

**ALASKA STATE LEGISLATURE
SENATE JUDICIARY STANDING COMMITTEE**

May 1, 2023

2:01 p.m.

MEMBERS PRESENT

Senator Matt Claman, Chair
Senator James Kaufman
Senator Löki Tobin

MEMBERS ABSENT

Senator Cathy Giessel
Senator Jesse Kiehl, Vice Chair

COMMITTEE CALENDAR

SENATE BILL NO. 84

"An Act relating to the business of money transmission; relating to money transmission licenses, licensure requirements, and registration through the Nationwide Multistate Licensing System and Registry; relating to the use of virtual currency for money transmission; relating to authorized delegates of a licensee; relating to acquisition of control of a license; relating to record retention and reporting requirements; authorizing the Department of Commerce, Community, and Economic Development to cooperate with other states in the regulation of money transmission; relating to permissible investments; relating to violations and enforcement of money transmission laws; relating to money transmission license exemptions; relating to payroll processing services; repealing currency exchange licenses; and providing for an effective date."

- HEARD & HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 84

SHORT TITLE: MONEY TRANSMISSION; VIRTUAL CURRENCY

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

02/24/23	(S)	READ THE FIRST TIME - REFERRALS
02/24/23	(S)	L&C, JUD, FIN
03/06/23	(S)	L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/06/23	(S)	Heard & Held

03/06/23 (S) MINUTE(L&C)
03/27/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/27/23 (S) Heard & Held
03/27/23 (S) MINUTE(L&C)
03/31/23 (S) L&C AT 1:30 PM BELTZ 105 (TSBldg)
03/31/23 (S) Moved SB 84 Out of Committee
03/31/23 (S) MINUTE(L&C)
04/03/23 (S) L&C RPT 4DP 1NR
04/03/23 (S) DP: BJORKMAN, DUNBAR, BISHOP, GRAY-
JACKSON
04/03/23 (S) NR: MERRICK
04/21/23 (S) JUD AT 1:30 PM BUTROVICH 205
04/21/23 (S) Heard & Held
04/21/23 (S) MINUTE(JUD)
05/01/23 (S) JUD AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

LAHKA PEACOCK, Managing Partner
Alaska Prepaid Card, LLC ;
DBA QuyanaCARD
Nome, Alaska

POSITION STATEMENT: Provided invited testimony in support of SB 84.

KEN GRIFFIN, representing self
Wasilla, Alaska

POSITION STATEMENT: Recommended further analysis of SB 84.

KATHY TOMASOFSKY, Executive Director
Money Services Business Association
Montvale, New Jersey

POSITION STATEMENT: Provided invited testimony in support of SB 84.

ACTION NARRATIVE

[2:01:01 PM](#)

CHAIR MATT CLAMAN called the Senate Judiciary Standing Committee meeting to order at 2:01 p.m. Present at the call to order were Senators Kaufman, Tobin, and Chair Claman.

SB 84-MONEY TRANSMISSION; VIRTUAL CURRENCY

[2:01:33 PM](#)

CHAIR CLAMAN announced the consideration of SENATE BILL NO. 84 "An Act relating to the business of money transmission; relating

to money transmission licenses, licensure requirements, and registration through the Nationwide Multistate Licensing System and Registry; relating to the use of virtual currency for money transmission; relating to authorized delegates of a licensee; relating to acquisition of control of a license; relating to record retention and reporting requirements; authorizing the Department of Commerce, Community, and Economic Development to cooperate with other states in the regulation of money transmission; relating to permissible investments; relating to violations and enforcement of money transmission laws; relating to money transmission license exemptions; relating to payroll processing services; repealing currency exchange licenses; and providing for an effective date."

[2:02:09 PM](#)

CHAIR CLAMAN moved to invited testimony.

[2:02:45 PM](#)

LAHKA PEACOCK, Managing Partner, Alaska Prepaid Card LLC, DBA Qu yanaCARD, Nome, Alaska, testified by invitation in support of SB 84. He stated he is part-owner of Qu yanaCARD, an Alaska Native-owned business based in Nome. His business provides reloadable, prepaid debit cards for rural Alaskan citizens lacking access to traditional banking services. As a small business, he is required to pay the same fees and is subject to the same regulations as larger companies like Google Pay and Venmo. He shared a story about his first business audit with the Division of Banking; he was financially responsible for the auditor's airfare, lodging, car rental, and hourly fees. He hoped that SB 84 would provide separation between small businesses and billion-dollar companies like Google Pay.

[2:04:44 PM](#)

SENATOR TOBIN commented that she was happy to hear from Mr. Peacock.

[2:04:52 PM](#)

CHAIR CLAMAN opened public testimony on SB 84.

[2:05:10 PM](#)

KEN GRIFFIN, representing self, Wasilla, Alaska, testified with comments about SB 84. He stated that he was an avid user of cryptocurrency. He cautioned that the banking industry is heavily regulated with the highest fraud and failure rates. He opined that cryptocurrency is safe and poorly defined in the bill. He added that cryptocurrency originated because of the

overburdensome government regulation of money and currency. He recommended further analysis of the proposed legislation.

[2:08:05 PM](#)

CHAIR CLAMAN closed public testimony on SB 84.

[2:08:22 PM](#)

CHAIR CLAMAN returned to invited testimony.

[2:08:31 PM](#)

KATHY TOMASOFSKY, Executive Director, Money Services Business Association, Montvale, New Jersey, stated that the Money Services Business Association is a national trade association that serves the money service business industry. She informed the committee that many of the association's members do business in Alaska. She stated that SB 84 was carefully crafted following 18 months of work. The proposed legislation is based on a model law put forth by a group of regulators and industry members. She stated that her association was supportive of the bill and hoped it would move forward. She opined that the legislation would help consumers by ensuring their protection. The legislation guarantees that companies have adequate capitalization based on the size of the business. She added that the industry will benefit from clear and transparent regulation requirements.

[2:09:51 PM](#)

CHAIR CLAMAN held SB 84 in committee for further consideration. He set an amendment deadline.

[2:10:31 PM](#)

There being no further business to come before the committee, Chair Claman adjourned the Senate Judiciary Standing Committee meeting at 2:10 p.m.