

Fiscal Note

State of Alaska
2024 Legislative Session

Bill Version:	CSSB 84(FIN)
Fiscal Note Number:	2
(S) Publish Date:	4/26/2024

Identifier: SB084-DCCED-DBS-02-13-24
 Title: MONEY TRANSMISSION; VIRTUAL CURRENCY
 Sponsor: RLS BY REQUEST OF THE GOVERNOR
 Requester: (S) Finance

Department: Department of Commerce, Community and
Economic Development
 Appropriation: Banking and Securities
 Allocation: Banking and Securities
 OMB Component Number: 2808

Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2025 Appropriation Requested	Included in Governor's FY2025 Request	Out-Year Cost Estimates				
			FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
OPERATING EXPENDITURES	FY 2025	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
Personal Services	373.6		629.9	629.9	629.9	629.9	629.9
Travel	7.5		12.5	12.5	12.5	12.5	12.5
Services	85.0		125.0	125.0	125.0	125.0	125.0
Commodities	30.0		20.0				
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	496.1	0.0	787.4	767.4	767.4	767.4	767.4

Fund Source (Operating Only)

1005 GF/Prgm (DGF)	496.1		787.4	767.4	767.4	767.4	767.4
Total	496.1	0.0	787.4	767.4	767.4	767.4	767.4

Positions

Full-time	3.0		5.0	5.0	5.0	5.0	5.0
Part-time							
Temporary							

Change in Revenues

1005 GF/Prgm (DGF)	110.0		787.4	767.4	767.4	767.4	767.4
Total	110.0	0.0	787.4	767.4	767.4	767.4	767.4

Estimated SUPPLEMENTAL (FY2024) cost: 0.0 *(separate supplemental appropriation required)*

Estimated CAPITAL (FY2025) cost: 0.0 *(separate capital appropriation required)*

Does the bill create or modify a new fund or account? No
(Supplemental/Capital/New Fund - discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
 If yes, by what date are the regulations to be adopted, amended or repealed? 06/30/25

Why this fiscal note differs from previous version/comments:

Updated from SLA 2023 to SLA 2024 fiscal note template. Corrected position count and updated currency transmission count data for statewide numbers.

Prepared By:	Robert H. Schmidt, Director	Phone:	(907)269-5469
Division:	Banking and Securities	Date:	02/13/2024
Approved By:	Hannah Lager, Administrative Services Director	Date:	02/16/24
Agency:	Commerce, Community, and Economic Development		

REPORTED OUT OF
SEC 04/25/2024

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2024 LEGISLATIVE SESSION

Analysis

This legislation allows the Division of Banking and Securities to become current with a rapidly changing money services industry, including virtual currency/cryptocurrency. It modernizes AS 06.55, Alaska Uniform Money Services Act, by adopting pertinent sections of a Uniform Money Transmission Modernization Act, a model law developed by the Conference of State Bank Supervisors and industry representatives. Neither mobile payments (such as PayPal, Apple Pay, Google Pay) nor cryptocurrency existed when the current law was drafted. This bill will reduce regulatory burden and bring uniformity across states for core licensing and examination processes. Further, it will clarify the division's authority to regulate virtual currencies. In calendar year 2022, Alaskans transmitted over \$623 million in virtual currency, which is an increase of 1,855% over calendar year 2019.

Adoption of this bill will clarify licensure requirements for companies conducting financial services activities in Alaska particularly in the financial technology space such as online transmission of virtual currencies and payroll processing via stored value cards. The bill expands and clarifies business activities exempt from licensure and supervision by the division. The bill incorporates language that allows the division to fully utilize the Nationwide Multistate Licensing System (NMLS) online registry including the system's criminal background checks. The changes allow the division to coordinate more effectively with other states and leverage resources to reduce regulatory burden on licensees. New program receipt revenue is estimated to be a minimum of \$110.0 per year for 35 new license applications. The division expects to adopt an assessment fee model through new regulations that would ensure actual costs of regulation would be covered from existing program receipt collections.

The division will require additional staff and support costs to respond to the growth in money services activities, the complexity of new business models, and the use of third-party partnerships. The positions will allow the division to implement the new law, incorporate changes in the operation of the NMLS, develop proficiency in the examination of electronic systems, and assessment of cybersecurity measures in a high-risk environment.

Personal services:

\$373.6	In FY2025 only for three positions: Financial Registration Examiner (range 14), Juneau Financial Examiner 1/2 flex (range 17/19), Juneau Financial Examiner 4 (range 23), Juneau
\$629.9	Beginning in FY2026, for five positions total: The above three positions added in FY2025 plus Financial Examiner 3 (range 21), Juneau Program Coordinator 1 (range 18), Juneau

Travel: \$2.5 Per position per year - out-of-state trainings necessary for implementation

Services: \$10.0 In FY2025 only Department of Law regulations review
 \$75.0 In FY2025 and beyond for core services and allocated costs (\$25.0/position/year)
 \$50.0 In FY2026 and beyond for core services and allocated costs (\$25.0/position/year)

Commodities: \$30.0 In FY2025 only for initial setup costs – \$10.0/position
 \$20.0 In FY2026 only for initial setup costs – \$10.0/position