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FOR APPROVAL

# **AMENDMENTS TO UNIFORM MONEY SERVICES ACT**

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NATIONAL CONFERENCE OF COMMISSIONERS

ON UNIFORM STATE LAWS

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MEETING IN ITS ONE-HUNDRED-AND-THIRTEENTH YEAR  
PORTLAND, OREGON  
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# **AMENDMENTS TO UNIFORM MONEY SERVICES ACT**

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By

NATIONAL CONFERENCE OF COMMISSIONERS  
ON UNIFORM STATE LAWS

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1                   **AMENDMENTS TO UNIFORM MONEY SERVICES ACT**

2  
3                   **NEW SECTION 203 OF UNIFORM MONEY SERVICES ACT**

4  
5                   **SECTION 203. RECIPROCAL PERMISSION TO ENGAGE IN MONEY**  
6 **TRANSMISSION.**

7                   (a) A person that is licensed to engage in money transmission in at least one other  
8 state, with the approval of the [superintendent] and in accordance with this section, may engage  
9 in money transmission [and check cashing or currency exchange] in this state without being  
10 licensed pursuant to Section 202 if:

11                         (1) the state in which the person is licensed has enacted the Uniform  
12 Money Services Act or money transmission laws that are substantially similar to those imposed  
13 by the law of this state, as determined by the [superintendent];

14                         (2) the person submits to the [superintendent] :  
15                                 (A) in a record a request for permission to engage in money  
16 transmission [and check cashing or currency exchange] in this state without being licensed  
17 pursuant to Section 202;

18                                 (B) a nonrefundable fee of [\$1,000];

19                                 (C) a reciprocal application form; and

20                                 (D) a certification of license history.

21                   (b) Before granting a person permission to engage in money transmission [and  
22 check cashing or currency exchange] in this state without being licensed pursuant to Section 202,  
23 the [superintendent] shall make such considerations, determinations, and findings as required by

1 [rule].

2 (c) When an application for permission under this [section] is complete, the  
3 [superintendent] shall notify the applicant in a record of the date on which the request was  
4 determined to be complete and:

5 (1) the [superintendent] shall approve or deny the request within 120 days  
6 after that date; or

7 (2) if the request is not approved or denied within 120 days after that date:

8 (A) the request is deemed approved; and

9 (B) the [superintendent] shall grant the permission under this  
10 section, to take effect as of the first business day after expiration of the period.

11 (d) A person that engages in money transmission [and check cashing or currency  
12 exchange] in this state pursuant to this section shall comply with the requirements of, and is  
13 subject to the sanctions under, Articles 6, 7, and 8 as if the person were licensed pursuant to  
14 Section 202.

15 **Source:** New

1                   **AMENDMENT TO SECTION 602 OF UNIFORM MONEY SERVICES ACT**

2

3                   ~~**SECTION 602. JOINT EXAMINATIONS.**~~

4                   ~~————— (a) The [superintendent] may conduct an on-site examination of records listed in~~  
5                   ~~Section 605 in conjunction with representatives of other state agencies or agencies of another~~  
6                   ~~State or of the federal government. Instead of an examination, the [superintendent] may accept~~  
7                   ~~the examination report of an agency of this State or of another State or of the federal government~~  
8                   ~~or a report prepared by an independent licensed or certified public accountant.~~

9                   ~~————— (b) A joint examination or an acceptance of an examination report does not~~  
10                  ~~preclude the [superintendent] from conducting an examination as provided by law. A joint~~  
11                  ~~report or a report accepted under this subsection is an official report of the [superintendent] for~~  
12                  ~~all purposes.~~

13

14                  **SECTION 602. COOPERATION.**

15                  (1) The [superintendent] is authorized and directed to consult and cooperate with  
16                  other State money services regulators in enforcing and administering provisions of this [act].  
17                  They may jointly pursue examinations, and take other official action, as may seem to them  
18                  appropriate, if either of them is otherwise empowered to take the action.

19                  **Source:** Section 411 of the Uniform Consumer Credit Code

20

1           **AMENDMENT TO SECTION 501 OF UNIFORM MONEY SERVICES ACT**

2

3           **SECTION 501. RELATIONSHIP BETWEEN LICENSEE AND**

4           **AUTHORIZED DELEGATE.**

5                   (a) In this section, “remit” means to make direct payments of money to a licensee

6           or its representative authorized to receive money or to deposit money in a bank in an account

7           specified by the licensee.

8                   (b) A contract between a licensee and an authorized delegate must require the

9           authorized delegate to operate in full compliance with this [act]. The licensee shall furnish in a

10          record to each authorized delegate policies and procedures sufficient for compliance with this

11          [act].

12                  (c) An authorized delegate shall remit all money owing to the licensee in

13          accordance with the terms of the contract between the licensee and the authorized delegate.

14                  (d) If a license is suspended or revoked or a licensee does not renew its license,

15          the [superintendent] shall notify all authorized delegates of the licensee whose names are in a

16          record filed with the [superintendent] of the suspension, revocation, or non-renewal. After

17          notice is sent or publication is made, an authorized delegate shall immediately cease to provide

18          money services as a delegate of the licensee.

19                  (e) An authorized delegate may not provide money services outside the scope of

20          activity permissible under the contract between the authorized delegate and the licensee, except

21          activity in which the authorized delegate is authorized to engage under [Article] 2, 3, or 4. [An

22          authorized delegate of a licensee holds in trust for the benefit of the licensee all money net of

23          fees received from money transmission.]

- 1 (f) An authorized delegate may not use subdelegates to conduct money
- 2 transmission on behalf of a licensee.



1                   **AMENDMENT TO SECTION 603 OF UNIFORM MONEY SERVICES ACT**

2

3                   **SECTION 603. REPORTS.**

4                   (a) A licensee shall file with the [superintendent] within [15] business days any  
5 material changes in information provided in a licensee's application as prescribed by the  
6 [superintendent].

7                   (b) A licensee shall file with the [superintendent] within 45 days after the end of  
8 each fiscal quarter a current list of all authorized delegates, ~~responsible individuals~~, and locations  
9 in this State where the licensee or an authorized delegate of the licensee provides money  
10 services, including limited stations and mobile locations. The licensee shall state the name and  
11 street address of each location and authorized delegate.

12                  (c) A licensee shall file a report with the [superintendent] within one business  
13 day after the licensee has reason to know of the occurrence any of the following events:

14                         (1) the filing of a petition by or against the licensee under the United  
15 States Bankruptcy Code [11 U.S.C. Section 101-110 (1994 & Supp. V. 1999)] for bankruptcy or  
16 reorganization;

17                         (2) the filing of a petition by or against the licensee for receivership, the  
18 commencement of any other judicial or administrative proceeding for its dissolution or  
19 reorganization, or the making of a general assignment for the benefit of its creditors;

20                         (3) the commencement of a proceeding to revoke or suspend its license  
21 in a State or country in which the licensee engages in business or is licensed;

22                         (4) the cancellation or other impairment of the licensee's bond or other  
23 security;

- 1 (5) a [charge or] conviction of the licensee or of an executive officer,  
2 manager, or director of, or person in control of, the licensee for a felony; or  
3 (6) a [charge or] conviction of an authorized delegate for a felony.

1           **AMENDMENTS TO SECTION 701 OF UNIFORM MONEY SERVICES ACT**

2

3           **SECTION 701. MAINTENANCE OF PERMISSIBLE INVESTMENTS.**

4           (a) A licensee shall maintain at all times permissible investments that have a  
5 market value computed in accordance with generally accepted accounting principles of not less  
6 than the 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 licensee ~~or its~~  
8 ~~authorized delegates~~.

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

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