

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1991

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SENATE BILL 69

Short Title: Money Transmitters Act.

(Public)

Sponsors: Senator Staton; Carpenter and Conder.

Referred to: Banks and Thrift Institutions.

February 13, 1991

1 A BILL TO BE ENTITLED
2 AN ACT TO REGULATE THE TRANSMISSION OF MONEY AND THE SALE OF
3 CHECKS.

4 The General Assembly of North Carolina enacts:

5 Section 1. G.S. 53-192 reads as rewritten:

6 "ARTICLE 16.

7 "~~SALE OF CHECKS ACT.~~

8 "MONEY TRANSMITTERS ACT.

9 "§ 53-192. Citation of Article.

10 This Article shall be known and may be cited as the "~~Sale of Checks Act.~~" "Money
11 Transmitters Act."

12 Sec. 2. G.S. 53-193 reads as rewritten:

13 "§ 53-193. Definitions. **For the purpose of this Article:**

14 (1) 'Person' means any individual, partnership, association, joint stock
15 association, trust or corporation;

16 (2) 'Licensee' means any person duly licensed by the Commissioner
17 pursuant to this Article;

18 (3) 'Check' means any check, draft, money order or other instrument for
19 the transmission or payment of money including any instrument
20 transmitted by wire or any other means;

21 (4) 'Commissioner' means the Commissioner of Banks of the State of
22 North Carolina."

23 Sec. 3. G.S. 53-197 reads as rewritten:

24 "§ 53-197. Investigation fee.

1 Each application for a license shall be accompanied by an investigation fee of five
2 hundred dollars (\$500.00). ~~If the license is granted, the investigation fee shall be applied to~~
3 ~~the license fee for the first year.~~—No investigation fee shall be refunded."

4 Sec. 4. Article 16 of Chapter 53 is amended by adding a new section to read:

5 **"§ 53 -199.1. Required investments; permissible investments.**

6 (a) Every licensee under this act shall at all times when such license is in effect
7 have on hand permissible investments in an amount equal to the aggregate face value of
8 all outstanding checks sold by the licensee in the United States, except travellers checks,
9 for which the licensee is liable for payment. Provided, however, this section shall not
10 apply to any licensee who is found by the Commissioner, upon examination of audited
11 financial statements and other appropriate analysis, to have sufficient liquid assets so as
12 to conduct its business in a safe and sound manner.

13 (b) For the purposes of this section, 'permissible investments' means:

14 (1) Cash;

15 (2) Investment securities that are obligations of the United States, its
16 agencies or instrumentalities, or obligations that are guaranteed fully
17 as to principal and interest by the United States, or any obligations of
18 any state, municipality, or of any political subdivision thereof; or

19 (3) Any other investments approved by the Commissioner.

20 (c) The Commissioner may adopt and enforce rules with respect to required
21 permissible investments in order to prevent unsafe and unsound practices."

22 Sec. 5. G.S. 53-202 reads as rewritten:

23 **"§ 53-202. License fees.**

24 Each licensee shall pay to the Commissioner within five days after the issuance of
25 the license, and annually thereafter on or before ~~June 30~~ December 31 of each year, a
26 license fee of ~~five hundred dollars (\$500.00)~~ one thousand dollars (\$1,000), plus twenty-
27 five dollars (\$25.00) for each location at which its checks are sold, up to a maximum
28 amount of ten thousand dollars (\$10,000). Provided, however, there shall be no per
29 location fee payable for locations exempted under G.S. 53-205. Provided further, for the
30 year ending December 31, 1991, each licensee shall pay a license fee of five hundred
31 dollars (\$500.00), plus twenty-five dollars (\$25.00) for each location at which its checks
32 are sold, up to a maximum amount of ten thousand dollars (\$10,000)."

33 Sec. 6. G.S. 53-203 reads as rewritten:

34 **"§ 53-203. More than one location authorized; employees, agents and**
35 **representatives.**

36 Each licensee may conduct business at one or more locations within this State and
37 through or by means of such employees, agents, subagents or representatives as such
38 licensee may from time to time designate and appoint. No license under this Article
39 shall be required of any such employee, agent, subagent or representative who is acting
40 for or on behalf of a licensee hereunder in the sale of checks of which the licensee is the
41 issuer. Provided, however, each location, other than locations exempted under G.S. 53-
42 195, selling checks and money orders must post in public view a certificate which
43 discloses the name of the issuer and cites the authority under which such issuer is
44 operating. Provided further, each licensee must file with the Commissioner a quarterly

1 report of agent activity, the scope of which report shall be set by regulation. Each such
2 agent, subagent or representative shall upon demand transfer and deliver to the licensee
3 the proceeds of the sale of licensee's checks less the fees, if any, due such agent,
4 subagent or representative."

5 Sec. 7. Article 16 of Chapter 53 of the General Statutes is amended by
6 adding a new section to read:

7 **"§ 53-203.1. Checks to bear name of issuer.**

8 Each check, draft, money order or other payment issued or sold by a licensee, either
9 directly or indirectly, or through an agent, shall bear the name, along with the address or
10 telephone number of the issuer clearly imprinted thereon."

11 Sec. 8. G.S. 53-204 reads as rewritten:

12 **"§ 53-204. Annual lists of locations and agents; annual financial statements; audits.**

13 Each licensee shall file with the Commissioner annually on or before ~~June 30~~
14 December 31 of each year a statement listing the locations of the offices of the licensee
15 and the names and locations of the agents or subagents authorized by the licensee to
16 engage in the sale of checks of which the licensee is the issuer and shall also file a
17 statement correctly reflecting its net worth as of the close of its most recent fiscal year,
18 such statement to be certified to by a certified public accountant satisfactory to the
19 Commissioner. Such statement shall be filed no later than April 30 for the preceding
20 year. The Commissioner may conduct or cause to be conducted an examination or audit
21 of the books and records of any licensee at any time or times he shall deem proper, the
22 cost of such examination or audit to be borne by the licensee. In lieu of such
23 examination or audit, the Commissioner may accept an audit or examination report
24 compiled by money transmitter regulators of another state. The refusal of access to such
25 books and records shall be cause for the revocation of license."

26 Sec. 9. G.S. 53-195 reads as rewritten:

27 **"§ 53-195. Exemptions.**

28 Nothing in this Article shall apply to the sale or issuance of checks by:

- 29 (1) Corporations organized under the general banking laws of this State or
30 of the United States.
- 31 (2) The government of the United States or any department or agency
32 thereof.
- 33 (3) Savings and loan associations and credit unions organized under the
34 laws of this State or of the United States."

35 Sec. 10. This act becomes effective October 1, 1991.