

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
89th General Assembly
Regular Session, 2013

A Bill

SENATE BILL 786

By: Senator J. Key
By: Representative Perry

For An Act To Be Entitled

AN ACT TO AMEND 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 § 23-55-102, concerning definitions of the Uniform Money Services Act, is amended to add an additional subdivision to read as follows:

(21) "Prepaid access" means access to funds or the value of funds that have been paid in advance that can be retrieved or transferred in the future through an electronic device or vehicle, including without limitation a card, code, electronic serial number, mobile identification number, or personal identification number.

SECTION 2. Arkansas Code § 23-55-103(4), concerning exclusions of the Uniform Money Services Act, is amended to read as follows:

(4) a bank, bank holding company, office of an international banking corporation, branch of a foreign bank, corporation organized pursuant to the Bank Service ~~Corporation~~ Company Act, 12 U.S.C. §§ 1861-1867 (Supp. V 1999), or corporation organized under the Edge Act, 12 U.S.C. §§ 611-633 (1994 & Supp. V 1999) under the laws of a State or the United States if it does not issue, sell, or provide payment instruments, ~~or~~ stored value, or prepaid access through an authorized delegate that is not such a person;



SECTION 3. Arkansas Code § 23-55-103(9), concerning exclusions of the Uniform Money Services Act, is amended to read as follows:

(9) an operator of a payment system to the extent that it provides processing, clearing, or settlement services, between or among persons excluded by this section, in connection with wire transfers, credit card transactions, debit card transactions, stored-value transactions, automated clearing house transfers, similar funds transfers, or prepaid access;

SECTION 4. Arkansas Code § 23-55-202(b)(7) and (8), concerning application for a license under the Uniform Money Services Act, are amended to read as follows:

(7) a sample form of contract for authorized delegates, if applicable, and a sample form of payment instrument or instrument upon which stored value or prepaid access is recorded, if applicable;

(8) the name and address of any bank through which the applicant's payment instruments, ~~and~~ stored value, or prepaid access will be paid;

SECTION 5. Arkansas Code § 23-55-204(d), concerning security under the Uniform Money Services Act, is amended to read as follows:

(d) A surety bond must cover claims for so long as the commissioner specifies, but for at least five years after the licensee ceases to provide money services in this State. However, the commissioner may permit the amount of security to be reduced or eliminated before the expiration of that time to the extent the amount of the licensee's payment instruments or stored-value and prepaid access obligations outstanding in this State is reduced.

SECTION 6. Arkansas Code § 23-55-206(b)(1), concerning license renewal under the Uniform Money Services Act, is amended to read as follows:

(1) the number and monetary amount of payment instruments, ~~and~~ stored-value, and prepaid access sold by the licensee in this State which have not been included in a renewal report and the monetary amount of payment instruments, ~~and~~ stored value, and prepaid access currently outstanding;

SECTION 7. Arkansas Code § 23-55-605(a), concerning examination records under the Uniform Money Services Act, is amended to read as follows:

(a) A licensee shall maintain the following records for determining its compliance with this chapter for at least three years:

- (1) a record of each payment instrument or stored-value or prepaid access obligation sold;
- (2) a general ledger posted at least monthly containing all asset, liability, capital, income, and expense accounts;
- (3) bank statements and bank reconciliation records;
- (4) records of outstanding payment instruments and stored-value and prepaid access obligations;
- (5) records of each payment instrument and stored-value and prepaid access obligation paid within the three-year period;
- (6) a list of the last known names and addresses of all of the licensee's authorized delegates; and
- (7) any other records the commissioner reasonably requires by rule.

SECTION 8. Arkansas Code § 23-55-701 is amended to read as follows:
23-55-701. Maintenance of permissible investments.

(a) A licensee shall maintain at all times permissible investments that have a market value computed in accordance with generally accepted accounting principles 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.

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

(c) Permissible investments, even if commingled with other assets of the licensee, are held in trust for the benefit of the purchasers and holders of the licensee's outstanding payment instruments and stored value and

prepaid access obligations in the event of bankruptcy or receivership of the licensee.

SECTION 9. Arkansas Code § 23-55-1006 is amended to read as follows:

23-55-1006. ~~Transition year~~ License terms.

~~(a)~~ Effective January 1, 2012:

(1) a license for a money transmission issued or renewed under this chapter shall expire on December 31 of each year unless it is terminated by surrender, abandonment, a change of employment, or order of the commissioner; and

(2) a license for a currency exchange issued or renewed under this chapter shall expire on December 31 every 2 years unless it is terminated by surrender, abandonment, a change of employment, or order of the commissioner.

~~(b) A license in effect on December 31, 2011, that is scheduled to expire during the 2012 calendar year shall continue until the stated expiration date of the license unless it is terminated by surrender, abandonment, a change of employment, or order of the commissioner.~~

~~(c) For the transition year 2012:~~

~~(1) a license issued or renewed after July 1, 2012, shall be charged $\frac{1}{2}$ of the license or renewal fees prescribed in §§ 23-55-202(d) and 23-55-206(a) and $\frac{1}{4}$ of the license or renewal fees prescribed by §§ 23-55-402(b) and 23-55-404(a); and~~

~~(2) a license issued or renewed during calendar year 2012 shall terminate on December 31, 2012.~~