

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

SENATE BILL 187

By: Senator Rapert
By: Representative Lowery

For An Act To Be Entitled

AN ACT TO AMEND THE UNIFORM MONEY SERVICES ACT; TO MODIFY THE APPLICATION PROCEDURES FOR MONEY TRANSMISSION LICENSES UNDER THE UNIFORM MONEY SERVICES ACT; TO AMEND THE FINANCIAL STANDARDS FOR LICENSEES UNDER THE UNIFORM MONEY SERVICES ACT; TO AMEND THE STATUTES CONCERNING A CURRENCY EXCHANGE LICENSE UNDER THE UNIFORM MONEY SERVICES ACT; TO MODIFY THE PERMISSIBLE INVESTMENTS AS A LICENSEE UNDER THE UNIFORM MONEY SERVICES ACT; TO REPEAL CERTAIN PROVISIONS OF THE UNIFORM MONEY SERVICES ACT; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE UNIFORM MONEY SERVICES ACT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 23-55-202(a), concerning the definition of "material litigation" under the Uniform Money Services Act, is amended to read as follows:

(a) In this section, "material litigation" means litigation that according to generally accepted accounting principles or international financial reporting standards is significant to an applicant's or a licensee's financial health and would be required to be disclosed in the applicant's or licensee's annual audited financial statements, report to shareholders, or similar records.



SECTION 2. Arkansas Code § 23-55-204(a), concerning surety bond requirements under the Uniform Money Services Act, is amended to read as follows:

(a)(1) ~~Except as otherwise provided in subsection (b), a surety bond in the amount of \$50,000 plus \$10,000 per location in this State where the applicant and its authorized delegates engage in money transmission or provide other money services, with the maximum required amount of the surety bond of \$300,000, must accompany an application for a license to engage in money services~~ money transmission licensee shall maintain a surety bond in an amount based on the previous year's:

(A) Money transmission dollar volume;

(B) Payment instrument dollar volume; and

(C) Stored value dollar volume.

(2) The minimum surety bond amount shall be at least \$10,000, and the maximum surety bond amount shall not exceed \$300,000.

(3) The commissioner may set specific required bond amounts by rule.

SECTION 3. Arkansas Code § 23-55-206(a), concerning renewal of a license under the Uniform Money Services Act, is amended to read as follows:

(a) A licensee under this article shall pay an annual renewal fee of \$750 no later than ~~December 1 for the succeeding calendar year or, if December 1 is not a business day, on the next business day~~ December 31 in order to be licensed for the next calendar year.

SECTION 4. Arkansas Code § 23-55-207 is amended to read as follows:
23-55-207. Net worth.

(a) A licensee under this article shall maintain a net worth ~~of at least \$250,000 determined in accordance with generally accepted accounting principles~~ that is calculated at \$10,000 for every \$1,000,000 of the total previous year's:

(1) Money transmission dollar volume;

(2) Payment instrument dollar volume; and

(3) Stored value dollar volume.

(b)(1) A licensee shall maintain a minimum net worth of at least

\$50,000.

(2) The commissioner may set specific required net worth amounts by rule.

SECTION 5. Arkansas Code § 23-55-402(b), concerning the application fee for a currency exchange license under the Uniform Money Services Act, is amended to read as follows:

(b) A nonrefundable application fee of \$1,500 and a license fee of ~~\$750~~ \$375 must accompany an application for a license under this article. The license fee must be refunded if the application is denied.

SECTION 6. Arkansas Code § 23-55-403(e), concerning expiration of a currency exchange license under the Uniform Money Services Act, is amended to read as follows:

(e) A license issued under this chapter expires at the close of business on December 31 of the ~~second~~ calendar year unless the license is:

- (1) renewed according to this chapter;
- (2) surrendered by the license holder;
- (3) suspended; or
- (4) revoked by the commissioner.

SECTION 7. Arkansas Code § 23-55-404 is amended to read as follows:
23-55-404. Renewal of license.

(a) A licensee under this article shall pay ~~a biennial~~ an annual renewal fee of ~~\$750~~ \$375 no later than ~~December 1 for the succeeding biennium or, if December 1 is not a business day, on the next business day~~ December 31 in order to be licensed for the next calendar year.

(b) A licensee under this article shall submit a renewal report with the renewal fee, in a form and in a medium prescribed by the commissioner. The renewal report must contain:

- (1) a description of each material change in information submitted by the licensee in its original license application that has not been reported to the commissioner on any required report; and
- (2) a list of the locations in this State where the licensee or an authorized delegate of the licensee engages in currency exchange, including limited stations and mobile locations.

(c) A licensee may renew a license after the time specified in subsection (a) ~~before the expiration of the license~~ if the licensee renews within thirty (30) days of the renewal date by:

- (1) paying ~~\$750~~ \$375 as required under subsection (a);
- (2) complying with the requirements in subsection (b); and
- (3) paying a late fee of \$250 so long as the complete renewal application is received.

(d)(1) The commissioner for good cause may grant an extension of the renewal date.

(2) If a licensee has not renewed a license within thirty (30) days of the renewal date and has not shown good cause to receive an extension of the renewal date as described under subdivision (d)(1), then it shall be necessary for the licensee to submit a new application to engage in the business of currency exchange.

SECTION 8. Arkansas Code § 23-55-701(a), concerning the maintenance of permissible investments under the Uniform Money Services Act, is amended to read as follows:

(a) A licensee shall maintain at all times permissible investments that have a market value computed in accordance with generally accepted accounting principles or international financial reporting standards of not less than the aggregate amount of all of its outstanding payment instruments and stored value and prepaid access obligations issued or sold in all states and money transmitted from all states by the licensee.

SECTION 9. Arkansas Code § 23-55-1005 is repealed.

~~23-55-1005. Savings and transitional provisions.~~

~~(a) A license issued under the Sale of Checks Act, § 23-41-101 et seq. [repealed], that is in effect immediately before January 1, 2008, remains in force as a license under the Sale of Checks Act, § 23-41-101 et seq. [repealed], until the license's expiration date. Thereafter, the licensee is deemed to have applied for and have received a license under this chapter and must comply with the renewal requirements set forth in this chapter.~~

~~(b) This chapter applies to the provision of money services on or after January 1, 2008. This chapter does not apply to money transmission provided by a licensee who was licensed to provide money transmission under~~

~~the Sale of Checks Act, § 23-41-101 et seq. [repealed], and whose license remains in force under this section.~~

APPROVED: 2/13/19