

# Fiscal Note

State of Alaska  
2025 Legislative Session

Bill Version:	SB 86
Fiscal Note Number:	1
(S) Publish Date:	3/10/2025

Identifier: SB086-DCCED-DBS-02-27-25  
 Title: MONEY TRANSMISSION; VIRTUAL CURRENCY  
 Sponsor: KIEHL  
 Requester: (S) Labor and Commerce

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)

	FY2026 Appropriation Requested	Included in Governor's FY2026 Request	Out-Year Cost Estimates				
			FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
<b>OPERATING EXPENDITURES</b>	<b>FY 2026</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>	<b>FY 2029</b>	<b>FY 2030</b>	<b>FY 2031</b>
Personal Services	432.5		724.3	724.3	724.3	724.3	724.3
Travel	12.0		20.0	20.0	20.0	20.0	20.0
Services	90.0		125.0	125.0	125.0	125.0	125.0
Commodities	36.0		30.0	10.0	10.0	10.0	10.0
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>570.5</b>	<b>0.0</b>	<b>899.3</b>	<b>879.3</b>	<b>879.3</b>	<b>879.3</b>	<b>879.3</b>

**Fund Source (Operating Only)**

1005 GF/Prgm (DGF)	570.5		899.3	879.3	879.3	879.3	879.3
<b>Total</b>	<b>570.5</b>	<b>0.0</b>	<b>899.3</b>	<b>879.3</b>	<b>879.3</b>	<b>879.3</b>	<b>879.3</b>

**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)	570.5		899.3	879.3	879.3	879.3	879.3
<b>Total</b>	<b>570.5</b>	<b>0.0</b>	<b>899.3</b>	<b>879.3</b>	<b>879.3</b>	<b>879.3</b>	<b>879.3</b>

**Estimated SUPPLEMENTAL (FY2025) cost:** 0.0 *(separate supplemental appropriation required)*

**Estimated CAPITAL (FY2026) 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 If yes, by what date are the regulations to be adopted, amended or repealed? 06/30/26

**Why this fiscal note differs from previous version/comments:**

Not applicable, initial version.

Prepared By: Robert H. Schmidt, Director  
 Division: Banking and Securities  
 Approved By: Hannah Lager, Administrative Services Director  
 Agency: Commerce, Community, and Economic Development

Phone: (907)269-5469  
 Date: 02/27/2025  
 Date: 02/28/25

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2025 LEGISLATIVE SESSION

Analysis

This legislation allows the Division of Banking and Securities to become current with a rapidly changing money services industry, including mobile payments and 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 (CSBS) and industry representatives. Neither mobile payments (e.g., PayPal, Apple Pay, Google Pay) nor cryptocurrency existed when the current law was drafted. The 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 2024, Alaskans used money transmission, including mobile payments, over 31 million times to transmit \$5.8 billion dollars.

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. It is difficult to anticipate the number of new applications, annual renewal fees, and resulting revenue for future years. However, 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 provide assessment of cybersecurity measures in a high-risk environment.

**Personal services:**

\$432.5	In FY2026 only for three positions: Financial Registration Examiner, range 14, Juneau; Financial Examiner Examiner 3, range 21, Anchorage; Financial Examiner 4, range 23, Anchorage
\$724.3	Beginning in FY2027, for five positions total: The above three positions added in FY2026 plus one Financial Examiner 3, range 21, Juneau; and one Financial Examiner 1/2, range 17/19, Anchorage.

**Travel:**

\$ 12.0	Three out-of-state trainings in FY2026 to continue knowledge development related to newly regulated areas (\$4.0 / trip).
\$ 20.0	Five out-of-state trainings in FY2027 and future years to train new staff and maintain knowledge of industry actions, changes, and trends (\$4.0 / trip).

**Services:**

\$ 15.0	Department of Law regulations review in FY2026 only.
\$ 75.0	Statewide and allocated core services costs for three positions in FY2026 (\$25.0 / position / year).
\$ 125.0	Statewide and allocated core services costs for five positions in FY2027 and future years (\$25.0 / position / year).

**Commodities:**

\$30.0	One-time set up costs for equipment and space for each position in FY2026 (\$10.0 / position).
\$20.0	One-time set up costs for equipment and space for each position in FY2027 (\$10.0 / position).
\$ 6.0	Ongoing supply and equipment costs in FY2026 (\$2.0 / position / year).