

HOUSE COMMITTEE OF REFERENCE REPORT

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Chairman of Committee

February 9, 2010  
Date

Committee on Business Affairs and Labor.

After consideration on the merits, the Committee recommends the following:

HB10-1114 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and  
2 substitute the following:

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

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

9 (IV) The commissioner may exchange information obtained from  
10 money transmitters ~~and foreign capital depositories~~ with the United States  
11 secretary of the treasury, ~~or the secretary's designees,~~ THE UNITED STATES  
12 ATTORNEY GENERAL, OR THE ATTORNEY GENERAL'S DESIGNEE pertaining  
13 to compliance with federal money laundering and other financial crimes  
14 laws, including, but not limited to, the "Bank Secrecy Act", the "Right to  
15 Financial Privacy Act of 1978", the "Money Laundering Control Act of  
16 1986", and the "Annunzio-Wylie Anti-Money Laundering Act".

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

19 **SECTION 2.** Article 52 of title 12, Colorado Revised Statutes, is

1 amended BY THE ADDITION OF A NEW PART to read:

2 PART 2  
3 MONEY TRANSMITTER AGENTS

4 **12-52-201. Agent information - rules.** (1) A MONEY  
5 TRANSMITTER LICENSED PURSUANT TO PART 1 OF THIS ARTICLE SHALL  
6 ANNUALLY SEND THE FOLLOWING INFORMATION TO THE BANKING BOARD  
7 ON SUCH FORM AS IT MAY PRESCRIBE:

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

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

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

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

22 (2) THE BANKING BOARD MAY PROMULGATE RULES NECESSARY TO  
23 IMPLEMENT THIS SECTION.

24 **12-52-202. Exclusive agency required.** NO PERSON SHALL BE AN  
25 AGENT OF MORE THAN ONE BUSINESS LICENSED PURSUANT TO PART 1 OF  
26 THIS ARTICLE.

27 **12-52-203. Notice of laws.** (1) THE BANKING BOARD SHALL  
28 PROMULGATE RULES TO CREATE A FORM CONTAINING A NOTICE OF THE  
29 CONTENTS OF SECTION 18-18-408, C.R.S., AND OTHER STATE AND  
30 FEDERAL LAWS CONCERNING MONEY LAUNDERING.

31 (2) AN AGENT OF A BUSINESS LICENSED PURSUANT TO PART 1 OF

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

10 **12-52-204. Records.** THE INFORMATION SENT TO THE BANKING  
11 BOARD UNDER SECTION 12-52-201 AND THE RECORDS REQUIRED BY  
12 SECTION 12-52-203 SHALL BE OPEN TO ANY LAW ENFORCEMENT OFFICER  
13 ACTING WITHIN THE SCOPE AND COURSE OF THE OFFICER'S OFFICIAL  
14 DUTIES.

15 **12-52-205. Agent requirements.** (1) NO MONEY TRANSMITTER  
16 LICENSED PURSUANT TO PART 1 OF THIS ARTICLE SHALL KNOWINGLY  
17 EMPLOY AN AGENT WHO HAS BEEN CONVICTED OF OR PLEADED GUILTY OR  
18 NOLO CONTENDERE TO THE OFFENSES IN ARTICLE 5 OF TITLE 18, C.R.S., OR  
19 IN SECTION 18-18-408, C.R.S.; A FELONY IN THE SELLING OR ISSUING OF  
20 EXCHANGE OR IN MONEY TRANSMISSION; A FELONY INVOLVING A  
21 FINANCIAL INSTITUTION; OR AN EQUIVALENT CRIME OUTSIDE COLORADO.

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

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

33 **12-52-206. Violations.** (1) A PERSON WHO VIOLATES THIS PART  
34 2 COMMITS A CLASS 2 MISDEMEANOR AND, FOR THE SECOND OR ANY  
35 SUBSEQUENT OFFENSE, THE PERSON COMMITS A CLASS 1 MISDEMEANOR  
36 AND SHALL BE PUNISHED AS PROVIDED IN SECTION 18-1.3-501, C.R.S.

1           (2) A PERSON WHO ACTS AS AN AGENT OF AN UNLICENSED PERSON  
2     REQUIRED TO BE LICENSED BY PART 1 OF THIS ARTICLE KNOWING THE  
3     UNLICENSED PERSON DOES NOT HOLD SUCH LICENSE COMMITS A CLASS 2  
4     MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN SECTION  
5     18-1.3-501, C.R.S.

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

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

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