

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 10-0039.01 Jery Payne

HOUSE BILL 10-1114

HOUSE SPONSORSHIP

Liston,

SENATE SPONSORSHIP

(None),

House Committees

Business Affairs and Labor
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE REGISTRATION OF AGENTS OF PERSONS IN THE**
102 **BUSINESS OF TRANSMITTING MONEY.**

Bill Summary

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

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

- ! Providing information to the banking board;

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

- ! Signing a notice of the laws governing money transmission; and
- ! Payment of a fee.

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

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

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

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

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

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

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

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

16 (V) THE COMMISSIONER MAY EXCHANGE INFORMATION AS
17 PROVIDED BY PART 2 OF ARTICLE 52 OF TITLE 12, C.R.S.

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

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

15 **12-52-204. Records.** THE INFORMATION SENT TO THE BANKING
16 BOARD UNDER SECTION 12-52-201 AND THE RECORDS REQUIRED BY
17 SECTION 12-52-203 SHALL BE OPEN TO ANY LAW ENFORCEMENT OFFICER
18 ACTING WITHIN THE SCOPE AND COURSE OF THE OFFICER'S OFFICIAL
19 DUTIES.

20 **12-52-205. Agent requirements.** (1) NO MONEY TRANSMITTER
21 LICENSED PURSUANT TO PART 1 OF THIS ARTICLE SHALL KNOWINGLY
22 EMPLOY AN AGENT WHO HAS BEEN CONVICTED OF OR PLEADED GUILTY OR
23 NOLO CONTENDERE TO THE OFFENSES IN ARTICLE 5 OF TITLE 18, C.R.S., OR
24 IN SECTION 18-18-408, C.R.S.; A FELONY IN THE SELLING OR ISSUING OF
25 EXCHANGE OR IN MONEY TRANSMISSION; A FELONY INVOLVING A
26 FINANCIAL INSTITUTION; OR AN EQUIVALENT CRIME OUTSIDE COLORADO.

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

9 (3) NO AGENT OF A MONEY TRANSMITTER LICENSED PURSUANT TO
10 THIS PART 2 SHALL KNOWINGLY EMPLOY A PERSON TO PERFORM MONEY
11 TRANSMISSION SERVICES WHO IS UNDER EIGHTEEN YEARS OF AGE.

12 **12-52-206. Violations.** (1) A PERSON WHO VIOLATES THIS PART
13 2 COMMITS A CLASS 2 MISDEMEANOR AND, FOR THE SECOND OR ANY
14 SUBSEQUENT OFFENSE, THE PERSON COMMITS A CLASS 1 MISDEMEANOR
15 AND SHALL BE PUNISHED AS PROVIDED IN SECTION 18-1.3-501, C.R.S.

16 (2) A PERSON WHO ACTS AS AN AGENT OF AN UNLICENSED PERSON
17 REQUIRED TO BE LICENSED BY PART 1 OF THIS ARTICLE KNOWING THE
18 UNLICENSED PERSON DOES NOT HOLD SUCH LICENSE COMMITS A CLASS 2
19 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN SECTION
20 18-1.3-501, C.R.S.

21 **SECTION 3. Specified effective date - applicability.** This act
22 shall take effect July 1, 2010, and shall apply to acts committed on or
23 after said date.

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