

House \_\_\_\_\_ Amendment NO. \_\_\_\_\_

Offered By

1 AMEND Senate Bill No. 63, Page 1, Section A, Line 3, by inserting after all of said section and line the  
2 following:  
3

4 "361.900. Sections 361.900 to 361.1035 shall be known and may be cited as the "Money  
5 Transmission Modernization Act of 2023".

6 361.903. Sections 361.900 to 361.1035 are designed to replace existing state money transmission  
7 laws currently codified in law and to:

8 (1) Ensure states may coordinate in all areas of regulation, licensing, and supervision to eliminate  
9 unnecessary regulatory burden and more effectively utilize regulator resources;

10 (2) Protect the public from financial crime;

11 (3) Standardize the types of activities that are subject to licensing or otherwise exempt from  
12 licensing; and

13 (4) Modernize safety and soundness requirements to ensure customer funds are protected in an  
14 environment that supports innovative and competitive business practices.

15 361.906. For purposes of sections 361.900 to 361.1035, the following terms shall mean:

16 (1) "Acting in concert", persons knowingly acting together with a common goal of jointly acquiring  
17 control of a licensee, regardless of whether under an express agreement;

18 (2) "Authorized delegate", a person that a licensee designates to engage in money transmission on  
19 behalf of the licensee;

20 (3) "Average daily money transmission liability", the amount of the licensee's outstanding money  
21 transmission obligations in this state at the end of each day in a given period of time, added together, and  
22 divided by the total number of days in the given period of time. For purposes of calculating average daily  
23 money transmission liability under sections 361.900 to 361.1035 for any licensee required to do so, the given  
24 period of time shall be the quarters ending March thirty-first, June thirtieth, September thirtieth, and  
25 December thirty-first;

26 (4) "Bank Secrecy Act", the Bank Secrecy Act, 31 U.S.C. Section 5311 et seq., and its implementing  
27 regulations, as amended and recodified from time to time;

28 (5) "Closed loop stored value", stored value that is redeemable by the issuer only for goods or  
29 services provided by the issuer or its affiliate or franchisees of the issuer or its affiliate, except to the extent  
30 required by applicable law to be redeemable in cash for its cash value;

Action Taken \_\_\_\_\_ Date \_\_\_\_\_

1       (6) "Commissioner", the commissioner of the Missouri division of finance;

2       (7) "Control":

3       (a) The power to vote, directly or indirectly, at least twenty-five percent of the outstanding voting  
4 shares or voting interests of a licensee or person in control of a licensee;

5       (b) The power to elect or appoint a majority of key individuals or executive officers, managers,  
6 directors, trustees, or other persons exercising managerial authority of a person in control of a licensee; or

7       (c) The power to exercise, directly or indirectly, a controlling influence over the management or  
8 policies of a licensee or person in control of a licensee.

9  
10 A person is presumed to exercise a controlling influence if the person holds the power to vote, directly or  
11 indirectly, at least ten percent of the outstanding voting shares or voting interests of a licensee or person in  
12 control of a licensee. A person presumed to exercise a controlling influence as defined under this subdivision  
13 can rebut the presumption of control if the person is a passive investor. For purposes of determining the  
14 percentage of a person controlled by any other person, the person's interest shall be aggregated with the  
15 interest of any other immediate family member, including the person's spouse, parents, children, siblings,  
16 mothers- and fathers-in law, sons- and daughters-in-law, brothers- and sisters-in-law, and any other person  
17 who shares such person's home;

18       (8) "Eligible rating", a credit rating of any of the three highest rating categories provided by an  
19 eligible rating service. Each category may include rating category modifiers such as "plus" or "minus" for  
20 Standard and Poor's or the equivalent for any other eligible rating service;

21       (9) "Eligible rating service", any nationally recognized statistical rating organization (NRSRO) as  
22 defined by the United States Securities and Exchange Commission and any other organization designated by  
23 rule or order;

24       (10) "Federally insured depository financial institution", a bank, credit union, savings and loan  
25 association, trust company, savings association, savings bank, industrial bank, or industrial loan company  
26 organized under the laws of the United States or any state of the United States if such bank, credit union,  
27 savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial  
28 loan company has federally insured deposits;

29       (11) "In this state", at a physical location within this state for a transaction requested in person. For a  
30 transaction requested electronically or by phone, the provider of money transmission may determine if the  
31 person requesting the transaction is in this state by relying on other information provided by the person  
32 regarding the location of the individual's residential address or a business entity's principal place of business  
33 or other physical address location, and any records associated with the person that the provider of money  
34 transmission may have that indicate such location including, but not limited to, an address associated with an  
35 account;

36       (12) "Individual", a natural person;

37       (13) "Key individual", any individual ultimately responsible for establishing or directing policies and  
38 procedures of the licensee, such as an executive officer, manager, director, or trustee;

39       (14) "Licensee", a person licensed under sections 361.900 to 361.1035;

(15) "Material litigation", litigation that, according to United States generally accepted accounting principles, is significant to a person's financial health and would be required to be disclosed in the person's annual audited financial statements, report to shareholders, or similar records;

(16) "Monetary value", a medium of exchange, regardless of whether redeemable in money;

(17) "Money", a medium of exchange that is authorized or adopted by the United States or a foreign government. The term includes a monetary unit of account established by an intergovernmental organization or by agreement between two or more governments;

(18) "Money transmission", any of the following:

(a) Selling or issuing payment instruments to a person located in this state;

(b) Selling or issuing stored value to a person located in this state; or

(c) Receiving money for transmission from a person located in this state.

The term includes payroll processing services. The term does not include the provision solely of online or telecommunications services or network access;

(19) "Multistate licensing process", any agreement entered into by and among state regulators relating to coordinated processing of applications for money transmission licenses, applications for the acquisition of control of a licensee, control determinations, or notice and information requirements for a change of key individuals;

(20) "NMLS", the Nationwide Multistate Licensing System and Registry developed by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators and owned and operated by the State Regulatory Registry LLC or any successor or affiliated entity for the licensing and registration of persons in financial services industries;

(21) "Outstanding money transmission obligations":

(a) Any payment instrument or stored value issued or sold by the licensee to a person located in the United States or reported as sold by an authorized delegate of the licensee to a person that is located in the United States that has not yet been paid or refunded by or for the licensee or escheated in accordance with applicable abandoned property laws; or

(b) Any money received for transmission by the licensee or an authorized delegate in the United States from a person located in the United States that has not been received by the payee or refunded to the sender, or escheated in accordance with applicable abandoned property laws.

For purposes of this subdivision, "in the United States" shall include, to the extent applicable, a person in any state, territory, or possession of the United States; the District of Columbia; the Commonwealth of Puerto Rico; or a U.S. military installation that is located in a foreign country;

(22) "Passive investor", a person that:

(a) Does not have the power to elect a majority of key individuals or executive officers, managers, directors, trustees, or other persons exercising managerial authority of a person in control of a licensee;

(b) Is not employed by and does not have any managerial duties of the licensee or person in control of a licensee;

1       (c) Does not have the power to exercise, directly or indirectly, a controlling influence over the  
2 management or policies of a licensee or person in control of a licensee; and

3       (d) Either:

4       a. Attests to paragraphs (a), (b), and (c) of this subdivision, in a form and in a medium prescribed by  
5 the commissioner; or

6       b. Commits to the passivity characteristics of paragraphs (a), (b), and (c) of this subdivision in a  
7 written document;

8       (23) "Payment instrument", a written or electronic check, draft, money order, traveler's check, or  
9 other written or electronic instrument for the transmission or payment of money or monetary value,  
10 regardless of whether negotiable. The term does not include stored value or any instrument that:

11       (a) Is redeemable by the issuer only for goods or services provided by the issuer or its affiliate or  
12 franchisees of the issuer or its affiliate, except to the extent required by applicable law to be redeemable in  
13 cash for its cash value; or

14       (b) Is not sold to the public but issued and distributed as part of a loyalty, rewards, or promotional  
15 program;

16       (24) "Payroll processing services", receiving money for transmission under a contract with a person  
17 to deliver wages or salaries, make payment of payroll taxes to state and federal agencies, make payments  
18 relating to employee benefit plans, or make distributions of other authorized deductions from wages or  
19 salaries. The term does not include an employer performing payroll processing services on its own behalf or  
20 on behalf of its affiliate or a professional employer organization subject to regulation under sections 285.700  
21 to 285.750;

22       (25) "Person", any individual, general partnership, limited partnership, limited liability company,  
23 corporation, trust, association, joint stock corporation, or other corporate entity identified by the  
24 commissioner;

25       (26) "Receiving money for transmission" or "money received for transmission", receiving money or  
26 monetary value in the United States for transmission within or outside the United States by electronic or other  
27 means;

28       (27) "Stored value", monetary value representing a claim against the issuer evidenced by an  
29 electronic or digital record and that is intended and accepted for use as a means of redemption for money or  
30 monetary value or payment for goods or services. The term includes, but is not limited to, "prepaid access"  
31 as defined under 31 C.F.R. Section 1010.100, as amended or recodified from time to time. Notwithstanding  
32 the provisions of this subdivision, the term does not include a payment instrument or closed loop stored  
33 value, or stored value not sold to the public but issued and distributed as part of a loyalty, rewards, or  
34 promotional program;

35       (28) "Tangible net worth", the aggregate assets of a licensee excluding all intangible assets, less  
36 liabilities, as determined in accordance with United States generally accepted accounting principles.  
37 361.909. Sections 361.900 to 361.1035 shall not apply to:

38       (1) An operator of a payment system to the extent that it provides processing, clearing, or settlement  
39 services between or among persons exempted under this section or licensees in connection with wire

1 transfers, credit card transactions, debit card transactions, stored value transactions, automated clearing house  
2 transfers, or similar funds transfers;

3 (2) A person appointed as an agent of a payee to collect and process a payment from a payer to the  
4 payee for goods or services, other than money transmission itself, provided to the payer by the payee,  
5 provided that:

6 (a) There exists a written agreement between the payee and the agent directing the agent to collect  
7 and process payments from a payer on the payee's behalf;

8 (b) The payee holds the agent out to the public as accepting payments for goods or services on the  
9 payee's behalf; and

10 (c) Payment for the goods and services is treated as received by the payee upon receipt by the agent  
11 so that the payer's obligation is extinguished and there is no risk of loss to the payer if the agent fails to remit  
12 the funds to the payee;

13 (3) A person that acts as an intermediary by processing payments between an entity that has directly  
14 incurred an outstanding money transmission obligation to a sender and the sender's designated recipient,  
15 provided that the entity:

16 (a) Is properly licensed or exempt from licensing requirements under sections 361.900 to 361.1035;

17 (b) Provides a receipt, electronic record, or other written confirmation to the sender identifying the  
18 entity as the provider of money transmission in the transaction; and

19 (c) Bears sole responsibility to satisfy the outstanding money transmission obligation to the sender,  
20 including the obligation to make the sender whole in connection with any failure to transmit the funds to the  
21 sender's designated recipient;

22 (4) The United States or a department, agency, or instrumentality thereof, or its agent;

23 (5) Money transmission by the United States Postal Service or by an agent of the United States  
24 Postal Service;

25 (6) A state, county, city, or any other governmental agency or governmental subdivision or  
26 instrumentality of a state, or its agent;

27 (7) A federally insured depository financial institution, bank holding company, office of an  
28 international banking corporation, foreign bank that establishes a federal branch under the International Bank  
29 Act, 12 U.S.C. Section 3102, as amended or recodified from time to time, corporation organized under the  
30 Bank Service Corporation Act, 12 U.S.C. Sections 1861-1867, as amended or recodified from time to time, or  
31 corporation organized under the Edge Act, 12 U.S.C. Sections 611-633, as amended or recodified from time  
32 to time, under the laws of a state or the United States;

33 (8) Electronic funds transfer of governmental benefits for a federal, state, county, or governmental  
34 agency by a contractor on behalf of the United States or a department, agency, or instrumentality thereof, or  
35 on behalf of a state or governmental subdivision, agency, or instrumentality thereof;

36 (9) A board of trade designated as a contract market under the federal Commodity Exchange Act, 7  
37 U.S.C. Sections 1-25, as amended or recodified from time to time, or a person that, in the ordinary course of  
38 business, provides clearance and settlement services for a board of trade to the extent of its operation as or for  
39 such a board;

1       (10) A registered futures commission merchant under the federal commodities laws to the extent of  
2 its operation as such a merchant;

3       (11) A person registered as a securities broker-dealer under federal or state securities laws to the  
4 extent of its operation as such a broker-dealer;

5       (12) An individual employed by a licensee, authorized delegate, or any person exempted from the  
6 licensing requirements under sections 361.900 to 361.1035 if acting within the scope of employment and  
7 under the supervision of the licensee, authorized delegate, or exempted person as an employee and not as an  
8 independent contractor; and

9       (13) A person expressly appointed as a third party service provider to or agent of an entity exempt  
10 under subdivision (7) of this subsection solely to the extent that:

11       (a) Such service provider or agent is engaging in money transmission on behalf of and under a  
12 written agreement with the exempt entity that sets forth the specific functions that the service provider or  
13 agent is to perform; and

14       (b) The exempt entity assumes all risk of loss and all legal responsibility for satisfying the  
15 outstanding money transmission obligations owed to purchasers and holders of the outstanding money  
16 transmission obligations upon receipt of the purchaser's or holder's money or monetary value by the service  
17 provider or agent.

18       361.912. The commissioner may require that any person claiming to be exempt from licensing under  
19 section 361.909 provide information and documentation to the commissioner demonstrating that the person  
20 qualifies for any claimed exemption.

21       361.915. 1. In order to carry out the purposes of sections 361.900 to 361.1035, the commissioner  
22 may, subject to the provisions of subsections 1 and 2 of section 361.918:

23       (1) Enter into agreements or relationships with other government officials or federal and state  
24 regulatory agencies and regulatory associations in order to improve efficiencies and reduce regulatory burden  
25 by standardizing methods or procedures, and sharing resources, records, or related information obtained  
26 under sections 361.900 to 361.1035;

27       (2) Use, hire, contract, or employ analytical systems, methods, or software to examine or investigate  
28 any person subject to sections 361.900 to 361.1035;

29       (3) Accept, from other state or federal government agencies or officials, licensing, examination, or  
30 investigation reports made by such other state or federal government agencies or officials; and

31       (4) Accept audit reports made by an independent certified public accountant or other qualified third-  
32 party auditor for an applicant or licensee and incorporate the audit report in any report of examination or  
33 investigation.

34       2. The commissioner shall have the broad administrative authority to:

35       (1) Administer, interpret, and enforce sections 361.900 to 361.1035 and promulgate rules or  
36 regulations implementing sections 361.900 to 361.1035; and

37       (2) To recover the cost of administering and enforcing sections 361.900 to 361.1035 by imposing  
38 and collecting proportionate and equitable fees and costs associated with applications, examinations,  
39 investigations, and other actions required to achieve the purpose of sections 361.900 to 361.1035.

1       3. The commissioner shall promulgate all necessary rules and regulations for the administration of  
2 sections 361.900 to 361.1035. Any rule or portion of a rule, as that term is defined in section 536.010, that is  
3 created under the authority delegated in this section shall become effective only if it complies with and is  
4 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter  
5 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to  
6 review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional,  
7 then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2023, shall be  
8 invalid and void.

9       361.918. 1. Except as otherwise provided in subsection 2 of this section, all information or reports  
10 obtained by the commissioner from an applicant, licensee, or authorized delegate and all information  
11 contained in or related to an examination, investigation, operating report, or condition report prepared by, on  
12 behalf of, or for the use of the commissioner, or financial statements, balance sheets, or authorized delegate  
13 information, are confidential and are not subject to disclosure under chapter 610.

14       2. The commissioner may disclose information not otherwise subject to disclosure under subsection  
15 1 of this section to representatives of state or federal agencies who shall confirm in writing that they will  
16 maintain the confidentiality of the information.

17       3. This section does not prohibit the commissioner from disclosing to the public a list of all licensees  
18 or the aggregated financial or transactional data concerning those licensees.

19       361.921. 1. The commissioner may conduct an examination or investigation of a licensee or  
20 authorized delegate or otherwise take independent action authorized by sections 361.900 to 361.1035 or by a  
21 rule adopted or order issued under sections 361.900 to 361.1035 as reasonably necessary or appropriate to  
22 administer and enforce sections 361.900 to 361.1035, regulations implementing sections 361.900 to  
23 361.1035, and other applicable law, including the Bank Secrecy Act and the USA PATRIOT Act. The  
24 commissioner may:

25       (1) Conduct an examination either onsite or offsite as the commissioner may reasonably require;

26       (2) Conduct an examination in conjunction with an examination conducted by representatives of  
27 other state agencies or agencies of another state or of the federal government;

28       (3) Accept the examination report of another state agency or an agency of another state or of the  
29 federal government, or a report prepared by an independent accounting firm, which on being accepted is  
30 considered for all purposes as an official report of the commissioner; and

31       (4) Summon and examine under oath a key individual or employee of a licensee or authorized  
32 delegate and require the person to produce records regarding any matter related to the condition and business  
33 of the licensee or authorized delegate.

34       2. A licensee or authorized delegate shall provide, and the commissioner shall have full and  
35 complete access to, all records the commissioner may reasonably require to conduct a complete examination.  
36 The records shall be provided at the location and in the format specified by the commissioner. The  
37 commissioner may utilize multistate record production standards and examination procedures when such  
38 standards will reasonably achieve the requirements of this subsection.

39       3. Unless otherwise directed by the commissioner, a licensee shall pay all costs reasonably incurred

1 in connection with an examination of the licensee or the licensee's authorized delegates.

2 361.924. 1. To efficiently and effectively administer and enforce sections 361.900 to 361.1035 and  
3 to minimize regulatory burden, the commissioner is authorized to participate in multistate supervisory  
4 processes established between states or coordinated through the Conference of State Bank Supervisors,  
5 Money Transmitter Regulators Association, and affiliates and successors thereof for all licensees that hold  
6 licenses in this state and other states. As a participant in multistate supervision, the commissioner may:

7 (1) Cooperate, coordinate, and share information with other state and federal regulators in  
8 accordance with section 361.918;

9 (2) Enter into written cooperation, coordination, or information-sharing contracts or agreements with  
10 organizations the membership of which is made up of state or federal governmental agencies; and

11 (3) Cooperate, coordinate, and share information with organizations the membership of which is  
12 made up of state or federal governmental agencies, provided that the organizations agree in writing to  
13 maintain the confidentiality and security of the shared information in accordance with this section.

14 2. The commissioner shall not waive and nothing in this section constitutes a waiver of the  
15 commissioner's authority to conduct an examination or investigation or otherwise take independent action  
16 authorized by sections 361.900 to 361.1035 or a rule adopted or order issued under sections 361.900 to  
17 361.1035 to enforce compliance with applicable state or federal law.

18 3. A joint examination or investigation, or acceptance of an examination or investigation report, does  
19 not waive an examination assessment provided for in sections 361.900 to 361.1035.

20 361.927. 1. In the event state money transmission jurisdiction is conditioned on a federal law, any  
21 inconsistencies between a provision of sections 361.900 to 361.1035 and the federal law governing money  
22 transmission shall be governed by the applicable federal law to the extent of the inconsistency.

23 2. In the event of any inconsistencies between sections 361.900 to 361.1035 and a federal law that  
24 governs under subsection 1 of this section, the commissioner may provide interpretive guidance that:

25 (1) Identifies the inconsistency; and

26 (2) Identifies the appropriate means of compliance with federal law.

27 361.930. 1. A person shall not engage in the business of money transmission or advertise, solicit, or  
28 hold itself out as providing money transmission unless the person is licensed under sections 361.900 to  
29 361.1035.

30 2. Subsection 1 of this section shall not apply to:

31 (1) A person that is an authorized delegate of a person licensed under sections 361.900 to 361.1035  
32 acting within the scope of authority conferred by a written contract with the licensee; or

33 (2) A person that is exempt under section 361.909 and does not engage in money transmission  
34 outside the scope of such exemption.

35 3. A license issued under section 361.942 shall not be transferable or assignable.

36 361.933. 1. To establish consistent licensing between this state and other states, the commissioner is  
37 authorized to:

38 (1) Implement those licensing provisions of sections 361.900 to 361.1035 in a manner that is  
39 consistent with other states that have adopted the money transmission modernizations act or multistate



1 licensing processes; and

2 (2) Participate in nationwide protocols for licensing cooperation and coordination among state  
3 regulators, provided that such protocols are consistent with sections 361.900 to 361.1035.

4 2. In order to fulfill the purposes of sections 361.900 to 361.1035, the commissioner is authorized to  
5 establish relationships or contracts with NMLS, other entities designated by NMLS, or other third parties to  
6 enable the commissioner to:

7 (1) Collect and maintain records;

8 (2) Coordinate multistate licensing processes and supervision processes;

9 (3) Process fees; and

10 (4) Facilitate communication between this state and licensees or other persons subject to sections  
11 361.900 to 361.1035.

12 3. The commissioner is authorized to utilize NMLS for all aspects of licensing in accordance with  
13 sections 361.900 to 361.1035 including, but not limited to, license applications, applications for acquisitions  
14 of control, surety bonds, reporting, criminal history background checks, credit checks, fee processing, and  
15 examinations.

16 4. The commissioner is authorized to utilize NMLS forms, processes, and functionalities in  
17 accordance with sections 361.900 to 361.1035.

18 5. (1) The commissioner is authorized to establish and adopt, by rule or regulation, requirements for  
19 participation by applicants and licensees in NMLS upon the division of finance's determination that each  
20 requirement is consistent with law, public interest, and the purposes of this section.

21 (2) Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the  
22 authority delegated in this section shall become effective only if it complies with and is subject to all of the  
23 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable  
24 and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the  
25 effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of  
26 rulemaking authority and any rule proposed or adopted after August 28, 2023, shall be invalid and void.

27 361.936. 1. Applicants for a license shall apply in a form and in a medium as prescribed by the  
28 commissioner. Each such form shall contain content as set forth by rule, regulation, instruction, or procedure  
29 of the commissioner and may be changed or updated by the commissioner in accordance with applicable law  
30 in order to carry out the purposes of sections 361.900 to 361.1035 and maintain consistency with licensing  
31 standards and practices. The application shall state or contain, as applicable:

32 (1) The legal name and residential and business addresses of the applicant and any fictitious or trade  
33 name used by the applicant in conducting its business;

34 (2) Whether the applicant has been convicted of or pled guilty or nolo contendere to a felony  
35 involving an act of fraud, dishonesty, or a breach of trust or money laundering;

36 (3) A description of any money transmission previously provided by the applicant and the money  
37 transmission that the applicant seeks to provide in this state;

38 (4) A list of the applicant's proposed authorized delegates and the locations in this state where the  
39 applicant and its authorized delegates propose to engage in money transmission;

1       (5) A list of other states in which the applicant is licensed to engage in money transmission and any  
2 license revocations, suspensions, or other disciplinary action taken against the applicant in another state;

3       (6) Information concerning any bankruptcy or receivership proceedings affecting the licensee or a  
4 person in control of a licensee;

5       (7) A sample form of contract for authorized delegates, if applicable;

6       (8) A sample form of payment instrument or stored value, as applicable;

7       (9) The name and address of any federally insured depository financial institution through which the  
8 applicant plans to conduct money transmission;

9       (10) A list of any material litigation in which the applicant has been involved in the ten-year period  
10 next preceding the submission of the application; and

11       (11) Any other information the commissioner reasonably requires with respect to the applicant.

12       2. If an applicant is a corporation, limited liability company, partnership, or other legal entity, the  
13 applicant shall also provide:

14       (1) The date of the applicant's incorporation or formation and state or country of incorporation or  
15 formation;

16       (2) If applicable, a certificate of good standing from the state or country in which the applicant is  
17 incorporated or formed;

18       (3) A brief description of the structure or organization of the applicant, including any parents or  
19 subsidiaries of the applicant, and whether any parents or subsidiaries are publicly traded;

20       (4) The legal name, any fictitious or trade name, all business and residential addresses, and the  
21 employment, as applicable, in the ten-year period next preceding the submission of the application of each  
22 key individual and person in control of the applicant;

23       (5) Whether the applicant has been convicted of or pled guilty or nolo contendere to a felony  
24 involving an act of fraud, dishonesty, or a breach of trust or money laundering;

25       (6) A copy of audited financial statements of the applicant for the most recent fiscal year and for the  
26 two-year period next preceding the submission of the application or, if determined to be acceptable to the  
27 commissioner, certified unaudited financial statements for the most recent fiscal year or other period  
28 acceptable to the commissioner;

29       (7) A certified copy of unaudited financial statements of the applicant for the most recent fiscal  
30 quarter;

31       (8) If the applicant is a publicly traded corporation, a copy of the most recent report filed with the  
32 United States Securities and Exchange Commission under Section 13 of the federal Securities Exchange Act  
33 of 1934, 15 U.S.C. Section 78m, as amended or recodified from time to time;

34       (9) If the applicant is a wholly owned subsidiary of:

35       (a) A corporation publicly traded in the United States, a copy of audited financial statements for the  
36 parent corporation for the most recent fiscal year or a copy of the parent corporation's most recent report filed  
37 under Section 13 of the U.S. Securities Exchange Act of 1934, 15 U.S.C. Section 78m, as amended or  
38 recodified from time to time; or

39       (b) A corporation publicly traded outside the United States, a copy of similar documentation filed

1 with the regulator of the parent corporation's domicile outside the United States;

2 (10) The name and address of the applicant's registered agent in this state;

3 (11) A list of any material litigation in which the applicant has been involved in the ten-year period  
4 next preceding the submission of the application; and

5 (12) Any other information the commissioner reasonably requires with respect to the applicant.

6 3. A nonrefundable application fee and license fee, as determined by the commissioner, shall  
7 accompany an application for a license under this section.

8 4. The commissioner may waive one or more requirements of subsections 1 and 2 of this section or  
9 permit an applicant to submit other information in lieu of the required information.

10 361.939. 1. Any individual in control of a licensee or applicant, any individual that seeks to acquire  
11 control of a licensee, and each key individual shall furnish to the commissioner through NMLS the following:

12 (1) The individual's fingerprints for submission to the Federal Bureau of Investigation and the  
13 commissioner for purposes of a national criminal history background check unless the person currently  
14 resides outside of the United States and has resided outside of the United States for the last ten years; and

15 (2) Personal history and experience in a form and in a medium prescribed by the commissioner, to  
16 obtain the following:

17 (a) An independent credit report from a consumer reporting agency unless the individual does not  
18 have a Social Security number, in which case, this requirement shall be waived;

19 (b) Whether the individual has been convicted of or pled guilty or nolo contendere to a felony  
20 involving an act of fraud, dishonesty, or a breach of trust or money laundering; and

21 (c) Information related to any regulatory or administrative action and any civil litigation involving  
22 claims of fraud, misrepresentation, conversion, mismanagement of funds, breach of fiduciary duty, or breach  
23 of contract.

24 2. If the individual has resided outside of the United States at any time in the last ten years, the  
25 individual shall also provide an investigative background report prepared by an independent search firm that  
26 meets the following requirements:

27 (1) At a minimum, the search firm shall:

28 (a) Demonstrate that it has sufficient knowledge and resources and employs accepted and reasonable  
29 methodologies to conduct the research of the background report; and

30 (b) Not be affiliated with or have an interest with the individual it is researching; and

31 (2) At a minimum, the investigative background report shall be written in the English language and  
32 shall contain the following:

33 (a) If available in the individual's current jurisdiction of residency, a comprehensive credit report, or  
34 any equivalent information obtained or generated by the independent search firm to accomplish such report,  
35 including a search of the court data in the countries, provinces, states, cities, towns, and contiguous areas  
36 where the individual resided and worked;

37 (b) Criminal records information for the past ten years including, but not limited to, felonies,  
38 misdemeanors, or similar convictions for violations of law in the countries, provinces, states, cities, towns,  
39 and contiguous areas where the individual resided and worked;

1       (c) Employment history;

2       (d) Media history, including an electronic search of national and local publications, wire services,  
3 and business applications; and

4       (e) Financial services-related regulatory history including but not limited to, money transmission,  
5 securities, banking, insurance, and mortgage-related industries.

6       361.942. 1. If an application for an original license under sections 361.900 to 361.1035 appears to  
7 include all the items and addresses and all of the matters that are required, the application is complete and the  
8 commissioner shall promptly notify the applicant in a record of the date on which the application is  
9 determined to be complete, and:

10       (1) The commissioner shall approve or deny the application within one hundred twenty days after  
11 the completion date; or

12       (2) If the application is not approved or denied within one hundred twenty days after the completion  
13 date;

14       (a) The application is approved; and

15       (b) The license takes effect as of the first business day after expiration of the one hundred twenty-  
16 day period.

17  
18 The commissioner may for good cause extend the application period.

19       2. A determination by the commissioner that an application is complete and is accepted for  
20 processing means only that the application, on its face, appears to include all of the items, including the  
21 Criminal Background Check response from the Federal Bureau of Investigation, and address all of the  
22 matters that are required, and is not an assessment of the substance of the application or of the sufficiency of  
23 the information provided.

24       3. If an application is filed and considered complete under this section, the commissioner shall  
25 investigate the applicant's financial condition and responsibility, financial and business experience, character,  
26 and general fitness. The commissioner may conduct an onsite investigation of the applicant, the reasonable  
27 cost of which the applicant shall pay. The commissioner shall issue a license to an applicant under this  
28 section if the commissioner finds that all of the following conditions have been fulfilled:

29       (1) The applicant has complied with the provisions of sections 361.929 and 361.936; and

30       (2) The financial condition and responsibility, financial and business experience, competence,  
31 character, and general fitness of the applicant; and the competence, experience, character, and general fitness  
32 of the key individuals and persons in control of the applicant indicate that it is in the interest of the public to  
33 permit the applicant to engage in money transmission.

34       4. If an applicant avails itself or is otherwise subject to a multistate licensing process:

35       (1) The commissioner shall be authorized to accept the investigation results of a lead investigative  
36 state for the purpose of subsection 3 of this section if the lead investigative state has sufficient staffing,  
37 expertise, and minimum standards; or

38       (2) If this state is a lead investigative state, the commissioner shall be authorized to investigate the  
39 applicant under subsection 3 of this section and the time frames established by agreement through the

1 multistate licensing process, provided however, that in no case shall such time frame be noncompliant with  
 2 the application period in subdivision (1) of subsection 1 of this section.

3 5. The commissioner shall issue a formal written notice of the denial of a license application within  
 4 thirty days of the decision to deny the application. The commissioner shall set forth in the notice of denial  
 5 the specific reasons for the denial of the application. An applicant whose application is denied by the  
 6 commissioner under this subsection may appeal within thirty days after receipt of the written notice of the  
 7 denial under chapter 536.

8 6. The initial license term shall begin on the day the application is approved. The license shall  
 9 expire on December thirty-first of the year in which the license term began unless the initial license date is  
 10 between November first and December thirty-first, in which instance the initial license term shall run through  
 11 December thirty-first of the following year.

12 361.945. 1. A license under sections 361.900 to 361.1035 shall be renewed annually. An annual  
 13 renewal fee to be determined by the commissioner shall be paid no more than sixty days before the license  
 14 expiration. The renewal term shall be for a period of one year and shall begin on January first of each year  
 15 after the initial license term and shall expire on December thirty-first of the year the renewal term begins.

16 2. A licensee shall submit a renewal report with the renewal fee, in a form and in a medium  
 17 prescribed by the commissioner. The renewal report shall state or contain a description of each material  
 18 change in information submitted by the licensee in its original license application that has not been reported  
 19 to the commissioner.

20 3. The commissioner for good cause may grant an extension of the renewal date.

21 4. The commissioner shall be authorized to utilize NMLS to process license renewals provided that  
 22 such functionality is consistent with this section.

23 361.948. 1. If a licensee does not continue to meet the qualifications or satisfy the requirements that  
 24 apply to an applicant for a new money transmission license, the commissioner may suspend or revoke the  
 25 licensee's license in accordance with the procedures established under sections 361.900 to 361.1035 or other  
 26 applicable state law for such suspension or revocation.

27 2. An applicant for a money transmission license shall demonstrate that it meets or will meet, and a  
 28 money transmission licensee shall at all times meet, the requirements in sections 361.999, 361.1002, and  
 29 361.1005.

30 361.951. 1. Any person, or group of persons acting in concert, seeking to acquire control of a  
 31 licensee shall obtain the written approval of the commissioner prior to acquiring control. An individual is not  
 32 deemed to acquire control of a licensee and is not subject to the acquisition of control provisions when that  
 33 individual becomes a key individual in the ordinary course of business.

34 2. A person, or group of persons acting in concert, seeking to acquire control of a licensee shall, in  
 35 cooperation with the licensee:

36 (1) Submit an application in a form and in a medium prescribed by the commissioner; and

37 (2) Submit a nonrefundable fee to be determined by the commissioner with the request for approval.

38 3. Upon request, the commissioner may permit a licensee or a person, or group of persons acting in  
 39 concert, to submit some or all information required by the commissioner under subdivision (1) of subsection

2 of this section without using NMLS.

4. The application required under subdivision (1) of subsection 2 of this section shall include information required under section 361.939 for any new key individuals that have not previously completed the requirements of section 361.939 for a licensee.

5. When an application for acquisition of control under this section appears to include all the items and address all of the matters that are required, the application shall be considered complete. The commissioner shall promptly notify the applicant in a record of the date on which the application was determined to be complete, and:

(1) The commissioner shall approve or deny the application within sixty days after the completion date; or

(2) If the application is not approved or denied within sixty days after the completion date:

(a) The application is approved; and

(b) The person, or group of persons acting in concert, are not prohibited from acquiring control; and

(3) The commissioner may for good cause extend the application period.

6. A determination by the commissioner that an application is complete and is accepted for processing means only that the application, on its face, appears to include all of the items and address all of the matters that are required, and is not an assessment of the substance of the application or of the sufficiency of the information provided.

7. If an application is filed and considered complete under subsection 5 of this section, the commissioner shall investigate the financial condition and responsibility, financial and business experience, character, and general fitness of the person, or group of persons acting in concert, seeking to acquire control. The commissioner shall approve an acquisition of control under this section if the commissioner finds that all of the following conditions have been fulfilled:

(1) The requirements of subsections 2 and 4 of this section have been met, as applicable; and

(2) The financial condition and responsibility, financial and business experience, competence, character, and general fitness of the person, or group of persons acting in concert, seeking to acquire control and the competence, experience, character, and general fitness of the key individuals and persons that would be in control of the licensee after the acquisition of control indicate that it is in the interest of the public to permit the person, or group of persons acting in concert, to control the licensee.

8. If an applicant avails itself or is otherwise subject to a multistate licensing process:

(1) The commissioner is authorized to accept the investigation results of a lead investigative state for the purpose of subsection 7 of this section if the lead investigative state has sufficient staffing, expertise, and minimum standards; or

(2) If this state is a lead investigative state, the commissioner is authorized to investigate the applicant under subsection 7 of this section and the time frames established by agreement through the multistate licensing process.

9. The commissioner shall issue a formal written notice of the denial of an application to acquire control within thirty days of the decision to deny the application. The commissioner shall set forth in the notice of denial the specific reasons for the denial of the application. An applicant whose application is

1 denied by the commissioner under this subsection may appeal within thirty days after receipt of the written  
 2 notice of the denial under chapter 536.

3 10. The requirements of subsections 1 and 2 of this section shall not apply to any of the following:

4 (1) A person that acts as a proxy for the sole purpose of voting at a designated meeting of the  
 5 shareholders or holders of voting shares or voting interests of a licensee or a person in control of a licensee;

6 (2) A person that acquires control of a licensee by devise or descent;

7 (3) A person that acquires control of a licensee as a personal representative, custodian, guardian,  
 8 conservator, or trustee, or as an officer appointed by a court of competent jurisdiction or by operation of law;

9 (4) A person that is exempt under subsection 7 of section 361.909;

10 (5) A person that the commissioner determines is not subject to subsection 1 of this section based on  
 11 the public interest;

12 (6) A public offering of securities of a licensee or a person in control of a licensee; or

13 (7) An internal reorganization of a person in control of the licensee where the ultimate person in  
 14 control of the licensee remains the same.

15 11. Persons in subdivisions (2), (3), (4), (6), and (7) of subsection 10 of this section in cooperation  
 16 with the licensee shall notify the commissioner within fifteen days after the acquisition of control.

17 12. (1) The requirements of subsections 1 and 2 of this section shall not apply to a person that has  
 18 complied with and received approval to engage in money transmission under sections 361.900 to 361.1035 or  
 19 was identified as a person in control in a prior application filed with and approved by the commissioner or by  
 20 another state under a multistate licensing process, provided that:

21 (a) The person has not had a license revoked or suspended or controlled a licensee that has had a  
 22 license revoked or suspended while the person was in control of the licensee in the previous five years;

23 (b) If the person is a licensee, the person is well managed and has received at least a satisfactory  
 24 rating for compliance at its most recent examination by another state if such rating was given;

25 (c) The licensee to be acquired is projected to meet the requirements of sections 361.999, 361.1002,  
 26 and 361.1005 after the acquisition of control is completed, and if the person acquiring control is a licensee,  
 27 that licensee is also projected to meet the requirements of sections 361.999, 361.1002, and 361.1005 after the  
 28 acquisition of control is completed;

29 (d) The licensee to be acquired will not implement any material changes to its business plan as a  
 30 result of the acquisition of control, and if the person acquiring control is a licensee, that licensee also will not  
 31 implement any material changes to its business plan as a result of the acquisition of control; and

32 (e) The person provides notice of the acquisition in cooperation with the licensee and attests to  
 33 paragraphs (a) to (d) of this subdivision in a form and in a medium prescribed by the commissioner.

34 (2) If the notice is not disapproved within thirty days after the date on which the notice was  
 35 determined to be complete, the notice is deemed approved.

36 13. Before filing an application for approval to acquire control of a licensee, a person may request in  
 37 writing a determination from the commissioner as to whether the person would be considered a person in  
 38 control of a licensee upon consummation of a proposed transaction. If the commissioner determines that the  
 39 person would not be a person in control of a licensee, the proposed person and transaction is not subject to the

1 requirements of subsections 1 and 2 of this subsection.

2 14. If a multistate licensing process includes a determination under subsection 13 of this section and  
3 an applicant avails itself or is otherwise subject to the multistate licensing process:

4 (1) The commissioner is authorized to accept the control determination of a lead investigative state  
5 with sufficient staffing, expertise, and minimum standards for the purpose of subsection 13 of this section; or

6 (2) If this state is a lead investigative state, the commissioner is authorized to investigate the  
7 applicant under subsection 13 of this section and the time frames established by agreement through the  
8 multistate licensing process.

9 361.954. 1. A licensee adding or replacing any key individual shall:

10 (1) Provide notice in a manner prescribed by the commissioner within fifteen days after the effective  
11 date of the key individual's appointment; and

12 (2) Provide information as required by section 361.939 within forty-five days of the effective date.

13 2. Within ninety days of the date on which the notice provided under subsection 1 of this section was  
14 determined to be complete, the commissioner may issue a notice of disapproval of a key individual if the  
15 competence, experience, character, or integrity of the individual would not be in the best interests of the  
16 public or the customers of the licensee to permit the individual to be a key individual of such licensee.

17 3. A notice of disapproval shall contain a statement of the basis for disapproval and shall be sent to  
18 the licensee and the disapproved individual. A licensee may appeal a notice of disapproval under chapter 536  
19 within thirty days after receipt of such notice of disapproval.

20 4. If the notice provided under subsection 1 of this section is not disapproved within ninety days  
21 after the date on which the notice was determined to be complete, the key individual is deemed approved.

22 5. If a multistate licensing process includes a key individual notice review and disapproval process  
23 under this section and the licensee avails itself or is otherwise subject to the multistate licensing process:

24 (1) The commissioner is authorized to accept the determination of another state if the investigating  
25 state has sufficient staffing, expertise, and minimum standards for the purpose of this section; or

26 (2) If this state is a lead investigative state, the commissioner is authorized to investigate the  
27 applicant under subsection 2 of this section and the time frames established by agreement through the  
28 multistate licensing process.

29 361.957. 1. Each licensee shall submit a report of condition within forty days of the end of the  
30 calendar quarter or within any extended time as the commissioner may prescribe.

31 2. The report of condition shall include:

32 (1) Financial information at the licensee level;

33 (2) Nationwide and state-specific money transmission transaction information in every jurisdiction  
34 in the United States where the licensee is licensed to engage in money transmission;

35 (3) Permissible investments report;

36 (4) Transaction destination country reporting for money received for transmission, if applicable; and

37 (5) Any other information the commissioner reasonably requires with respect to the licensee. The  
38 commissioner is authorized to utilize NMLS for the submission of the report required by subsection 1 of this  
39 section and is authorized to update as necessary the requirements of this section to carry out the purposes of



sections 361.900 to 361.1035 and maintain consistency with NMLS reporting.

3. The information required under subdivision (4) of subsection 2 of this section shall be included only in a report of condition submitted within forty-five days of the end of the fourth calendar quarter.

361.960. 1. Each licensee shall, within ninety days after the end of each fiscal year or within any extended time as the commissioner may prescribe, file with the commissioner:

(1) An audited financial statement of the licensee for the fiscal year prepared in accordance with United States generally accepted accounting principles; and

(2) Any other information as the commissioner may reasonably require.

2. The audited financial statement shall be prepared by an independent certified public accountant or independent public accountant who is satisfactory to the commissioner.

3. The audited financial statements shall include or be accompanied by a certificate of opinion of the independent certified public accountant or independent public accountant that is satisfactory in form and content to the commissioner. If the certificate or opinion is qualified, the commissioner may order the licensee to take any action as the commissioner may find necessary to enable the independent certified public accountant or independent public accountant to remove the qualification.

361.963. 1. Each licensee shall submit a report of authorized delegates within forty-five days of the end of the calendar quarter. The commissioner is authorized to utilize NMLS for the submission of the report required under this section, provided that such functionality is consistent with the requirements of this section.

2. The authorized delegate report shall include, at a minimum, each authorized delegate's:

(1) Company legal name;

(2) Taxpayer employer identification number;

(3) Principal provider identifier;

(4) Physical address, if any;

(5) Mailing address;

(6) Any business conducted in other states;

(7) Any fictitious or trade name;

(8) Contact person name, phone number, and email;

(9) Start date as licensee's authorized delegate;

(10) End date acting as licensee's authorized delegate, if applicable; and

(11) Any other information the commissioner reasonably requires with respect to the authorized delegate.

361.966. 1. A licensee shall file a report with the commissioner within one business day after the licensee has reason to know of the occurrence of any of the following events:

(1) The filing of a petition by or against the licensee under the United States Bankruptcy Code, 11 U.S.C. Section 101-110, as amended or recodified from time to time, for bankruptcy or reorganization;

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

1           (3) The commencement of a proceeding to revoke or suspend its license in a state or country in  
2 which the licensee engages in business or is licensed.

3           2. A licensee shall notify the commissioner within three business days after the licensee has reason  
4 to know that:

5           (1) The licensee, or a key individual or person in control of the licensee, has been convicted of or  
6 pled guilty or nolo contendere to a felony involving an act of fraud, dishonesty, or a breach of trust or money  
7 laundering; or

8           (2) An authorized delegate has been convicted of or pled guilty or nolo contendere to a felony  
9 involving an act of fraud, dishonesty, or a breach of trust or money laundering.

10          361.969. A licensee and an authorized delegate shall file all reports required by federal currency  
11 reporting, record keeping, and suspicious activity reporting requirements as set forth in the Bank Secrecy Act  
12 and other federal and state laws pertaining to money laundering. The timely filing of a complete and accurate  
13 report required under this section with the appropriate federal agency is deemed compliant with the  
14 requirements of this section.

15          361.972. 1. A licensee shall maintain the following records for determining its compliance with  
16 sections 361.900 to 361.1035 for at least three years:

17           (1) A record of each outstanding money transmission obligation sold;

18           (2) A general ledger posted at least monthly containing all asset, liability, capital, income, and  
19 expense accounts;

20           (3) Bank statements and bank reconciliation records;

21           (4) Records of outstanding money transmission obligations;

22           (5) Records of each outstanding money transmission obligation paid within the three-year period;

23           (6) A list of the last known names and addresses of all of the licensee's authorized delegates; and

24           (7) Any other records the commissioner reasonably requires by rule.

25          2. The items specified in subsection 1 of this section may be maintained in any form of record.

26          3. Records specified in subsection 1 of this section may be maintained outside this state if the  
27 records are made accessible to the commissioner on seven business-days' notice that is sent in a record.

28          4. All records maintained by the licensee as required in subsections 1 to 3 of this section are open to  
29 inspection by the commissioner under subsection 1 of section 361.921.

30          361.975. 1. As used in this section, "remit" means to make direct payments of money to a licensee  
31 or its representative authorized to receive money or to deposit money in a bank in an account specified by the  
32 licensee.

33          2. Before a licensee is authorized to conduct business through an authorized delegate, or allows a  
34 person to act as the licensee's authorized delegate, the licensee shall:

35           (1) Adopt, and update as necessary, written policies and procedures reasonably designed to ensure  
36 that the licensee's authorized delegates comply with applicable state and federal law;

37           (2) Enter into a written contract that complies with subsection 4 of this section; and

38           (3) Conduct a reasonable risk-based background investigation sufficient for the licensee to determine  
39 whether the authorized delegate has complied and will likely comply with applicable state and federal law.

1       3. An authorized delegate shall operate in full compliance with sections 361.900 to 361.1035.

2       4. The written contract required under subsection 2 of this section shall be signed by the licensee and  
3 the authorized delegate and, at a minimum, shall:

4       (1) Appoint the person signing the contract as the licensee's authorized delegate with the authority to  
5 conduct money transmission on behalf of the licensee;

6       (2) Set forth the nature and scope of the relationship between the licensee and the authorized  
7 delegate and the respective rights and responsibilities of the parties;

8       (3) Require the authorized delegate to agree to fully comply with all applicable state and federal  
9 laws, rules, and regulations pertaining to money transmission, including sections 361.900 to 361.1035 and  
10 regulations implementing sections 361.900 to 361.1035, relevant provisions of the Bank Secrecy Act, and the  
11 USA PATRIOT Act;

12       (4) Require the authorized delegate to remit and handle money and monetary value in accordance  
13 with the terms of the contract between the licensee and the authorized delegate;

14       (5) Impose a trust on money and monetary value net of fees received for money transmission for the  
15 benefit of the licensee;

16       (6) Require the authorized delegate to prepare and maintain records as required by sections 361.900  
17 to 361.1035 or regulations implementing sections 361.900 to 361.1035, or as reasonably requested by the  
18 commissioner;

19       (7) Acknowledge that the authorized delegate consents to examination or investigation by the  
20 commissioner;

21       (8) State that the licensee is subject to regulation by the commissioner and that, as part of that  
22 regulation, the commissioner may suspend or revoke an authorized delegate designation or require the  
23 licensee to terminate an authorized delegate designation; and

24       (9) Acknowledge receipt of the written policies and procedures required under subdivision (1) of  
25 subsection 1 of this section.

26       5. If the licensee's license is suspended, revoked, surrendered, or expired, the licensee shall, within  
27 five business days, provide documentation to the commissioner that the licensee has notified all applicable  
28 authorized delegates of the licensee whose names are in a record filed with the commissioner of the  
29 suspension, revocation, surrender, or expiration of a license. Upon suspension, revocation, surrender, or  
30 expiration of a license, applicable authorized delegates shall immediately cease to provide money  
31 transmission as an authorized delegate of the licensee.

32       6. An authorized delegate of a licensee holds in trust for the benefit of the licensee all money net of  
33 fees received from money transmission. If any authorized delegate commingles any funds received from  
34 money transmission with any other funds or property owned or controlled by the authorized delegate, all  
35 commingled funds and other property shall be considered held in trust in favor of the licensee in an amount  
36 equal to the amount of money net of fees received from money transmission.

37       7. An authorized delegate shall not use a subdelegate to conduct money transmission on behalf of a  
38 licensee.

39       361.978. A person shall not engage in the business of money transmission on behalf of a person not

1 licensed under sections 361.900 to 361.1035 or not exempt under sections 361.909 and 361.912. A person  
2 that engages in such activity provides money transmission to the same extent as if the person were a licensee  
3 and shall be jointly and severally liable with the unlicensed or nonexempt person.

4 361.981. 1. The circuit court in an action brought by a licensee shall have jurisdiction to grant  
5 appropriate equitable or legal relief, including without limitation prohibiting the authorized delegate from  
6 directly or indirectly acting as an authorized delegate for any licensee in this state and the payment of  
7 restitution, damages, or other monetary relief, if the circuit court finds that an authorized delegate failed to  
8 remit money in accordance with the written contract required by subsection 2 of section 361.1275 or as  
9 otherwise directed by the licensee or required by law.

10 2. If the circuit court issues an order prohibiting a person from acting as an authorized delegate for  
11 any licensee under subsection 1 of this section, the licensee that brought the action shall report the order to  
12 the commissioner within thirty days and shall report the order through NMLS within ninety days.

13 3. An authorized delegate who holds money in trust for the benefit of a licensee and knowingly fails  
14 to remit more than one thousand dollars of such money is guilty of a class E felony.

15 4. An authorized delegate who holds money in trust for the benefit of a licensee and knowingly fails  
16 to remit no more than one thousand dollars of such money is guilty of a class A misdemeanor.

17 361.984. 1. Every licensee shall forward all money received for transmission in accordance with the  
18 terms of the agreement between the licensee and the sender unless the licensee has a reasonable belief or a  
19 reasonable basis to believe that the sender may be a victim of fraud or that a crime or violation of law, rule, or  
20 regulation has occurred, is occurring, or may occur.

21 2. If a licensee fails to forward money received for transmission in accordance with this section, the  
22 licensee shall respond to inquiries by the sender with the reason for the failure unless providing a response  
23 would violate a state or federal law, rule, or regulation.

24 361.987. 1. This section shall not apply to:

25 (1) Money received for transmission subject to the federal Remittance Rule, 12 C.F.R. Part 1005,  
26 Subpart B, as amended or recodified from time to time; or

27 (2) Money received for transmission under a written agreement between the licensee and payee to  
28 process payments for goods or services provided by the payee.

29 2. Every licensee shall refund to the sender within ten days of receipt of the sender's written request  
30 for a refund any and all money received for transmission unless any of the following occurs:

31 (1) The money has been forwarded within ten days of the date on which the money was received for  
32 transmission;

33 (2) Instructions have been given committing an equivalent amount of money to the person  
34 designated by the sender within ten days of the date on which the money was received for transmission;

35 (3) The agreement between the licensee and the sender instructs the licensee to forward the money at  
36 a time that is beyond ten days of the date on which the money was received for transmission. If funds have  
37 not yet been forwarded in accordance with the terms of the agreement between the licensee and the sender,  
38 the licensee shall issue a refund in accordance with the other provisions of this section;

39 (4) The refund is requested for a transaction that the licensee has not completed based on a

1 reasonable belief or a reasonable basis to believe that a crime or violation of law, rule, or regulation has  
 2 occurred, is occurring, or may occur; or

3 (5) The refund request does not enable the licensee to:

4 (a) Identify the sender's name and address or telephone number; or

5 (b) Identify the particular transaction to be refunded in the event the sender has multiple transactions  
 6 outstanding.

7 361.990. 1. This section shall not apply to:

8 (1) Money received for transmission subject to the federal Remittance Rule, 12 C.F.R. Part 1005,  
 9 Subpart B, as amended or recodified from time to time;

10 (2) Money received for transmission that is not primarily for personal, family, or household  
 11 purposes;

12 (3) Money received for transmission under a written agreement between the licensee and payee to  
 13 process payments for goods or services provided by the payee; or

14 (4) Payroll processing services.

15 2. For purposes of this section, "receipt" means a paper receipt, electronic record, or other written  
 16 confirmation. For a transaction conducted in person, the receipt may be provided electronically if the sender  
 17 requests or agrees to receive an electronic receipt. For a transaction conducted electronically or by phone, a  
 18 receipt may be provided electronically. All electronic receipts shall be provided in a retainable form.

19 3. (1) Every licensee or its authorized delegate shall provide the sender a receipt for money received  
 20 for transmission. The receipt shall contain the following information, as applicable:

21 (a) The name of the sender;

22 (b) The name of the designated recipient;

23 (c) The date of the transaction;

24 (d) The unique transaction or identification number;

25 (e) The name of the licensee, NMLS unique identifier, the licensee's business address, and the  
 26 licensee's customer service telephone number;

27 (f) The amount of the transaction in United States dollars;

28 (g) Any fee charged by the licensee to the sender for the transaction; and

29 (h) Any taxes collected by the licensee from the sender for the transaction.

30 (2) The receipt required by this section shall be in English and in the language principally used by  
 31 the licensee or authorized delegate to advertise, solicit, or negotiate, either orally or in writing, for a  
 32 transaction conducted in person, electronically, or by phone, if other than English.

33 361.996. 1. A licensee that provides payroll processing services shall:

34 (1) Issue reports to clients detailing client payroll obligations in advance of the payroll funds being  
 35 deducted from an account; and

36 (2) Make available worker paystubs or an equivalent statement to workers.

37 2. Subsection 1 of this section shall not apply to a licensee providing payroll processing services if  
 38 the licensee's client designates the intended recipients to the licensee and is responsible for providing the  
 39 disclosures required by subdivision (2) of subsection 1 of this section.

1       361.999. 1. A licensee under sections 361.900 to 361.1035 shall maintain at all times a tangible net  
2 worth of the greater of one hundred thousand dollars or three percent of total assets for the first one hundred  
3 million dollars, two percent of additional assets for one hundred million dollars to one billion dollars, and  
4 one-half of one percent of additional assets for over one billion dollars.

5       2. Tangible net worth shall be demonstrated at initial application by the applicant's most recent  
6 audited or unaudited financial statements under subdivision (6) of subsection 2 of section 361.936.

7       361.1002. 1. An applicant for a money transmission license shall provide, and a licensee at all times  
8 shall maintain, security consisting of a surety bond in a form satisfactory to the commissioner.

9       2. The amount of the required security shall be:

10       (1) The greater of one hundred thousand dollars or an amount equal to one hundred percent of the  
11 licensee's average daily money transmission liability in this state calculated for the most recently completed  
12 three-month period, up to a maximum of five hundred thousand dollars; or

13       (2) In the event that the licensee's tangible net worth exceeds ten percent of the total assets, a surety  
14 bond of one hundred thousand dollars.

15       3. A licensee that maintains a bond in the maximum amount provided for in subsection 2 of this  
16 section shall not be required to calculate its average daily money transmission liability in this state for  
17 purposes of this section.

18       361.1005. 1. A licensee shall maintain at all times permissible investments that have a market value  
19 computed in accordance with United States generally accepted accounting principles of not less than the  
20 aggregate amount of all of its outstanding money transmission obligations.

21       2. Except for permissible investments enumerated in subsection 1 of section 361.1008, the  
22 commissioner, with respect to any licensee, may by rule limit the extent to which a specific investment  
23 maintained by a licensee within a class of permissible investments may be considered a permissible  
24 investment if the specific investment represents undue risk to customers not reflected in the market value of  
25 investments.

26       3. Permissible investments, even if commingled with other assets of the licensee, are held in trust for  
27 the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations in the  
28 event of insolvency, the filing of a petition by or against the licensee under the United States Bankruptcy  
29 Code, 11 U.S.C. Section 101-110, as amended or recodified from time to time, for bankruptcy or  
30 reorganization, the filing of a petition by or against the licensee for receivership, the commencement of any  
31 other judicial or administrative proceeding for its dissolution or reorganization, or in the event of an action by  
32 a creditor against the licensee who is not a beneficiary of the statutory trust. No permissible investments  
33 impressed with a trust under this subsection shall be subject to attachment, levy of execution, or sequestration  
34 by order of any court, except for a beneficiary of the statutory trust.

35       4. Upon the establishment of a statutory trust in accordance with subsection 3 of this section or when  
36 any funds are drawn on a letter of credit under subdivision (4) of subsection 1 of section 361.1008, the  
37 commissioner shall notify the applicable regulator of each state in which the licensee is licensed to engage in  
38 money transmission, if any, of the establishment of the trust or the funds drawn on the letter of credit, as  
39 applicable. Notice shall be deemed satisfied if performed under a multistate agreement or through NMLS.

Funds drawn on a letter of credit, and any other permissible investments held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission obligations, are deemed held in trust for the benefit of such purchasers and holders on a pro rata and equitable basis in accordance with statutes under which permissible investments are required to be held in this state, and other states, as applicable. Any statutory trust established under this subsection shall be terminated upon extinguishment of all of the licensee's outstanding money transmission obligations.

5. The commissioner by rule or by order may allow other types of investments that the commissioner determines are of sufficient liquidity and quality to be a permissible investment. The commissioner is authorized to participate in efforts with other state regulators to determine that other types of investments are of sufficient liquidity and quality to be a permissible investment.

361.1008. 1. The following investments are permissible under section 361.1005:

(1) Cash, including demand deposits, savings deposits, and funds in such accounts held for the benefit of the licensee's customers in a federally insured depository financial institution, and cash equivalents, including automated clearing house items in transit to the licensee and automated clearing house items or international wires in transit to a payee, cash in transit via armored car, cash in smart safes, cash in licensee-owned locations, debit card or credit card-funded transmission receivables owed by any bank, or money market mutual funds rated AAA by Standard & Poor's, or the equivalent from any eligible rating service;

(2) Certificates of deposit or senior debt obligations of an insured depository institution, as defined under the Federal Deposit Insurance Act, 12 U.S.C. Section 1813, as amended or recodified from time to time, or as defined under the federal Credit Union Act, 12 U.S.C. Section 1781, as amended or recodified from time to time;

(3) An obligation of the United States or a commission, agency, or instrumentality thereof; an obligation that is guaranteed fully as to principal and interest by the United States; or an obligation of a state or a governmental subdivision, agency, or instrumentality thereof;

(4) One hundred percent of the surety bond provided for under section 361.1002 that exceeds the average daily money transmission liability in this state; and

(5) The full drawable amount of an irrevocable standby letter of credit for which the stated beneficiary is the commissioner that stipulates that the beneficiary need draw only a sight draft under the letter of credit and present it to obtain funds up to the letter of credit amount within seven days of presentation of the items required by paragraph (d) of this subdivision. The letter of credit shall:

(a) Be issued by a federally insured depository financial institution, a foreign bank that is authorized under federal law to maintain a federal agency or federal branch office in a state or states, or a foreign bank that is authorized under state law to maintain a branch in a state that:

a. Bears an eligible rating or whose parent company bears an eligible rating; and

b. Is regulated, supervised, and examined by United States federal or state authorities having regulatory authority over banks, credit unions, and trust companies;

(b) Be irrevocable, unconditional, and indicate that it is not subject to any condition or qualifications outside of the letter of credit;

(c) Not contain references to any other agreements, documents or entities, or otherwise provide for

1 any security interest in the licensee; and

2 (d) Contain an issue date and expiration date, and expressly provide for automatic extension, without  
3 a written amendment, for an additional period of one year from the present or each future expiration date  
4 unless the issuer of the letter of credit notifies the commissioner in writing by certified or registered mail or  
5 courier mail or other receipted means, at least sixty days prior to any expiration date, that the irrevocable  
6 letter of credit will not be extended.

7 2. In the event of any notice of expiration or nonextension of a letter of credit issued under paragraph  
8 (d) of subdivision (4) of subsection 1 of this section, the licensee shall be required to demonstrate to the  
9 satisfaction of the commissioner, fifteen days prior to expiration, that the licensee maintains and will maintain  
10 permissible investments in accordance with subsection 1 of section 361.1005 upon the expiration of the letter  
11 of credit. If the licensee is not able to do so, the commissioner may draw on the letter of credit in an amount  
12 up to the amount necessary to meet the licensee's requirements to maintain permissible investments in  
13 accordance with subsection 1 of section 361.1005. Any such draw shall be offset against the licensee's  
14 outstanding money transmission obligations. The drawn funds shall be held in trust by the commissioner or  
15 the commissioner's designated agent, to the extent authorized by law, as agent for the benefit of the  
16 purchasers and holders of the licensee's outstanding money transmission obligations.

17 3. The letter of credit shall provide that the issuer of the letter of credit will honor, at sight, a  
18 presentation made by the beneficiary to the issuer of the following documents on or prior to the expiration  
19 date of the letter of credit:

20 (1) The original letter of credit, including any amendments; and

21 (2) A written statement from the beneficiary stating that any of the following events have occurred:

22 (a) The filing of a petition by or against the licensee under the United States Bankruptcy Code, 11  
23 U.S.C. Section 101-110, as amended or recodified from time to time, for bankruptcy or reorganization;

24 (b) The filing of a petition by or against the licensee for receivership, or the commencement of any  
25 other judicial or administrative proceeding for its dissolution or reorganization;

26 (c) The seizure of assets of a licensee by the commissioner under an emergency order issued in  
27 accordance with applicable law, on the basis of an action, violation, or condition that has caused or is likely to  
28 cause the insolvency of the licensee; or

29 (d) The beneficiary has received notice of expiration or nonextension of a letter of credit and the  
30 licensee failed to demonstrate to the satisfaction of the beneficiary that the licensee will maintain permissible  
31 investments in accordance with subsection 1 of section 361.1005 upon the expiration or nonextension of the  
32 letter of credit.

33 4. The commissioner may designate an agent to serve on the commissioner's behalf as beneficiary to  
34 a letter of credit so long as the agent and letter of credit meet requirements established by the commissioner.  
35 The commissioner's agent may serve as agent for multiple licensing authorities for a single irrevocable letter  
36 of credit if the proceeds of the drawable amount for the purposes of this subsection are assigned to the  
37 commissioner.

38 5. The commissioner is authorized to participate in multistate processes designed to facilitate the  
39 issuance and administration of letters of credit including, but not limited to, services provided by the NMLS,



1 State Regulatory Registry LLC, or other third parties.

2 6. Unless permitted by the commissioner by rule or by order to exceed the limit as set forth herein,  
3 the following investments are permissible under section 361.1005 to the extent specified:

4 (1) Receivables that are payable to a licensee from its authorized delegates in the ordinary course of  
5 business that are less than seven days old, up to fifty percent of the aggregate value of the licensee's total  
6 permissible investments. Of the receivables permissible under this subdivision, receivables that are payable  
7 to a licensee from a single authorized delegate in the ordinary course of business shall not exceed ten percent  
8 of the aggregate value of the licensee's total permissible investments;

9 (2) The following investments, up to twenty percent per category and combined up to fifty percent of  
10 the aggregate value of the licensee's total permissible investments:

11 (a) A short-term investment bearing an eligible rating. For purposes of this paragraph, "short-term"  
12 means up to six months;

13 (b) Commercial paper bearing an eligible rating;

14 (c) A bill, note, bond, or debenture bearing an eligible rating;

15 (d) United States triparty repurchase agreements collateralized at one hundred percent or more with  
16 United States government or agency securities, municipal bonds, or other securities bearing an eligible rating;

17 (e) Money market mutual funds rated less than "AAA" and equal to or higher than "A-" by Standard  
18 & Poor's, or the equivalent from any other eligible rating service; and

19 (f) A mutual fund or other investment fund composed solely and exclusively of one or more  
20 permissible investments listed in subdivisions (1) to (3) of subsection 1 of this section; and

21 (3) Cash, including demand deposits, savings deposits, and funds in such accounts held for the  
22 benefit of the licensee's customers, at foreign depository institutions to ten percent of the aggregate value of  
23 the licensee's total permissible investments if the licensee has received a satisfactory rating in its most recent  
24 examination and the foreign depository institution:

25 (a) Has an eligible rating;

26 (b) Is registered under the Foreign Account Tax Compliance Act;

27 (c) Is not located in any country subject to sanctions from the Office of Foreign Asset Control; and

28 (d) Is not located in a high risk or noncooperative jurisdiction as designated by the Financial Action

29 Task Force.

30 361.1011. 1. The commissioner may suspend or revoke a license or order a licensee to revoke the  
31 designation of an authorized delegate if:

32 (1) The licensee violates sections 361.900 to 361.1035 or a rule adopted or an order issued under  
33 sections 361.900 to 361.1035;

34 (2) The licensee does not cooperate with an examination or investigation by the commissioner;

35 (3) The licensee engages in fraud, intentional misrepresentation, or gross negligence;

36 (4) An authorized delegate is convicted of or enters a plea of guilty or nolo contendere to a felony  
37 involving an act of fraud, dishonesty, or a breach of trust or money laundering or violates a rule adopted or an  
38 order issued under sections 361.900 to 361.1035 as a result of the licensee's willful misconduct or willful  
39 blindness;

1       (5) The competence, experience, character, or general fitness of the licensee, authorized delegate,  
 2 person in control of a licensee, key individual, or responsible person of the authorized delegate indicates that  
 3 it is not in the public interest to permit the person to provide money transmission;

4       (6) The licensee engages in an unsafe or unsound practice;

5       (7) The licensee is insolvent, suspends payment of its obligations, or makes a general assignment for  
 6 the benefit of its creditors; or

7       (8) The licensee does not remove an authorized delegate after the commissioner issues and serves  
 8 upon the licensee a final order including a finding that the authorized delegate has violated sections 361.900  
 9 to 361.1035.

10       2. In determining whether a licensee is engaging in an unsafe or unsound practice, the commissioner  
 11 may consider the size and condition of the licensee's money transmission, the magnitude of the loss, the  
 12 gravity of the violation of sections 361.900 to 361.1035, and the previous conduct of the person involved.

13       361.1014. 1. The commissioner may issue an order suspending or revoking the designation of an  
 14 authorized delegate, if the commissioner finds that:

15       (1) The authorized delegate violated sections 361.900 to 361.1035 or a rule adopted or an order  
 16 issued under sections 361.900 to 361.1035;

17       (2) The authorized delegate did not cooperate with an examination or investigation by the  
 18 commissioner;

19       (3) The authorized delegate engaged in fraud, intentional misrepresentation, or gross negligence;

20       (4) The authorized delegate has been convicted of or pled guilty or nolo contendere to a felony  
 21 involving an act of fraud, dishonesty, or a breach of trust or money laundering;

22       (5) The competence, experience, character, or general fitness of the authorized delegate or a person  
 23 in control of the authorized delegate indicates that it is not in the public interest to permit the authorized  
 24 delegate to provide money transmission; or

25       (6) The authorized delegate is engaging in an unsafe or unsound practice.

26       2. In determining whether an authorized delegate is engaging in an unsafe or unsound practice, the  
 27 commissioner may consider the size and condition of the authorized delegate's provision of money  
 28 transmission, the magnitude of the loss, the gravity of the violation of sections 361.900 to 361.1035 or a rule  
 29 adopted or order issued under sections 361.900 to 361.1035, and the previous conduct of the authorized  
 30 delegate.

31       3. An authorized delegate may apply for relief from a suspension or revocation of designation as an  
 32 authorized delegate according to procedures prescribed by the commissioner.

33       361.1017. 1. If the commissioner determines that a violation of sections 361.900 to 361.1035 or of a  
 34 rule adopted or an order issued under sections 361.900 to 361.1035 by a licensee or authorized delegate is  
 35 likely to cause immediate and irreparable harm to the licensee, its customers, or the public as a result of the  
 36 violation, or cause insolvency or significant dissipation of assets of the licensee, the commissioner may issue  
 37 an order requiring the licensee or authorized delegate to cease and desist from the violation. The order  
 38 becomes effective upon service to the licensee or authorized delegate.

39       2. The commissioner may issue an order against a licensee to cease and desist from providing money

1 transmission through an authorized delegate that is the subject of a separate order by the commissioner.

2 3. An order to cease and desist remains effective and enforceable pending the completion of an  
3 administrative proceeding under chapter 536.

4 4. A licensee or an authorized delegate that is served with an order to cease and desist may petition  
5 the circuit court with jurisdiction for a judicial order setting aside, limiting, or suspending the enforcement,  
6 operation, or effectiveness of the order pending the completion of an administrative proceeding under chapter  
7 536.

8 5. An order to cease and desist expires unless the commissioner commences an administrative  
9 proceeding under chapter 536 within ten days after it is issued.

10 361.1020. The commissioner may enter into a consent order at any time with a person to resolve a  
11 matter arising under sections 361.900 to 361.1035 or a rule adopted or order issued under sections 361.900 to  
12 361.1035. A consent order shall be signed by the person to whom it is issued or by the person's authorized  
13 representative and shall indicate agreement with the terms contained in the order. A consent order may  
14 provide that it does not constitute an admission by a person that sections 361.900 to 361.1035 or a rule  
15 adopted or an order issued under sections 361.900 to 361.1035 has been violated.

16 361.1023. 1. A person that intentionally makes a false statement, misrepresentation, or false  
17 certification in a record filed or required to be maintained under sections 361.900 to 361.1035 or that  
18 intentionally makes a false entry or omits a material entry in such a record is guilty of a class E felony.

19 2. A person that knowingly engages in an activity for which a license is required under sections  
20 361.900 to 361.1035 without being licensed under sections 361.900 to 361.1035 and who receives more than  
21 five hundred dollars in compensation within a thirty-day period for this activity is guilty of a class E felony.

22 3. A person that knowingly engages in an activity for which a license is required under sections  
23 361.900 to 361.1035 without being licensed under sections 361.900 to 361.1035 and who receives no more  
24 than five hundred dollars in compensation within a thirty-day period for this activity is guilty of a class A  
25 misdemeanor.

26 361.1026. The commissioner may assess a civil penalty against a person that violates sections  
27 361.900 to 361.1035 or a rule adopted or an order issued under sections 361.900 to 361.1035 in an amount  
28 not to exceed one thousand dollars per day for each day the violation is outstanding, plus this state's costs and  
29 expenses for the investigation and prosecution of the matter, including reasonable attorney's fees.

30 361.1029. 1. If the commissioner has reason to believe that a person has violated or is violating  
31 section 361.930, the commissioner may issue an order to show cause why an order to cease and desist shall  
32 not be issued requiring that the person cease and desist from the violation of section 361.930.

33 2. In an emergency, the commissioner may petition the circuit court with jurisdiction for the issuance  
34 of a temporary restraining order under the rules of civil procedure.

35 3. An order to cease and desist becomes effective upon service to the person.

36 4. An order to cease and desist remains effective and enforceable pending the completion of an  
37 administrative proceeding under chapter 536.

38 5. A person that is served with an order to cease and desist for violating section 361.930 may petition  
39 the circuit court with jurisdiction for a judicial order setting aside, limiting, or suspending the enforcement,

operation, or effectiveness of the order pending the completion of an administrative proceeding under chapter 536.

6. An order to cease and desist expires unless the commissioner commences an administrative proceeding within ten days after it is issued.

361.1032. In applying and construing sections 361.900 to 361.1035, consideration shall be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it.

361.1035. 1. A person licensed in this state to engage in the business of money transmission shall not be subject to the provisions of sections 361.900 to 361.1035 to the extent that they conflict with current law or establish new requirements not imposed under current law, until such time as the licensee renews the licensee's current license.

2. Notwithstanding subsection 1 of this section, a licensee shall only be required to amend its authorized delegate contracts for contracts entered into or amended after the effective date or the completion of any transition period contemplated under subsection 1 of this section. Nothing herein shall be construed as limiting an authorized delegate's obligations to operate in full compliance with sections 361.900 to 361.1035 as required by subsection 3 of section 361.975."; and

Further amend said bill, Page 2, Section 362.034, Line 43, by inserting after all of said section and line the following:

"427.300. 1. This section shall be known, and may be cited as, the "Commercial Financing Disclosure Law".

2. For purposes of this section, the following terms mean:

(1) "Account":

(a) Includes:

a. A right to payment of a monetary obligation, whether or not earned by performance, for one of the following:

(i) Property that has been or is to be sold, leased, licensed, assigned, or otherwise disposed of;

(ii) Services rendered or to be rendered;

(iii) A policy of insurance issued or to be issued;

(iv) A secondary obligation incurred or to be incurred;

(v) Energy provided or to be provided;

(vi) The use or hire of a vessel under a charter or other contract;

(vii) Arising out of the use of a credit or charge card or information contained on or for use with the card; or

(viii) As winnings in a lottery or other game of chance operated or sponsored by a state, governmental unit of a state, or person licensed or authorized to operate the game by a state or governmental unit of a state; and

b. Health care insurance receivables; and

(b) Shall not include:

1        a. Rights to payment evidenced by chattel paper or an instrument;  
 2        b. Commercial tort claims;  
 3        c. Deposit accounts;  
 4        d. Investment property;  
 5        e. Letter-of-credit rights or letters of credit; or  
 6        f. Rights to payment for moneys or funds advanced or sold, other than rights arising out of the use of  
 7        a credit or charge card or information contained on or for use with the card;

8        (2) "Accounts receivable purchase transaction", any transaction in which the business forwards or  
 9        otherwise sells to the provider all or a portion of the business's accounts or payment intangibles at a discount  
 10       to their expected value. For purposes of this section, the provider's characterization of an accounts receivable  
 11       purchase transaction as a purchase is conclusive that the accounts receivable purchase transaction is not a  
 12       loan or a transaction for the use, forbearance, or detention of moneys;

13       (3) "Broker", any person who, for compensation or the expectation of compensation, obtains a  
 14       commercial financing product or an offer for a commercial financing product from a third party that would, if  
 15       executed, be binding upon that third party and communicates that offer to a business located in this state. The  
 16       term "broker" excludes a "provider", or any individual or entity whose compensation is not based or  
 17       dependent upon the terms of the specific commercial financing product obtained or offered;

18       (4) "Business", an individual or group of individuals, sole proprietorship, corporation, limited  
 19       liability company, trust, estate, cooperative, association, or limited or general partnership engaged in a  
 20       business activity;

21       (5) "Business purpose transaction", any transaction where the proceeds are provided to a business or  
 22       are intended to be used to carry on a business and not for personal, family, or household purposes. For  
 23       purposes of determining whether a transaction is a business purpose transaction, the provider may rely on any  
 24       written statement of intended purpose signed by the business. The statement may be a separate statement or  
 25       may be contained in an application, agreement, or other document signed by the business or the business  
 26       owner or owners;

27       (6) "Commercial financing product", any commercial loan, accounts receivable purchase transaction,  
 28       commercial open-end credit plan, or each to the extent the transaction is a business purpose transaction;

29       (7) "Commercial loan", a loan to a business, whether secured or unsecured;

30       (8) "Commercial open-end credit plan", commercial financing extended by any provider under a  
 31       plan in which:

32       (a) The provider reasonably contemplates repeat transactions; and

33       (b) The amount of financing that may be extended to the business during the term of the plan, up to  
 34       any limit set by the provider, is generally made available to the extent that any outstanding balance is repaid;

35       (9) "Depository institution", any of the following:

36       (a) A bank, trust company, or industrial loan company doing business under the authority of, or in  
 37       accordance with, a license, certificate, or charter issued by the United States, this state, or any other state,  
 38       district, territory, or commonwealth of the United States that is authorized to transact business in this state;

39       (b) A federally chartered savings and loan association, federal savings bank, or federal credit union

1 that is authorized to transact business in this state; and

2 (c) A savings and loan association, savings bank, or credit union organized under the laws of this or  
3 any other state that is authorized to transact business in this state;

4 (10) "General intangible", any personal property, including things in action, other than accounts,  
5 chattel paper, commercial tort claims, deposit accounts, documents, goods, instruments, investment property,  
6 letter-of-credit rights, letters of credit, moneys, and oil, gas, or other minerals before extraction. "General  
7 intangible" also includes payment intangibles and software;

8 (11) "Payment intangible", a general intangible under which the account debtor's principal obligation  
9 is a monetary obligation;

10 (12) "Provider", a person who consummates more than five commercial financing products to a  
11 business located in this state in any calendar year. "Provider" also includes a person who enters into a written  
12 agreement with a depository institution to arrange for the extension of a commercial financing product by the  
13 depository institution to a business via an online lending platform administered by the person. The fact that a  
14 provider extends a specific offer for a commercial financing product on behalf of a depository institution shall  
15 not be construed to mean that the provider engaged in lending or financing or originated such loan or  
16 financing.

17 3. (1) A provider who consummates a commercial financing product shall disclose the terms of the  
18 commercial financing product as required by this section. The disclosures shall be provided at or before  
19 consummation of the transaction. Only one disclosure is required for each commercial financing product,  
20 and a disclosure is not required as a result of the modification, forbearance, or change to a consummated  
21 commercial financing product.

22 (2) A provider shall disclose the following in connection with each commercial financing product:

23 (a) The total amount of funds provided to the business under the terms of the commercial financing  
24 product. This disclosure shall be labeled "Total Amount of Funds Provided";

25 (b) The total amount of funds disbursed to the business under the terms of the commercial financing  
26 product, if less than the total amount of funds provided, as a result of any fees deducted or withheld at  
27 disbursement and any amount paid to a third party on behalf of the business. This disclosure shall be labeled  
28 "Total Amount of Funds Disbursed";

29 (c) The total amount to be paid to the provider pursuant to the commercial financing product  
30 agreement. This disclosure shall be labeled "Total of Payments";

31 (d) The total dollar cost of the commercial financing product under the terms of the agreement,  
32 derived by subtracting the total amount of funds provided from the total of payments. This calculation shall  
33 include any fees or charges deducted by the provider from the "Total Amount of Funds Provided". This  
34 disclosure shall be labeled "Total Dollar Cost of Financing";

35 (e) The manner, frequency, and amount of each payment. This disclosure shall be labeled  
36 "Payments". If the payments may vary, the provider shall instead disclose the manner, frequency, and the  
37 estimated amount of the initial payment labeled "Estimated Payments", and the commercial financing product  
38 agreement shall include a description of the methodology for calculating any variable payment and the  
39 circumstances when payments may vary; and

(f) A statement of whether there are any costs or discounts associated with prepayment of the commercial financing product, including a reference to the paragraph in the agreement that creates the contractual rights of the parties related to prepayment. This disclosure shall be labeled "Prepayment".

4. This section shall not apply to the following:

(1) A provider that is a depository institution or a subsidiary or service corporation that is:

(a) Owned and controlled by a depository institution; and

(b) Regulated by a federal banking agency;

(2) A provider that is a lender regulated under the federal Farm Credit Act, 12 U.S.C. Sec. 2001 et seq.;

(3) A commercial financing product that is:

(a) Secured by real property;

(b) A lease; or

(c) A purchase-money obligation that is incurred as all or part of the price of the collateral or for value given to enable the business to acquire rights in or the use of the collateral if the value is in fact so used;

(4) A commercial financing product in which the recipient is a motor vehicle dealer or an affiliate of such a dealer, or a vehicle rental company, or an affiliate of such a company, pursuant to a commercial loan or commercial open-end credit plan of at least fifty thousand dollars or a commercial financing product offered by a person in connection with the sale or lease of products or services that such person manufactures, licenses, or distributes, or whose parent company or any of its directly or indirectly owned and controlled subsidiaries manufactures, licenses, or distributes;

(5) A commercial financing product that is a factoring transaction, purchase, sale, advance, or similar of accounts receivables owed to a health care provider because of a patient's personal injury treated by the health care provider;

(6) A provider who is licensed as a money transmitter in accordance with a license, certificate, or charter issued by this state, or any other state, district, territory, or commonwealth of the United States;

(7) A provider who consummates no more than five commercial financing products in this state in a twelve-month period; or

(8) A transaction in which the provider has an obligation to advance more than five hundred thousand dollars.

5. (1) No person shall engage in business as a broker for commercial financing within this state, for compensation, unless prior to conducting such business, the person has filed a registration with the division of finance within the department of commerce and insurance and has on file a good and sufficient bond as specified in this subsection. The registration shall be effective upon receipt by the division of finance of a completed registration form and the required registration fee, and shall remain effective until the time of renewal.

(2) After filing an initial registration form, a broker shall file, on or before January thirty-first of each year, a renewal registration form along with the required renewal registration fee.

(3) The broker shall pay a one-hundred-dollar registration fee upon the filing of an initial registration and a fifty-dollar renewal fee upon the filing of a renewal registration.

1       (4) The registration form required by this subsection shall include:

2       (a) The name of the broker;

3       (b) The name in which the broker is transacted if different from that stated in paragraph (a) of this  
4 subdivision;

5       (c) The address of the broker's principal office, which may be outside this state;

6       (d) Whether any officer, director, manager, operator, or principal of the broker has been convicted of  
7 a felony involving an act of fraud, dishonesty, breach of trust, or money laundering; and

8       (e) The name and address in this state of a designated agent upon whom service of process may be  
9 made.

10       (5) If information in a registration form changes or otherwise becomes inaccurate after filing, the  
11 broker shall not be required to file a further registration form prior to the time of renewal.

12       (6) Each broker shall obtain a surety bond issued by a surety company authorized to do business in  
13 this state. The amount of the bond shall be ten thousand dollars. The bond shall be in favor of the state of  
14 Missouri. Any person damaged by the broker's breach of contract or of any obligation arising therefrom, or  
15 by any violation of this section, may bring an action against the bond to recover damages suffered. The  
16 aggregate liability of the surety shall be only for actual damages and in no event shall exceed the amount of  
17 the bond.

18       (7) Employees regularly employed by a broker who has complied with this subsection shall not be  
19 required to file a registration or obtain a surety bond when acting within the scope of their employment for  
20 the broker.

21       6. (1) Any person who violates any provision of this section shall be punished by a fine of five  
22 hundred dollars per incident, not to exceed twenty thousand dollars for all aggregated violations arising from  
23 the use of the transaction documentation or materials found to be in violation of this section. Any person  
24 who violates any provision of this section after receiving written notice of a prior violation from the attorney  
25 general shall be punished by a fine of one thousand dollars per incident, not to exceed fifty thousand dollars  
26 for all aggregated violations arising from the use of the transaction documentation or materials found to be in  
27 violation of this section.

28       (2) Violation of any provision of this section shall not affect the enforceability or validity of the  
29 underlying agreement.

30       (3) This section shall not create a private right of action against any person or other entity based  
31 upon compliance or noncompliance with its provisions.

32       (4) Authority to enforce compliance with this section is vested exclusively in the attorney general of  
33 this state.

34       7. The requirements of subsections 3 and 5 of this section shall take effect upon the earlier of:

35       (1) Six months after the division of finance finalizes promulgating rules, if the division intends to  
36 promulgate rules; or

37       (2) February 28, 2024, if the division does not promulgate rules.

38       8. The division of finance may promulgate rules implementing this section. If the division of finance  
39 intends to promulgate rules, it shall declare its intent to do so no later than February 28, 2024. Any rule or



portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2023, shall be invalid and void.

[361.700. 1. Sections 361.700 to 361.727 shall be known and may be cited as the "Sale of Checks Law".

2. For the purposes of sections 361.700 to 361.727, the following terms mean:

- (1) "Check", any instrument for the transmission or payment of money and shall also include any electronic means of transmitting or paying money;
- (2) "Director", the director of the division of finance;
- (3) "Licensee", any person duly licensed by the director pursuant to sections 361.700 to 361.727;
- (4) "Person", any individual, partnership, association, trust or corporation.]

[361.705. 1. No person shall issue checks in this state for a consideration without first obtaining a license from the director; provided, however, that sections 361.700 to 361.727 shall not apply to the receipt of money by an incorporated telegraph company at any office or agency of such company for immediate transmission by telegraph nor to any bank, trust company, savings and loan association, credit union, or agency of the United States government.

2. Any person who violates any of the provisions of sections 361.700 to 361.727 or attempts to sell or issue checks without having first obtained a license from the director shall be deemed guilty of a class A misdemeanor.]

[361.707. 1. Each application for a license pursuant to sections 361.700 to 361.727 shall be in writing and under oath to the director in such form as he may prescribe. The application shall state the full name and business address of:

- (1) The proprietor, if the applicant is an individual;
- (2) Every member, if the applicant is a partnership or association;
- (3) The corporation and each officer and director thereof, if the applicant is a corporation.

2. Each application for a license shall be accompanied by an investigation fee of three hundred dollars. If the license is granted the investigation fee shall be applied to the license fee for the first year. No investigation fee shall be refunded.]

[361.711. Each application for a license shall be accompanied by a corporate surety bond in the principal sum of one hundred thousand dollars. The bond shall be in form satisfactory to the director and shall be issued by a bonding company or insurance company authorized to do business in this state, to secure the faithful performance of the obligations of the applicant and the agents and subagents of the applicant with respect to the receipt, transmission, and payment of money in connection with the sale or issuance of checks and also to pay the costs incurred by the division to remedy any breach of the obligations of the applicant subject to the bond or to pay examination costs of the division owed and not paid by the applicant. Upon license renewal, the required amount of bond shall be as follows:

- (1) For all licensees selling payment instruments or stored value cards, five times the high outstanding balance from the previous year with a minimum of one hundred thousand dollars and a maximum of one million dollars;

(2) For all licensees receiving money for transmission, five times the greatest amount transmitted in a single day during the previous year with a minimum of one hundred thousand dollars and a maximum of one million dollars.

If in the opinion of the director the bond shall at any time appear to be inadequate, insecure, exhausted, or otherwise doubtful, additional bond in form and with surety satisfactory to the director shall be filed within fifteen days after notice of the requirement is given to the licensee by the director. An applicant or licensee may, in lieu of filing any bond required under this section, provide the director with an irrevocable letter of credit, as defined in section 400.5-103, issued by any state or federal financial institution. Whenever in the director's judgment it is necessary or expedient, the director may perform a special examination of any person licensed under sections 361.700 to 361.727 with all authority under section 361.160 as though the licensee were a bank. The cost of such examination shall be paid by the licensee.]

[361.715. 1. Upon the filing of the application, the filing of a certified audit, the payment of the investigation fee and the approval by the director of the necessary bond, the director shall cause, investigate, and determine whether the character, responsibility, and general fitness of the principals of the applicant or any affiliates are such as to command confidence and warrant belief that the business of the applicant will be conducted honestly and efficiently and that the applicant is in compliance with all other applicable state and federal laws. If satisfied, the director shall issue to the applicant a license pursuant to the provisions of sections 361.700 to 361.727. In processing a renewal license, the director shall require the same information and follow the same procedures described in this subsection.

2. Each licensee shall pay to the director before the issuance of the license, and annually thereafter on or before April fifteenth of each year, a license fee of three hundred dollars.

3. The director may assess a reasonable charge, not to exceed three hundred dollars, for any application to amend and reissue an existing license.]

[361.718. Every licensee shall at all times have on demand deposit in a federally insured depository institution or in the form of cash on hand or in the hands of his agents or in readily marketable securities an amount equal to all outstanding unpaid checks sold by him or his agents in Missouri, in addition to the amount of his bond. Upon demand by the director, licensees must immediately provide proof of such funds or securities. The director may make such demand as often as reasonably necessary and shall make such demand to each licensee, without prior notice, at least twice each license year.]

[361.720. Each licensee may conduct business at one or more locations within this state and by means of employees, agents, subagents or representatives as such licensee may designate. No license under sections 361.700 to 361.727 shall be required of any such employee, agent, subagent or representative who sells checks in behalf of a licensee. Each such agent, subagent or representative shall upon demand transfer and deliver to the licensee the proceeds of the sale of licensee's checks less the fees, if any, due such agent, subagent or representative.]

[361.723. Each licensee shall file with the director annually on or before April fifteenth of each year a statement listing the locations of the offices of the licensee and the names and locations of the agents or subagents authorized by the licensee to engage in the sale of checks of which the licensee is the issuer.]

[361.725. The director may at any time suspend or revoke a license, for any

1 ~~reason he might refuse to grant a license, for failure to pay an annual fee or for a violation~~  
2 ~~of any provision of sections 361.700 to 361.727. No license shall be denied, revoked or~~  
3 ~~suspended except on ten days' notice to the applicant or licensee. Upon receipt of such~~  
4 ~~notice the applicant or licensee may, within five days of such receipt, make written~~  
5 ~~demand for a hearing. The director shall thereafter hear and determine the matter in~~  
6 ~~accordance with the provisions of chapter 536.]~~  
7

8 [361.727. The director shall issue regulations necessary to carry out the intent and  
9 purposes of sections 361.700 to 361.727, pursuant to the provisions of section 361.105  
10 and chapter 536.]; and

11  
12 Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.