

**Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 10-0039.01 Jery Payne

HOUSE BILL 10-1114

HOUSE SPONSORSHIP

Liston,

SENATE SPONSORSHIP

(None),

House Committees

Business Affairs and Labor
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE REGISTRATION OF AGENTS OF PERSONS IN THE**
102 **BUSINESS OF TRANSMITTING MONEY, AND MAKING AN**
103 **APPROPRIATION THEREFOR.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Currently, money transmitters are required to be licensed but their agents are not. The bill requires the registration of money transmitter agents and sets the procedures and requirements for registration, including the following:

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
Amended 2nd Reading
February 24, 2010

- ! Providing information to the banking board;
- ! Signing a notice of the laws governing money transmission; and
- ! Payment of a fee.

The bill authorizes the banking board to discipline a registrant, including revocation, orders, and fines, for the following:

- ! Fraud in registering;
- ! A conviction for crimes related to money transmission;
- ! Violating the bill or a rule promulgated under the bill;
- ! Failure to pay a fine under the bill; and
- ! Fraud in the business of money transmission.

The bill sets the procedures for discipline, hearings, enforcement, and judicial review. Failing to register is a class 2 misdemeanor or a class 1 misdemeanor for a subsequent violation.

The bill prohibits access to business information contained in the registration except for law enforcement purposes.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 11-102-305 (1) (a) (IV), Colorado Revised Statutes,
 3 is amended, and the said 11-102-305 (1) (a) is further amended BY THE
 4 ADDITION OF A NEW SUBPARAGRAPH, to read:

5 **11-102-305. Records.** (1) (a) Information from the records of the
 6 division shall be revealed only to members of the banking board, except
 7 as follows:

8 (IV) The commissioner may exchange information obtained from
 9 money transmitters and foreign capital depositories with the United States
 10 secretary of the treasury, or the secretary's designees, THE UNITED STATES
 11 ATTORNEY GENERAL, OR THE ATTORNEY GENERAL'S DESIGNEE pertaining
 12 to compliance with federal money laundering and other financial crimes
 13 laws, including, but not limited to, the "Bank Secrecy Act", the "Right to
 14 Financial Privacy Act of 1978", the "Money Laundering Control Act of
 15 1986", and the "Annunzio-Wylie Anti-Money Laundering Act".

16 (V) THE COMMISSIONER MAY EXCHANGE INFORMATION AS

1 PROVIDED BY PART 2 OF ARTICLE 52 OF TITLE 12, C.R.S.

2 SECTION 2. Article 52 of title 12, Colorado Revised Statutes, is
3 amended BY THE ADDITION OF A NEW PART to read:

4 PART 2

5 MONEY TRANSMITTER AGENTS

6 12-52-201. Agent information - rules. (1) A MONEY
7 TRANSMITTER LICENSED PURSUANT TO PART 1 OF THIS ARTICLE SHALL
8 ANNUALLY SEND THE FOLLOWING INFORMATION TO THE BANKING BOARD
9 ON SUCH FORM AS IT MAY PRESCRIBE:

10 (a) THE NAME OF THE AGENT AND THE ADDRESS AND TELEPHONE
11 NUMBER OF EACH OF THE AGENT'S OFFICES THAT ENGAGE IN THE BUSINESS
12 OF SELLING OR ISSUING EXCHANGE OR OF MONEY TRANSMISSION;

13 (b) THE NAME, ADDRESS, AND TELEPHONE NUMBER OF EACH OF
14 THE OWNERS OF THE APPLICANT HOLDING MORE THAN A TEN PERCENT
15 INTEREST IN THE BUSINESS IF THE APPLICANT IS A PARTNERSHIP OR AN
16 ENTITY CREATED PURSUANT TO TITLE 7, C.R.S.;

17 (c) THE SERVICES CONCERNING SELLING OR ISSUING EXCHANGE
18 AND MONEY TRANSMISSION THAT ARE OFFERED BY THE AGENT AND THE
19 LOCATIONS WHERE SUCH SERVICES ARE OFFERED;

20 (d) SUCH OTHER PERTINENT INFORMATION THAT THE BANKING
21 BOARD MAY REQUIRE CONCERNING THE APPLICANT OR ITS DIRECTORS,
22 TRUSTEES, OFFICERS, MEMBERS, BRANCHES, SUBSIDIARIES, AFFILIATES, OR
23 AGENTS AS PROMULGATED BY RULE.

24 (2) THE BANKING BOARD MAY PROMULGATE RULES NECESSARY TO
25 IMPLEMENT THIS SECTION.

26 12-52-202. Exclusive agency required. NO PERSON SHALL BE AN
27 AGENT OF MORE THAN ONE BUSINESS LICENSED PURSUANT TO PART 1 OF

1 THIS ARTICLE.

2 **12-52-203. Notice of laws.** (1) THE BANKING BOARD SHALL
3 PROMULGATE RULES TO CREATE A FORM CONTAINING A NOTICE OF THE
4 CONTENTS OF SECTION 18-18-408, C.R.S., AND OTHER STATE AND
5 FEDERAL LAWS CONCERNING MONEY LAUNDERING.

6 (2) AN AGENT OF A BUSINESS LICENSED PURSUANT TO PART 1 OF
7 THIS ARTICLE SHALL REQUIRE EACH EMPLOYEE WHO PERFORMS MONEY
8 TRANSMISSION SERVICES TO UNDERSTAND AND SIGN THE FORM, CREATED
9 UNDER SUBSECTION (1) OF THIS SECTION, AFFIRMING KNOWLEDGE OF THE
10 MONEY LAUNDERING LAWS PRIOR TO THE EMPLOYEE PERFORMING SUCH
11 SERVICES. THE AGENT SHALL MAINTAIN A RECORD OF EACH EMPLOYEE
12 ALONG WITH THE SIGNED NOTICE SO LONG AS THE EMPLOYEE PROVIDES
13 SUCH SERVICES. THE RECORDS MAY BE MAINTAINED IN AN ELECTRONIC OR
14 DIGITAL FORMAT THAT REPRODUCES THE SIGNATURE ON THE DOCUMENTS
15 BY THE AGENT.

16 **12-52-204. Records.** THE INFORMATION SENT TO THE BANKING
17 BOARD UNDER SECTION 12-52-201 AND THE RECORDS REQUIRED BY
18 SECTION 12-52-203 SHALL BE OPEN TO ANY LAW ENFORCEMENT OFFICER
19 ACTING WITHIN THE SCOPE AND COURSE OF THE OFFICER'S OFFICIAL
20 DUTIES.

21 **12-52-205. Agent requirements.** (1) NO MONEY TRANSMITTER
22 LICENSED PURSUANT TO PART 1 OF THIS ARTICLE SHALL KNOWINGLY
23 EMPLOY AN AGENT WHO HAS BEEN CONVICTED OF OR PLEADED GUILTY OR
24 NOLO CONTENDERE TO THE OFFENSES IN ARTICLE 5 OF TITLE 18, C.R.S., OR
25 IN SECTION 18-18-408, C.R.S.; A FELONY IN THE SELLING OR ISSUING OF
26 EXCHANGE OR IN MONEY TRANSMISSION; A FELONY INVOLVING A
27 FINANCIAL INSTITUTION; OR AN EQUIVALENT CRIME OUTSIDE COLORADO.

1 (2) NO AGENT OF A MONEY TRANSMITTER LICENSED PURSUANT TO
2 THIS ARTICLE SHALL KNOWINGLY EMPLOY A PERSON TO PERFORM MONEY
3 TRANSMISSION SERVICES WHO HAS BEEN CONVICTED OF OR PLEADED
4 GUILTY OR NOLO CONTENDERE TO THE OFFENSES IN ARTICLE 5 OF TITLE 18,
5 C.R.S., OR IN SECTION 18-18-408, C.R.S.; A FELONY IN THE SELLING OR
6 ISSUING OF EXCHANGE OR IN MONEY TRANSMISSION; A FELONY INVOLVING
7 A FINANCIAL INSTITUTION; OR AN EQUIVALENT CRIME OUTSIDE
8 COLORADO.

9 **12-52-206. Violations.** (1) A PERSON WHO VIOLATES THIS PART
10 2 COMMITS A CLASS 2 MISDEMEANOR AND, FOR THE SECOND OR ANY
11 SUBSEQUENT OFFENSE, THE PERSON COMMITS A CLASS 1 MISDEMEANOR
12 AND SHALL BE PUNISHED AS PROVIDED IN SECTION 18-1.3-501, C.R.S.

13 (2) A PERSON WHO ACTS AS AN AGENT OF AN UNLICENSED PERSON
14 REQUIRED TO BE LICENSED BY PART 1 OF THIS ARTICLE KNOWING THE
15 UNLICENSED PERSON DOES NOT HOLD SUCH LICENSE COMMITS A CLASS 2
16 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN SECTION
17 18-1.3-501, C.R.S.

18 **SECTION 3. Appropriation.** In addition to any other
19 appropriation, there is hereby appropriated, out of any moneys in the
20 division of banking cash fund created in section 11-102-403, Colorado
21 Revised Statutes, not otherwise appropriated, to the department of
22 regulatory agencies, for allocation to the division of banking, for the
23 fiscal year beginning July 1, 2010, the sum of twenty-three thousand one
24 hundred twenty-four dollars (\$23,124) cash funds and 0.5 FTE, or so
25 much thereof as may be necessary, for the implementation of this act.

26 **SECTION 4. Specified effective date - applicability.** This act
27 shall take effect July 1, 2010, and shall apply to acts committed on or

1 after said date.

2 **SECTION 5. Safety clause.** The general assembly hereby finds,
3 determines, and declares that this act is necessary for the immediate
4 preservation of the public peace, health, and safety.