

HOUSE FINANCE COMMITTEE
May 12, 2007
9:15 a.m.

CALL TO ORDER

Co-Chair Chenault called the House Finance Committee meeting to order at [9:15:00 AM](#).

MEMBERS PRESENT

Representative Mike Chenault, Co-Chair
Representative Bill Stoltze, Vice-Chair
Representative Harry Crawford
Representative Richard Foster
Representative Les Gara
Representative Mike Hawker
Representative Reggie Joule
Representative Mike Kelly
Representative Bill Thomas, Jr.

MEMBERS ABSENT

Representative Kevin Meyer, Co-Chair
Representative Mary Nelson

ALSO PRESENT

Senator Kim Elton; Jesse Kiehl, Staff, Senator Kim Elton

PRESENT VIA TELECONFERENCE

Grant Callow, Commissioner, National Conference of Commissioners on Uniform State Laws; Roger Prince, Securities Examiner, Department of Commerce, Community and Economic Development

SUMMARY

CSSB 116(FIN) "An Act relating to the Uniform Money Services Act, to money transmission services, and to currency exchange services; and providing for an effective date."

HCS CSSB 116 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #1 by the Department of Commerce, Community and Economic Development.

[9:15:41 AM](#)

CS FOR SENATE BILL NO. 116(FIN)

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

SENATOR KIM ELTON, sponsor, explained that the bill is a long, but simple, bill which ensures safety and soundness in financial institutions. It addresses two industries that pose a risk for money laundering and terrorism financing; money transmission and currency exchange. The only difference between this bill and the model act bill by the National Conference of Commissioners on Uniform State Laws is that the component that deals with check cashing has been removed. The federal government encourages legislation such as SB 116. He explained that the Federal Bank Secrecy Act, which was updated after 911, makes it a federal felony to transmit money without a license in states that require a license. Forty-seven states require a license. The bill ensures law enforcement coordination for the purpose of regulation and also has elements of safety and soundness for consumers through bonding and net worth requirements. The bill is revenue neutral to the state and has support from large money transmitters such as Western Union, small transmitters, the Department of Commerce and Economic Development, the Alaska Bankers' Association, consumer advocates like AKPIRG, and Holland America Line.

[9:18:27 AM](#)

Vice-Chair Stoltz requested an explanation of the amendment.

JESSE KIEHL, STAFF, SENATOR KIM ELTON, explained that Amendment #1 says that a business license under this act has to keep social security numbers, credit card numbers, and bank account numbers to itself, except where required by federal law.

[9:20:15 AM](#)

GRANT CALLOW, COMMISSIONER, NATIONAL CONFERENCE OF COMMISSIONERS ON UNIFORM STATE LAWS, offered to answer questions.

ROGER PRINCE, SECURITIES EXAMANIER, DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT, offered to answer questions.

[9:21:36 AM](#)

Co-Chair Chenault MOVED to ADOPT Amendment #1:

Page 16, following line 19:
Insert new subsections to read:

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

(1) authorized in writing by the customer;

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

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

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

(e) In (d) of this section, "financial information" means an individual's social security number, individual taxpayer identification number, account number, credit card account number, debit card account number, personal identification number, payment instrument number, or access code."

Vice Chair Stoltze OBJECTED.

Mr. Kiehl explained that Amendment #1 prevents a money services licensee or an authorized delegate from disclosing personal financial information.

Vice Chair Stoltze WITHDREW his objection. There being NO OBJECTION, it was so ordered.

[9:23:53 AM](#)

Co-Chair Chenault asked about fiscal note #1. It states that funding would cover half of a new position to carry out regulatory duties mandated by the act such as licensing, complaint investigations, and conducting on-site examinations. Mr. Prince explained that it is an Investigator II position that handles consumer complaints.

[9:24:32 AM](#)

Representative Foster MOVED to REPORT CSSB 166 (FIN) out of committee, as amended, with individual recommendations and the accompanying fiscal note.

HCS CSSB 116 (FIN) was REPORTED out of Committee with a "do pass" recommendation and with fiscal note #1 by the Department of Commerce, Community and Economic Development.

ADJOURNMENT

The meeting was adjourned at 9:26 AM.