authorized delegate" means a person whom a money services
 24 licensee designates to provide money services on behalf of the money services
 25 licensee;

26 (2) "bank" means an institution organized under federal or state law
 27 that

28 (A) accepts demand deposits or deposits that the depositor may
 29 use for payment to third parties and engages in the business of making
 30 commercial loans; or

31 (B) engages in credit card operations and maintains only one

1 office that accepts deposits, does not accept demand deposits or deposits that
2 the depositor may use for payments to third parties, does not accept a savings
3 or time deposit less than \$100,000, and does not engage in the business of
4 making commercial loans;

5 (3) "control" means

6 (A) the ownership of, or the power to vote, directly or
7 indirectly, at least 25 percent of a class of voting securities or voting interests
8 of a money services licensee or person in control of a money services licensee;

9 (B) the power to elect a majority of executive officers,
10 managers, directors, trustees, or other persons exercising managerial authority
11 of a money services licensee or person in control of a money services licensee;
12 or

13 (C) the power to exercise directly or indirectly, a controlling
14 influence over the management or policies of a money services licensee or
15 person in control of a money services licensee;

16 (4) "currency exchange" means receipt of revenues from the exchange
17 of money of one government for money of another government;

18 (5) "currency exchange license" means a license under AS 06.55.201 -
19 06.55.204;

20 (6) "currency exchange licensee" means a person who holds a currency
21 exchange license;

22 (7) "department" means the Department of Commerce, Community,
23 and Economic Development;

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

30 (9) "mobile location" means a vehicle or a movable facility where
31 currency exchange occurs;

1 (10) "monetary value" means a medium of exchange, whether or not
2 redeemable in money;

3 (11) "money" means a medium of exchange that is authorized or
4 adopted by the United States or a foreign government, including a monetary unit of
5 account established by an intergovernmental organization or by agreement between
6 two or more governments;

7 (12) "money services" means money transmission or currency
8 exchange;

9 (13) "money services license" means a currency exchange license or a
10 money transmission license;

11 (14) "money services licensee" means a person who holds a currency
12 exchange license or a money transmission license;

13 (15) "money transmission" means selling or issuing payment
14 instruments or stored value, or receiving money or monetary value for transmission,
15 but does not include the provision solely of delivery, online services,
16 telecommunications services, or network access;

17 (16) "money transmission license" means a license under
18 AS 06.55.101 - 06.55.107 or an approval under AS 06.55.103;

19 (17) "money transmission licensee" means a person who holds a
20 money transmission license;

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

24 (19) "payment instrument" means a check, a draft, a money order, a
25 traveler's check, or another instrument for the transmission or payment of money or
26 monetary value, whether or not negotiable, but does not include a credit card voucher,
27 a letter of credit, or an instrument that is redeemable by the issuer in goods or services;

28 (20) "person" means an individual, a corporation, a business trust, an
29 estate, a trust, a partnership, a limited liability company, an association, a joint
30 venture, a government, a governmental subdivision, an agency, or an instrumentality, a
31 public corporation, or any other legal or commercial entity;

1 (21) "record" means information that is inscribed on a tangible
 2 medium or that is stored in an electronic or other medium and is retrievable in
 3 perceivable form;

4 (22) "state" means a state of the United States, the District of
 5 Columbia, Puerto Rico, the United States Virgin Islands, or a territory or insular
 6 possession subject to the jurisdiction of the United States;

7 (23) "stored value" means monetary value that is evidenced by an
 8 electronic record;

9 (24) "unsafe or unsound practice" means a practice or conduct by a
 10 money transmission licensee or an authorized delegate of the money transmission
 11 licensee if the practice creates the likelihood of material loss, insolvency, or
 12 dissipation of the money transmission licensee's assets, or otherwise materially
 13 prejudices the interests of the money transmission licensee's customers.

14 **Sec. 06.55.995. Short title.** This chapter may be cited as the Alaska Uniform
 15 Money Services Act.

16 * **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
 17 read:

18 **APPLICABILITY.** This Act applies to the provision of money services on or after
 19 July 1, 2008.

20 * **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to
 21 read:

22 **TRANSITION: REGULATIONS.** The Department of Commerce, Community, and
 23 Economic Development may proceed to adopt regulations necessary to implement the
 24 changes made by this Act. The regulations take effect under AS 44.62 (Administrative
 25 Procedure Act), but not before July 1, 2008.

26 * **Sec. 4.** Section 3 of this Act takes effect immediately under AS 01.10.070(c).

27 * **Sec. 5.** Except as provided in sec. 4 of this Act, this Act takes effect July 1, 2008.