

SECOND REGULAR SESSION

HOUSE BILL NO. 2412

103RD GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE KEATHLEY.

4156H.01I

JOSEPH ENGLER, Chief Clerk

AN ACT

To amend chapter 361, RSMo, by adding thereto four new sections relating to foreign remittance transfers, with penalty provisions.

Be it enacted by the General Assembly of the state of Missouri, as follows:

- Section A. Chapter 361, RSMo, is amended by adding thereto four new sections, to be known as sections 361.1040, 361.1042, 361.1044, and 361.1046, to read as follows:
- 361.1040. As used in sections 361.1040 to 361.1046, the following terms mean:**
- (1) "Department", the department of commerce and insurance;
 - (2) "Director", the director of finance of the division of finance;
 - (3) "Division", the division of finance of the department of commerce and insurance;
 - (4) "Foreign remittance transfer", a remittance transfer as defined in the Electronic Fund Transfer Act, 15 U.S.C. Section 1693o-1, as amended, the recipient of which is located in any country other than the United States;
 - (5) "Licensee", a person licensed under sections 361.900 to 361.1035;
 - (6) "Person", any individual, general partnership, limited partnership, limited liability company, corporation, trust, association, joint stock corporation, or other corporate entity identified by the director of the division;
 - (7) "Unauthorized alien", an alien who does not have the legal right or authorization under federal law to work in the United States, as defined under 8 U.S.C. Section 1324a(h)(3), as amended.

EXPLANATION — Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

361.1042. 1. In addition to the requirements specified under sections 361.900 to 361.1035, a licensee shall not initiate a foreign remittance transfer unless the licensee has verified that the sender is not an unauthorized alien.

2. A licensee shall provide to the division confirmation of verification that the sender of a foreign remittance transfer is not an unauthorized alien on forms developed by the division. The licensee shall submit the forms to the division not later than the fifteenth day of the month following the close of each calendar quarter.

3. (1) A licensee shall pay a penalty equal to twenty-five percent of the United States dollar amount transferred, excluding any fees or charges imposed by the licensee, for any foreign remittance transfer initiated in violation of subsection 1 of this section.

(2) Penalties owed under subdivision (1) of this subsection shall be remitted quarterly to the division in addition to any forms that the division may prescribe for such purpose. All such penalties and forms shall be submitted to the division not later than the fifteenth day of the month following the close of each calendar quarter.

(3) Notwithstanding any other provision of this chapter, failure to comply with subsections 1 and 2 of this section does not subject a licensee to any penalty other than the penalty imposed under subdivision (1) of this subsection.

4. Notwithstanding the provisions of section 361.915 or any other provision of law, all moneys collected by the division under sections 361.1040 to 361.1046 shall be deposited into the state treasury to the credit of the Missouri disaster fund established under section 44.032 to aid in carrying out the purpose of such section.

361.1044. 1. Each licensee who initiates a foreign remittance transfer under sections 361.1040 to 361.1046 shall make, keep, and preserve the following books, accounts, records, and documents for three years:

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

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

(3) Bank statements and bank reconciliation records;

(4) Records of outstanding money transmission obligations;

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

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

(7) Records of:

(a) The documentation used to verify that the sender of a foreign remittance transfer is not an unauthorized alien; and

16 (b) Penalties paid pursuant to subsection 3 of section 361.1042, including the
17 date and amount of each foreign remittance transfer and the name, date of birth, and
18 address of each sender;

19 (8) Any other records, as prescribed by rule, designed to detect and prevent the
20 unauthorized foreign remittance transfer; and

21 (9) Any other records the director may reasonably require by rule.

22 2. The items required under subsection 1 of this section may be maintained in
23 any form of record. All records maintained by the licensee shall be open to inspection
24 by the director.

 361.1046. 1. For the purpose of enforcement of sections 361.1040 to 361.1046,
2 the division may at any time request, and the licensee shall provide, records of
3 documentation used to verify that the sender of a foreign remittance transfer is not an
4 unauthorized alien.

5 2. A person who has a good faith belief that a licensee has failed to comply with
6 sections 361.1040 to 361.1046 may file a written complaint with the division setting forth
7 supporting details. A person who knowingly files a false or frivolous complaint under
8 this subsection, including any complaint that violates federal law, shall be guilty of a
9 Class B misdemeanor.

10 3. Upon receipt of a valid complaint substantiated by evidence of a violation of
11 sections 361.1040 to 361.1046, the division shall notify the licensee of the complaint and
12 direct the licensee to pay the penalty required under subsection 3 of section 361.1042.

13 4. In addition to the requirements under subsection 1 of this section, beginning
14 July 1, 2027, the division shall conduct random quarterly audits of licensees to ensure
15 compliance with sections 361.1040 to 361.1046. During an audit, a licensee shall
16 produce records of the documentation used to verify that each sender of a foreign
17 remittance transfer is not an unauthorized alien. A licensee that fails to comply with
18 sections 361.1040 and 361.1046 is subject to the penalty under subsection 3 of section
19 361.1042.

20 5. Failure to comply with subsection 4 of this section constitutes grounds for the
21 suspension of all licenses held by the licensee that were issued by the division.

22 6. The state banking and savings and loan board created under section 361.092
23 shall with reasonable promptness hear and by order determine all appeals permitted by
24 law relating to the suspension of a licensee's licenses by the division. The board shall
25 render a decision within ninety days from the date of receiving an appeal. The board
26 shall establish procedures applicable to the hearings consistent with the provisions
27 contained in sections 361.094 to 361.096.

28 7. The division shall not audit a licensee more than once every two years unless
29 an audit within the last six months found the licensee to be in noncompliance with
30 section 361.1042.

31 8. The department may promulgate all necessary rules and regulations for the
32 administration of sections 361.1040 to 361.1046, including the adoption of rules
33 governing the procedures and forms necessary to implement such sections. Any rule or
34 portion of a rule, as that term is defined in section 536.010, that is created under the
35 authority delegated in this section shall become effective only if it complies with and is
36 subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This
37 section and chapter 536 are nonseverable and if any of the powers vested with the
38 general assembly pursuant to chapter 536 to review, to delay the effective date, or to
39 disapprove and annul a rule are subsequently held unconstitutional, then the grant of
40 rulemaking authority and any rule proposed or adopted after August 28, 2026, shall be
41 invalid and void.

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