

HOUSE BILL NO. 5798

June 06, 2024, Introduced by Reps. Fitzgerald, Tsernoglou, Glanville and Xiong and referred to the Committee on Insurance and Financial Services.

A bill to regulate the business of money transmission; to require the licensing of persons engaged in the business of money transmission; to prescribe the powers and duties of certain state and local officers and entities; to prescribe penalties and civil sanctions; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 ARTICLE 1
2 SHORT TITLE AND PURPOSE
3 Sec. 1. This act may be cited as the "money transmission

1 modernization act".

2 Sec. 3. This act is designed to replace existing state money
3 transmission laws currently codified in the money transmission
4 services act, 2006 PA 250, MCL 487.1001 to 487.1047. It is the
5 intent of the legislature that the provisions of this act
6 accomplish all of the following:

7 (a) Ensure states can coordinate in all areas of regulation,
8 licensing, and supervision to eliminate unnecessary regulatory
9 burden and more effectively utilize regulator resources.

10 (b) Protect the public from financial crime.

11 (c) Standardize the types of activities that are subject to
12 licensing or otherwise exempt from licensing.

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

16 ARTICLE 2

17 DEFINITIONS

18 Sec. 5. As used in this act:

19 (a) "Acting in concert" means persons knowingly acting
20 together with a common goal of jointly acquiring control of a
21 licensee whether or not under an express agreement.

22 (b) "Authorized delegate" means a person a licensee designates
23 to engage in money transmission on behalf of the licensee.

24 (c) "Average daily money transmission liability" means the
25 amount of the licensee's outstanding money transmission obligations
26 in Michigan at the end of each day in a given period of time, added
27 together, and divided by the total number of days in the given
28 period of time. For purposes of calculating average daily money
29 transmission liability under this act for any licensee required to

1 do so, the given period of time must be the quarters ending March
2 31, June 30, September 30, and December 31.

3 (d) "Bank secrecy act" means the bank secrecy act, Public Law
4 91-508, and the regulations promulgated under that act.

5 (e) "Closed loop stored value" means stored value that is
6 redeemable by the issuer only for goods or services provided by the
7 issuer or its affiliate or franchisees of the issuer or its
8 affiliate, except to the extent required by applicable law to be
9 redeemable in cash for its cash value.

10 (f) "Control" means the power to vote, directly or indirectly,
11 at least 25% of the outstanding voting shares or voting interests
12 of a licensee or person in control of a licensee, the power to
13 elect or appoint a majority of key individuals or executive
14 officers, managers, directors, trustees, or other persons
15 exercising managerial authority of a person in control of a
16 licensee, or the power to exercise, directly or indirectly, a
17 controlling influence over the management or policies of a licensee
18 or person in control of a licensee. A person is presumed to
19 exercise a controlling influence when the person holds the power to
20 vote, directly or indirectly, at least 10% of the outstanding
21 voting shares or voting interests of a licensee or person in
22 control of a licensee. A person presumed to exercise a controlling
23 influence under this subdivision can rebut the presumption of
24 control if the person is a passive investor. For purposes of
25 determining the percentage of a person controlled by any other
26 person, the person's interest must be aggregated with the interest
27 of any other immediate family member, including the person's
28 spouse, parents, children, siblings, mothers- and fathers-in law,
29 sons- and daughters-in-law, brothers- and sisters-in-law, and any

1 other person who shares such person's home.

2 (g) "Department" means the department of insurance and
3 financial services.

4 (h) "Director" means the director of the department or the
5 director's designee.

6 (i) "Eligible rating" means a credit rating of any of the 3
7 highest rating categories provided by an eligible rating service,
8 whereby each category may include rating category modifiers such as
9 "plus" or "minus" for S&P, or the equivalent for any other eligible
10 rating service. Long-term credit ratings are deemed eligible if the
11 rating is equal to A- or higher by S&P, or the equivalent from any
12 other eligible rating service. Short-term credit ratings are deemed
13 eligible if the rating is equal to or higher than A-2 or SP-2 by
14 S&P, or the equivalent from any other eligible rating service. In
15 the event that ratings differ among eligible rating services, the
16 highest rating applies when determining whether a security bears an
17 eligible rating.

18 (j) "Eligible rating service" means any nationally recognized
19 statistical rating organization, as that term is defined by the
20 United States Securities and Exchange Commission, and any other
21 organization designated by the director by rule or order.

22 (k) "Federally insured depository financial institution" means
23 a bank, credit union, savings and loan association, trust company,
24 savings association, savings bank, industrial bank, or industrial
25 loan company organized under the laws of the United States or any
26 state of the United States, when such bank, credit union, savings
27 and loan association, trust company, savings association, savings
28 bank, industrial bank, or industrial loan company has federally
29 insured deposits.

1 (l) "In this state" means at a physical location within this
2 state for a transaction requested in person. For a transaction
3 requested electronically or by phone, the provider of money
4 transmission may determine if the person requesting the transaction
5 is "in this state" by relying on other information provided by the
6 person regarding the location of the individual's residential
7 address or a business entity's principal place of business or other
8 physical address location, and any records associated with the
9 person that the provider of money transmission may have that
10 indicate such location, including, but not limited to, an address
11 associated with an account.

12 (m) "Individual" means a natural person.

13 (n) "Key individual" means any individual ultimately
14 responsible for establishing or directing policies and procedures
15 of the licensee, such as an executive officer, manager, director,
16 or trustee.

17 (o) "Licensee" means a person licensed or required to be
18 licensed under this act.

19 (p) "Material litigation" means litigation, that according to
20 United States generally accepted accounting principles, is
21 significant to a person's financial health and would be required to
22 be disclosed in the person's annual audited financial statements,
23 report to shareholders, or similar records.

24 (q) "Money" means a medium of exchange that is authorized or
25 adopted by the United States or a foreign government. Money
26 includes a monetary unit of account established by an
27 intergovernmental organization or by agreement between 2 or more
28 governments.

29 (r) "Monetary value" means a medium of exchange, whether or

1 not redeemable in money.

2 (s) "Money transmission" means selling or issuing payment
3 instruments to a person located in this state, selling or issuing
4 stored value to a person located in this state, or receiving money
5 for transmission from a person located in this state. Money
6 transmission includes payroll processing services. Money
7 transmission does not include the provision solely of online or
8 telecommunications services or network access.

9 (t) "MSB accredited state" means a state agency that is
10 accredited by the Conference of State Bank Supervisors and Money
11 Transmitter Regulators Association for money transmission licensing
12 and supervision.

13 (u) "Multistate licensing process" means any agreement entered
14 into by and among state regulators relating to coordinated
15 processing of applications for money transmission licenses,
16 applications for the acquisition of control of a licensee, control
17 determinations, or notice and information requirements for a change
18 of key individuals.

19 (v) "Nationwide multistate licensing system and registry"
20 means the nationwide multistate licensing system and registry
21 developed by the Conference of State Bank Supervisors and the
22 American Association of Residential Mortgage Regulators and owned
23 and operated by the State Regulatory Registry, LLC, or any
24 successor or affiliated entity, for the licensing and registration
25 of persons in financial services industries.

26 (w) "Outstanding money transmission obligations" must be
27 established and extinguished in accordance with applicable state
28 law and means any payment instrument or stored value issued or sold
29 by the licensee to a person located in the United States or

1 reported as sold by an authorized delegate of the licensee to a
2 person that is located in the United States that has not yet been
3 paid or refunded by or for the licensee, or escheated in accordance
4 with applicable abandoned property laws, or any money received for
5 transmission by the licensee or an authorized delegate in the
6 United States from a person located in the United States that has
7 not been received by the payee or refunded to the sender, or
8 escheated in accordance with applicable abandoned property laws.
9 For purposes of this subdivision, "in the United States" includes,
10 to the extent applicable, a person in any state, territory, or
11 possession of the United States, the District of Columbia, the
12 Commonwealth of Puerto Rico, or a United States military
13 installation that is located in a foreign country.

14 (x) "Passive investor" means a person to which all of the
15 following apply:

16 (i) The person does not have the power to elect a majority of
17 key individuals or executive officers, managers, directors,
18 trustees, or other persons exercising managerial authority of a
19 person in control of a licensee.

20 (ii) The person is not employed by and does not have any
21 managerial duties of the licensee or person in control of a
22 licensee.

23 (iii) The person does not have the power to exercise, directly
24 or indirectly, a controlling influence over the management or
25 policies of a licensee or person in control of a licensee.

26 (iv) The person does either of the following:

27 (A) Attests to subparagraphs (i), (ii), and (iii), in a form and
28 in a medium prescribed by the director.

29 (B) Commits to the passivity characteristics of subparagraphs

1 (i), (ii), and (iii), in a written document.

2 (y) "Payment instrument" means a written or electronic check,
3 draft, money order, traveler's check, or other written or
4 electronic instrument for the transmission or payment of money or
5 monetary value, whether or not negotiable. Payment instrument does
6 not include stored value or any instrument to which either of the
7 following applies:

8 (i) It is redeemable by the issuer only for goods or services
9 provided by the issuer or its affiliate or franchisees of the
10 issuer or its affiliate, except to the extent required by
11 applicable law to be redeemable in cash for its cash value.

12 (ii) It is not sold to the public but issued and distributed as
13 part of a loyalty, rewards, or promotional program.

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

23 (aa) "Person" means any individual, general partnership,
24 limited partnership, limited liability company, corporation, trust,
25 association, joint stock corporation, or other corporate entity
26 identified by the director.

27 (bb) "Receiving money for transmission" or "money received for
28 transmission" means receiving money or monetary value in the United
29 States for transmission within or outside the United States by

1 electronic or other means.

2 (cc) "Stored value" means monetary value representing a claim
3 against the issuer evidenced by an electronic or digital record,
4 and that is intended and accepted for use as a means of redemption
5 for money or monetary value, or payment for goods or services.
6 Stored value includes, but is not limited to, prepaid access, as
7 that term is defined by 31 CFR 1010.100. Notwithstanding the
8 foregoing, stored value does not include a payment instrument or
9 closed loop stored value, or stored value not sold to the public
10 but issued and distributed as part of a loyalty, rewards, or
11 promotional program.

12 (dd) "Tangible net worth" means the aggregate assets of a
13 licensee excluding all intangible assets, less liabilities, as
14 determined in accordance with United States generally accepted
15 accounting principles.

16 ARTICLE 3

17 EXEMPTIONS

18 Sec. 7. This act does not apply to any of the following:

19 (a) An operator of a payment system to the extent that it
20 provides processing, clearing, or settlement services, between or
21 among persons exempted by this section or licensees, in connection
22 with wire transfers, credit card transactions, debit card
23 transactions, stored-value transactions, automated clearing house
24 transfers, or similar funds transfers.

25 (b) A person appointed as an agent of a payee to collect and
26 process a payment from a payor to the payee for goods or services,
27 other than money transmission itself, provided to the payor by the
28 payee, provided that all of the following apply:

29 (i) There exists a written agreement between the payee and the

1 agent directing the agent to collect and process payments from
2 payors on the payee's behalf.

3 (ii) The payee holds the agent out to the public as accepting
4 payments for goods or services on the payee's behalf.

5 (iii) Any payment for the goods and services is treated as
6 received by the payee on receipt by the agent so that the payor's
7 obligation is extinguished and there is no risk of loss to the
8 payor if the agent fails to remit the funds to the payee.

9 (c) A person that acts as an intermediary by processing
10 payments between an entity that has directly incurred an
11 outstanding money transmission obligation to a sender, and the
12 sender's designated recipient, provided that all of the following
13 apply to the entity:

14 (i) It is properly licensed or exempt from licensing
15 requirements under this act.

16 (ii) It provides a receipt, electronic record, or other written
17 confirmation to the sender identifying the entity as the provider
18 of money transmission in the transaction.

19 (iii) It bears sole responsibility to satisfy the outstanding
20 money transmission obligation to the sender, including the
21 obligation to make the sender whole in connection with any failure
22 to transmit the funds to the sender's designated recipient.

23 (d) The United States or a department, agency, or
24 instrumentality thereof, or its agent.

25 (e) Money transmission by the United States Postal Service or
26 by an agent of the United States Postal Service.

27 (f) A state, county, city, or any other governmental agency or
28 governmental subdivision or instrumentality of a state, or its
29 agent.

1 (g) A federally insured depository financial institution, bank
2 holding company, office of an international banking corporation,
3 foreign bank that establishes a federal branch under the 12 USC
4 3102, corporation organized under the bank service company act, 12
5 USC 1861 to 1867, or corporation organized under the edge act, 12
6 USC 611 to 631.

7 (h) Electronic funds transfer of governmental benefits for a
8 federal, state, county, or governmental agency by a contractor on
9 behalf of the United States or a department, agency, or
10 instrumentality thereof, or on behalf of a state or governmental
11 subdivision, agency, or instrumentality thereof.

12 (i) A board of trade designated as a contract market under the
13 commodity exchange act, 7 USC 1 to 27f, or a person that, in the
14 ordinary course of business, provides clearance and settlement
15 services for a board of trade to the extent of its operation as or
16 for such a board.

17 (j) A registered futures commission merchant under the federal
18 commodities laws to the extent of its operation as such a merchant.

19 (k) A person registered as a securities broker-dealer under
20 federal or state securities laws to the extent of its operation as
21 such a broker-dealer.

22 (l) An individual employed by a licensee, authorized delegate,
23 or any person exempted from the licensing requirements of the act
24 when acting within the scope of employment and under the
25 supervision of the licensee, authorized delegate, or exempted
26 person as an employee and not as an independent contractor.

27 (m) A person expressly appointed as a third party service
28 provider to or agent of an entity exempt under subdivision (g),
29 solely to the extent that both of the following apply:

1 (i) The service provider or agent is engaging in money
 2 transmission on behalf of and under a written agreement with the
 3 exempt entity that sets forth the specific functions that the
 4 service provider or agent is to perform.

5 (ii) The exempt entity assumes all risk of loss and all legal
 6 responsibility for satisfying the outstanding money transmission
 7 obligations owed to purchasers and holders of the outstanding money
 8 transmission obligations on receipt of the purchaser's or holder's
 9 money or monetary value by the service provider or agent.

10 (n) A person exempt by regulation or order if the director
 11 finds such exemption to be in the public interest and that the
 12 regulation of such person is not necessary for the purposes of this
 13 act.

14 Sec. 9. The director may require that any person claiming to
 15 be exempt from licensing under section 7 provide information and
 16 documentation to the director demonstrating that it qualifies for
 17 any claimed exemption.

18 ARTICLE 4

19 IMPLEMENTATION, CONFIDENTIALITY, SUPERVISION, AND RELATIONSHIP TO 20 FEDERAL LAW

21 Sec. 11. (1) In order to carry out the purposes of this act,
 22 the director may, subject to the provisions of section 13(1) and
 23 (2) do any of the following:

24 (a) Enter into agreements or relationships with other
 25 government officials or federal and state regulatory agencies or
 26 regulatory associations in order to improve efficiencies and reduce
 27 regulatory burden by standardizing methods or procedures, and
 28 sharing resources, records, or related information obtained under
 29 this act.

1 (b) Use, hire, contract, or employ analytical systems,
2 methods, or software to examine or investigate any person subject
3 to this act.

4 (c) Accept, from other state or federal government agencies or
5 officials, licensing, examination, or investigation reports made by
6 such other state or federal government agencies or officials.

7 (d) Accept audit reports made by an independent certified
8 public accountant or other qualified third-party auditor for an
9 applicant or licensee and incorporate the audit report in any
10 report of examination or investigation.

11 (2) The director shall have the broad administrative authority
12 to administer, interpret, and enforce this act, and promulgate
13 rules or regulations implementing this act and to recover the cost
14 of administering and enforcing this act by imposing and collecting
15 proportionate and equitable fees and costs associated with
16 applications, examinations, investigations, and other actions
17 required to achieve the purpose of this act.

18 Sec. 13. (1) Except as otherwise provided in subsection (2),
19 all information or reports obtained by the director from an
20 applicant, licensee, or authorized delegate, and all information
21 contained in or related to an examination, investigation, operating
22 report, or condition report prepared by, on behalf of, or for the
23 use of the director, or financial statements, balance sheets, or
24 authorized delegate information, are confidential and are not
25 subject to disclosure under the freedom of information act, 1976 PA
26 442, MCL 15.231 to 15.246.

27 (2) The director may disclose information not otherwise
28 subject to disclosure under subsection (1) to representatives of
29 state or federal agencies who promise in a record that they will

1 maintain the confidentiality of the information or where the
2 director finds that the release is reasonably necessary for the
3 protection and interest of the public in accordance with the
4 freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

5 (3) This section does not prohibit the director from
6 disclosing to the public a list of all licensees or the aggregated
7 financial or transactional data concerning those licensees.

8 (4) The following information contained in the records of
9 department is not confidential and may be made available to the
10 public:

11 (a) The name, business address, telephone number, and unique
12 identifier of a licensee.

13 (b) The business address of a licensee's registered agent for
14 service.

15 (c) The name, business address, and telephone number of all
16 authorized delegates.

17 (d) The terms of any bond filed by a licensee, provided that
18 confidential information, including, but not limited to, prices and
19 fees for such bond is redacted.

20 (e) Copies of any non-confidential final orders of the
21 department relating to any violation of this act or regulations
22 implementing this act.

23 (f) Imposition of an administrative fine or penalty under this
24 act.

25 Sec. 15. (1) The director may conduct an examination or
26 investigation of a licensee or authorized delegate or otherwise
27 take independent action authorized by this act or by a rule adopted
28 or order issued under this act as reasonably necessary or
29 appropriate to administer and enforce this act, regulations

1 implementing this act, and other applicable law, including the bank
2 secrecy act and the uniting and strengthening America by providing
3 appropriate tools required to intercept and obstruct terrorism (USA
4 PATRIOT ACT) act of 2001, Public Law 107-56. The director may do
5 any of the following:

6 (a) Conduct an examination or investigation either on-site or
7 off-site as the director may reasonably require.

8 (b) Conduct an examination or investigation in conjunction
9 with an examination or investigation conducted by representatives
10 of other state agencies or agencies of another state or of the
11 federal government.

12 (c) Accept the examination or investigation report of another
13 state agency or an agency of another state or of the federal
14 government, or a report prepared by an independent accounting firm,
15 which on being accepted is considered for all purposes as an
16 official report of the director.

17 (d) Summon and examine under oath a key individual or employee
18 of a licensee or authorized delegate and require the person to
19 produce records regarding any matter related to the condition and
20 business of the licensee or authorized delegate.

21 (2) A licensee or authorized delegate shall provide, and the
22 director shall have full and complete access to, all records the
23 director may reasonably require to conduct a complete examination
24 or investigation. The records must be provided at the location and
25 in the format specified by the director, provided, the director may
26 utilize multistate record production standards and examination
27 procedures when such standards will reasonably achieve the
28 requirements of this subsection.

29 (3) Unless otherwise directed by the director, a licensee

1 shall pay all costs reasonably incurred in connection with an
2 examination or investigation of the licensee or the licensee's
3 authorized delegates.

4 Sec. 17. (1) To efficiently and effectively administer and
5 enforce this act and to minimize regulatory burden, the director
6 may participate in multistate supervisory processes established
7 between states and coordinated through the Conference of State Bank
8 Supervisors, Money Transmitter Regulatory Association, and
9 affiliates and successors thereof, for all licensees that hold
10 licenses in this state and other states. As a participant in
11 multistate supervision, the director shall do all of the following:

12 (a) Cooperate, coordinate, and share information with other
13 states and federal regulators in accordance with section 13.

14 (b) Enter into written cooperation, coordination, or
15 information-sharing contracts or agreements with organizations the
16 membership of which is made up of state or federal governmental
17 agencies.

18 (c) Cooperate, coordinate, and share information with
19 organizations the membership of which is made up of state or
20 federal governmental agencies, provided that the organizations
21 agree in writing to maintain the confidentiality and security of
22 the shared information in accordance with section 13.

23 (2) The director may not waive, and nothing in this section
24 constitutes a waiver of, the director's authority to conduct an
25 examination or investigation or otherwise take independent action
26 authorized by this act or a rule adopted or order issued under this
27 act to enforce compliance with applicable state or federal law.

28 (3) A joint examination or investigation, or acceptance of an
29 examination or investigation report, does not waive an examination

1 assessment provided for in this act.

2 Sec. 19. In the event state money transmission jurisdiction is
3 conditioned on a federal law, any inconsistencies between a
4 provision of this act and the federal law governing money
5 transmission are governed by the applicable federal law to the
6 extent of the inconsistency.

7 ARTICLE 5

8 MONEY TRANSMISSION LICENSES

9 Sec. 21. (1) A person may not engage in the business of money
10 transmission or advertise, solicit, or hold itself out as providing
11 money transmission unless the person is licensed under this act.

12 (2) Subsection (1) does not apply to either of the following:

13 (a) A person that is an authorized delegate of a person
14 licensed under this act acting within the scope of authority
15 conferred by a written contract with the licensee.

16 (b) A person that is exempt under section 7 and does not
17 engage in money transmission outside the scope of such exemption.

18 (3) A license issued under section 29 is not transferable or
19 assignable.

20 Sec. 23. (1) To establish consistent licensing between
21 Michigan and other states, the director is authorized to do either
22 or both of the following:

23 (a) Implement all licensing provisions of this act in a manner
24 that is consistent with other states that have adopted this act or
25 multistate licensing processes.

26 (b) Participate in nationwide protocols for licensing
27 cooperation and coordination among state regulators provided that
28 such protocols are consistent with this act.

29 (2) In order to fulfill the purposes of this act, the director

1 is authorized to establish relationships or contracts with the
2 nationwide multistate licensing system and registry or other
3 entities designated by the nationwide multistate licensing system
4 and registry to enable the director to do any of the following:

5 (a) Collect and maintain records.

6 (b) Coordinate multistate licensing processes and supervision
7 processes.

8 (c) Process fees.

9 (d) Facilitate communication between Michigan and licensees or
10 other persons subject to this act.

11 (3) The director is authorized to utilize the nationwide
12 multistate licensing system and registry for all aspects of
13 licensing in accordance with this act, including but not limited
14 to, license applications, applications for acquisitions of control,
15 surety bonds, reporting, criminal history background checks, credit
16 checks, fee processing, and examinations.

17 (4) The director is authorized to utilize the nationwide
18 multistate licensing system and registry's forms, processes, and
19 functionalities in accordance with this act. In the event the
20 nationwide multistate licensing system and registry does not
21 provide functionality, forms, or processes for a provision of this
22 act, the director is authorized to strive to implement the
23 requirements in a manner that facilitates uniformity with respect
24 to licensing, supervision, reporting, and regulation of licensees
25 which are licensed in multiple jurisdictions.

26 (5) For the purpose of participating in the nationwide
27 multistate licensing system and registry, the director is
28 authorized to waive or modify, in whole or in part, by rule,
29 regulation or order, any or all of the requirements and to

1 establish new requirements as reasonably necessary to participate
2 in the nationwide multistate licensing system and registry.

3 Sec. 25. (1) Applicants for a license shall apply in a form
4 and in a medium as prescribed by the director. Each such form must
5 contain content as set forth by rule, regulation, order, or
6 instruction of the director and may be changed or updated by the
7 director in accordance with applicable law in order to carry out
8 the purposes of this act and maintain consistency with the
9 nationwide multistate licensing system and registry licensing
10 standards and practices. The application must state or contain, as
11 applicable, all of the following:

12 (a) The legal name and residential and business addresses of
13 the applicant and any fictitious or trade name used by the
14 applicant in conducting its business.

15 (b) A list of any criminal convictions of the applicant and
16 any material litigation in which the applicant has been involved in
17 the 10-year period immediately preceding the submission of the
18 application.

19 (c) A description of any money transmission previously
20 provided by the applicant and the money transmission that the
21 applicant seeks to provide in this state.

22 (d) A list of the applicant's proposed authorized delegates
23 and the locations in this state where the applicant and its
24 authorized delegates propose to engage in money transmission.

25 (e) A list of other states in which the applicant is licensed
26 to engage in money transmission and any license revocations,
27 suspensions, or other disciplinary action taken against the
28 applicant in another state.

29 (f) Information concerning any bankruptcy or receivership

1 proceedings affecting the licensee or a person in control of a
2 licensee.

3 (g) The name and address of any federally insured depository
4 financial institution through which the applicant plans to conduct
5 money transmission.

6 (h) Any other information the director or the nationwide
7 multistate licensing system and registry reasonably requires with
8 respect to the applicant.

9 (2) If an applicant is a corporation, limited liability
10 company, partnership, or other legal entity, the applicant shall
11 also provide all of the following:

12 (a) The date of the applicant's incorporation or formation and
13 state or country of incorporation or formation.

14 (b) If applicable, a certificate of good standing from the
15 state or country in which the applicant is incorporated or formed.

16 (c) A brief description of the structure or organization of
17 the applicant, including any parents or subsidiaries of the
18 applicant, and whether any parents or subsidiaries are publicly
19 traded.

20 (d) The legal name, any fictitious or trade name, all business
21 and residential addresses, and the employment, as applicable, in
22 the 10-year period immediately preceding the submission of the
23 application of each key individual and person in control of the
24 applicant.

25 (e) A list of any criminal convictions and material litigation
26 in which a person in control of the applicant that is not an
27 individual has been involved in the 10-year period immediately
28 preceding the submission of the application.

29 (f) A copy of audited financial statements of the applicant

1 for the most recent fiscal year and for the 2-year period
2 immediately preceding the submission of the application or, if
3 determined to be acceptable to the director, certified unaudited
4 financial statements for the most recent fiscal year or other
5 period acceptable to the director.

6 (g) A certified copy of unaudited financial statements of the
7 applicant for the most recent fiscal quarter.

8 (h) If the applicant is a publicly traded corporation, a copy
9 of the most recent report filed with the United States Securities
10 and Exchange Commission under section 13 of the securities exchange
11 act of 1934, 15 USC 78m.

12 (i) If the applicant is a wholly owned subsidiary of a
13 corporation publicly traded in the United States, a copy of audited
14 financial statements for the parent corporation for the most recent
15 fiscal year or a copy of the parent corporation's most recent
16 report filed under section 13 of the securities exchange act of
17 1934, 15 USC 78m. If the applicant is a wholly owned subsidiary of
18 a corporation publicly traded outside the United States, a copy of
19 similar documentation filed with the regulator of the parent
20 corporation's domicile outside the United States.

21 (j) The name and address of the applicant's registered agent
22 in this state.

23 (k) Any other information the director reasonably requires
24 with respect to the applicant.

25 (3) A nonrefundable application fee as required by section
26 31(1) must accompany an application for a license under this
27 section.

28 (4) The director may waive 1 or more requirements of
29 subsections (1) and (2) or permit an applicant to submit other

1 information in lieu of the required information.

2 Sec. 27. (1) Any individual in control of a licensee or
3 applicant, any individual that seeks to acquire control of a
4 licensee, and each key individual shall furnish to the director
5 through the nationwide multistate licensing system and registry all
6 of the following items:

7 (a) The individual's fingerprints for submission to the
8 Federal Bureau of Investigation and the director for purposes of a
9 state and national criminal history background check unless the
10 person currently resides outside of the United States and has
11 resided outside of the United States for the last 10 years. As part
12 of or in connection with an application for a license under this
13 act the director is authorized to receive any and all criminal
14 history record information.

15 (b) Personal history and experience in a form and in a medium
16 prescribed by the director, to obtain all of the following:

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

20 (ii) Information related to any criminal convictions or pending
21 charges.

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

26 (2) If the individual has resided outside of the United States
27 at any time in the last 10 years, the individual shall also provide
28 an investigative background report prepared by an independent
29 search firm that meets both of the following requirements:

1 (a) At a minimum, both of the following apply to the search
2 firm:

3 (i) It shall demonstrate that it has sufficient knowledge,
4 resources, and employs accepted and reasonable methodologies to
5 conduct the research of the background report.

6 (ii) It shall not be affiliated with or have an interest with
7 the individual it is researching.

8 (b) At a minimum, the investigative background report must be
9 written in the English language and contain all of the following:

10 (i) If available in the individual's current jurisdiction of
11 residency, a comprehensive credit report, or any equivalent
12 information obtained or generated by the independent search firm to
13 accomplish such report, including a search of the court data in the
14 countries, provinces, states, cities, towns, and contiguous areas
15 where the individual resided and worked.

16 (ii) Criminal records information for the past 10 years,
17 including, but not limited to, felonies, misdemeanors, or similar
18 convictions for violations of law in the countries, provinces,
19 states, cities, towns, and contiguous areas where the individual
20 resided and worked.

21 (iii) Employment history.

22 (iv) Media history, including an electronic search of national
23 and local publications, wire services, and business applications.

24 (v) Financial services-related regulatory history, including
25 but not limited to, money transmission, securities, banking,
26 insurance, and mortgage- related industries.

27 Sec. 29. (1) When an application for an original license under
28 this act appears to include all the items and addresses all of the
29 matters that are required, the application is complete and the

1 director shall promptly notify the applicant in a record of the
2 date on which the application is determined to be complete. The
3 director shall approve or deny the application within 120 days
4 after the completion date. If the application is not approved or
5 denied within 120 days after the completion date, the application
6 is approved and the license takes effect as of the first business
7 day after expiration of the 120-day period. The director may for
8 good cause extend the application period.

9 (2) A determination by the director that an application is
10 complete and is accepted for processing means only that the
11 application, on its face, appears to include all of the items,
12 including the criminal background check response from the Federal
13 Bureau of Investigation, and address all of the matters that are
14 required, and is not an assessment of the substance of the
15 application or of the sufficiency of the information provided.

16 (3) When an application is filed and considered complete under
17 this section, the director shall investigate the applicant's
18 financial condition and responsibility, financial and business
19 experience, character, and general fitness. The director may
20 conduct an on-site investigation of the applicant, the reasonable
21 cost of which the applicant must pay. The director shall issue a
22 license to an applicant under this section if the director finds
23 that both of the following conditions have been fulfilled:

24 (a) The applicant has complied with sections 25 and 27.

25 (b) The financial condition and responsibility, financial and
26 business experience, competence, character, and general fitness of
27 the applicant, and the competence, experience, character, and
28 general fitness of the key individuals and persons in control of
29 the applicant indicate that it is in the interest of the public to

1 permit the applicant to engage in money transmission.

2 (4) If an applicant avails itself or is otherwise subject to a
3 multistate licensing process, both of the following apply:

4 (a) The director may accept the investigation results of a
5 lead investigative state for the purpose of subsection (3) if the
6 lead investigative state has sufficient staffing, expertise, and
7 minimum standards.

8 (b) If Michigan is a lead investigative state, the director
9 may investigate the applicant under subsection (3) and the time
10 frames established by agreement through the multistate licensing
11 process, provided however, that in no case must such timeframe be
12 noncompliant with the application period in subsection (1).

13 (5) The director shall issue a formal written notice of the
14 denial of a license application within 30 days of the decision to
15 deny the application. The director shall set forth in the notice of
16 denial the specific reasons for the denial of the application. An
17 applicant whose application is denied by the director under this
18 subsection may appeal within 30 days after receipt of the written
19 notice of the denial and request a hearing on the denial.

20 (6) The initial license term begins on the day the application
21 is approved. The license expires on December 31 of the year in
22 which the license term began, unless the initial license date is
23 between November 1 and December 31, in which instance the initial
24 license term runs through December 31 of the following year.

25 Sec. 31. (1) By December 31 of each year, the director shall
26 establish a schedule of fees to be paid by applicants and licensees
27 during the next calendar year. In establishing license fees, the
28 director shall consider each licensee's business volume and number
29 of locations and any other business factors the director considers

1 reasonable in order to generate funds sufficient to pay, but not to
2 exceed, the office's reasonably anticipated costs of administering
3 this act.

4 (2) A license under this act must be renewed annually. An
5 annual renewal fee as set forth in subsection (1) must be paid no
6 more than 60 days before the license expiration.

7 (3) Except as provided in section 29(6), the renewal term is
8 for a period of 1 year and begins on January 1 of each year after
9 the initial license term and expires on December 31 of the year the
10 renewal term begins.

11 (4) A licensee shall submit a renewal report with the renewal
12 fee, in a form and in a medium prescribed by the director. The
13 renewal report must state or contain a description of each material
14 change in information submitted by the licensee in its original
15 license application which has not been reported to the director.

16 (5) The director on timely request may grant an extension of
17 the renewal date. If the director grants an extension, a licensee
18 who fails to submit to the director a renewal report or renewal fee
19 required under this section by December 31 is subject to a late fee
20 of \$50.00 for each day the report is delinquent or \$5,000.00,
21 whichever is less.

22 (6) The director is authorized to utilize the nationwide
23 multistate licensing system and registry to process license
24 renewals provided that such functionality is consistent with this
25 section.

26 Sec. 33. (1) If a licensee does not continue to meet the
27 qualifications or satisfy the requirements that apply to an
28 applicant for a new money transmission license, the director may
29 suspend or revoke the licensee's license in accordance with the

1 procedures established by this act or other applicable state law
2 for such suspension or revocation.

3 (2) An applicant for a money transmission license shall
4 demonstrate that it meets or will meet, and a money transmission
5 licensee shall at all times meet, the requirements in sections 65,
6 67, and 69.

7 ARTICLE 6

8 ACQUISITION OF CONTROL AND CHANGE OF KEY INDIVIDUAL

9 Sec. 35. (1) Any person, or group of persons acting in
10 concert, seeking to acquire control of a licensee shall obtain the
11 written approval of the director before acquiring control. An
12 individual is not deemed to acquire control of a licensee and is
13 not subject to these acquisition of control provisions when that
14 individual becomes a key individual in the ordinary course of
15 business.

16 (2) A person, or group of persons acting in concert, seeking
17 to acquire control of a licensee shall, in cooperation with the
18 licensee, do both of the following:

19 (a) Submit an application in a form and in a medium prescribed
20 by the director.

21 (b) Submit a nonrefundable fee with the request for approval
22 in an amount established by the director under section 31.

23 (3) On request, the director may permit a licensee or the
24 person, or group of persons acting in concert, to submit some or
25 all information required by the director under subsection (2) (a)
26 without using the nationwide multistate licensing system and
27 registry.

28 (4) The application required by subsection (2) (a) must include
29 information required by section 27 for any new key individuals that

1 have not previously completed the requirements of section 27 for a
2 licensee.

3 (5) When an application for acquisition of control under this
4 section appears to include all the items and address all of the
5 matters that are required, the application must be considered
6 complete and the director shall promptly notify the applicant in a
7 record of the date on which the application was determined to be
8 complete and the director shall approve or deny the application
9 within 60 days after the completion date. If the application is not
10 approved or denied within 60 days after the completion date, the
11 license continues until a decision is made. The director may for
12 good cause extend the application period.

13 (6) A determination by the director that an application is
14 complete and is accepted for processing means only that the
15 application, on its face, appears to include all of the items and
16 address all of the matters that are required, and is not an
17 assessment of the substance of the application or of the
18 sufficiency of the information provided.

19 (7) When an application is filed and considered complete under
20 subsection (5), the director shall investigate the financial
21 condition and responsibility, financial and business experience,
22 character, and general fitness of the person, or group of persons
23 acting in concert, seeking to acquire control. The director shall
24 approve an acquisition of control under this section if the
25 director finds that both of the following conditions have been
26 fulfilled:

27 (a) The requirements of subsections (2) and (4) have been met,
28 as applicable.

29 (b) The financial condition and responsibility, financial and

1 business experience, competence, character, and general fitness of
2 the person, or group of persons acting in concert, seeking to
3 acquire control, and the competence, experience, character, and
4 general fitness of the key individuals and persons that would be in
5 control of the licensee after the acquisition of control indicate
6 that it is in the interest of the public to permit the person, or
7 group of persons acting in concert, to control the licensee.

8 (8) If an applicant avails itself or is otherwise subject to a
9 multistate licensing process, the director may accept the
10 investigation results of a lead investigative state for the purpose
11 of subsection (7) if the lead investigative state has sufficient
12 staffing, expertise, and minimum standards, or if Michigan is a
13 lead investigative state, the director may investigate the
14 applicant in accordance with subsection (7) and the timeframes
15 established by agreement through the multistate licensing process.
16 The director shall issue a formal written notice of the denial of
17 an application to acquire control within 30 days of the decision to
18 deny the application. The director shall set forth in the notice of
19 denial the specific reasons for the denial of the application. An
20 applicant whose application is denied by the director under this
21 subsection may appeal within 30 days after receipt of the written
22 notice of the denial and request a hearing.

23 (9) The requirements of subsections (1) and (2) do not apply
24 to any of the following:

25 (a) A person that acts as a proxy for the sole purpose of
26 voting at a designated meeting of the shareholders or holders of
27 voting shares or voting interests of a licensee or a person in
28 control of a licensee.

29 (b) A person that acquires control of a licensee by devise or

1 descent.

2 (c) A person that acquires control of a licensee as a personal
3 representative, custodian, guardian, conservator, or trustee, or as
4 an officer appointed by a court of competent jurisdiction or by
5 operation of law.

6 (d) A person that is exempt under section 7(g).

7 (e) A person that the director determines is not subject to
8 subsection (1) based on the public interest.

9 (f) A public offering of securities of a licensee or a person
10 in control of a licensee.

11 (g) An internal reorganization of a person in control of the
12 licensee where the ultimate person in control of the licensee
13 remains the same.

14 (10) Persons in subsection (9)(b), (c), (d), (f), and (g), in
15 cooperation with the licensee, shall notify the director within 15
16 days after the acquisition of control.

17 (11) The requirements of subsections (1) and (2) do not apply
18 to a person that has complied with and received approval to engage
19 in money transmission under this act or was identified as a person
20 in control in a previous application filed with and approved by the
21 director or by an MSB accredited state in accordance with a
22 multistate licensing process, provided that all of the following
23 are true:

24 (a) The person has not had a license revoked or suspended or
25 controlled a licensee that has had a license revoked or suspended
26 while the person was in control of the licensee in the previous 5-
27 years.

28 (b) If the person is a licensee, the person is well managed
29 and has received at least a satisfactory rating for compliance at

1 its most recent examination by an MSB accredited state if such
2 rating was given.

3 (c) The licensee to be acquired is projected to meet the
4 requirements of sections 65, 67, and 69 after the acquisition of
5 control is completed, and if the person acquiring control is a
6 licensee, that licensee is also projected to meet the requirements
7 of sections 65, 67, and 69 after the acquisition of control is
8 completed.

9 (d) The licensee to be acquired will not implement any
10 material changes to its business plan as a result of the
11 acquisition of control, and if the person acquiring control is a
12 licensee, that licensee also will not implement any material
13 changes to its business plan as a result of the acquisition of
14 control.

15 (e) The person provides notice of the acquisition in
16 cooperation with the licensee and attests to subdivisions (a), (b),
17 (c), and (d) in a form and in a medium prescribed by the director.

18 (12) If the notice described in subsection (11)(e) is not
19 disapproved within 30 days after the date on which the notice was
20 determined to be complete, the notice is deemed approved.

21 (13) Before filing an application for approval to acquire
22 control of a licensee a person may request in writing a
23 determination from the director as to whether the person would be
24 considered a person in control of a licensee on consummation of a
25 proposed transaction. If the director determines that the person
26 would not be a person in control of a licensee, the proposed person
27 and transaction is not subject to the requirements of subsections
28 (1) and (2).

29 (14) If a multistate licensing process includes a

1 determination under subsection (13) and an applicant avails itself
2 or is otherwise subject to the multistate licensing process, either
3 of the following apply:

4 (a) The director is authorized to accept the control
5 determination of a lead investigative state with sufficient
6 staffing, expertise, and minimum standards for the purpose of
7 subsection (13).

8 (b) If Michigan is a lead investigative state, the director is
9 authorized to investigate the applicant under subsection (13) and
10 the timeframes established by agreement through the multistate
11 licensing process.

12 Sec. 37. (1) A licensee adding or replacing any key individual
13 shall do both of the following:

14 (a) Provide notice in a manner prescribed by the director
15 within 15 days after the effective date of the key individual's
16 appointment.

17 (b) Provide information as required by section 27 within 45
18 days of the effective date.

19 (2) Within 90 days of the date on which the notice provided
20 under subsection (1) was determined to be complete, the director
21 may issue a notice of disapproval of a key individual if the
22 competence, experience, character, or integrity of the individual
23 would not be in the best interests of the public or the customers
24 of the licensee to permit the individual to be a key individual of
25 such licensee.

26 (3) A notice of disapproval must contain a statement of the
27 basis for disapproval and must be sent to the licensee and the
28 disapproved individual. A licensee may appeal a notice of
29 disapproval within 30 days after receipt of such notice of

1 disapproval.

2 (4) If the notice provided under subsection (1) is not
3 disapproved within 90 days after the date on which the notice was
4 determined to be complete, the key individual is deemed approved.

5 (5) If a multistate licensing process includes a key
6 individual notice review and disapproval process in accordance with
7 this section and the licensee avails itself or is otherwise subject
8 to the multistate licensing process, both of the following apply:

9 (a) The director is authorized to accept the determination of
10 another state if the investigating state has sufficient staffing,
11 expertise, and minimum standards for the purpose of this section.

12 (b) If Michigan is a lead investigative state, the director is
13 authorized to investigate the applicant under subsection (2) and
14 the timeframes established by agreement through the multistate
15 licensing process.

16 ARTICLE 7

17 REPORTING AND RECORDS

18 Sec. 39. (1) Each licensee shall submit a report of condition
19 within 45 days of the end of the calendar quarter, or within any
20 extended time as the director may prescribe.

21 (2) The report of condition must include all of the following:

22 (a) Financial information at the licensee level.

23 (b) Nationwide and state-specific money transmission
24 transaction information in every jurisdiction in the United States
25 where the licensee is licensed to engage in money transmission.

26 (c) Permissible investments report.

27 (d) Transaction destination country reporting for money
28 received for transmission, if applicable.

29 (e) Any other information the director reasonably requires

1 with respect to the licensee. The director is authorized to utilize
2 the nationwide multistate licensing system and registry for the
3 submission of the report required by subsection (1) and is
4 authorized to update as necessary the requirements of this section
5 to carry out the purposes of this act and maintain consistency with
6 the nationwide multistate licensing system and registry reporting.

7 (3) The information required by subdivision (2)(d) must only
8 be included in a report of condition submitted within 45 days of
9 the end of the fourth calendar quarter.

10 Sec. 41. (1) Each licensee shall, within 90 days after the end
11 of each fiscal year, or within any extended time as the director
12 may prescribe, file both of the following with the director:

13 (a) An audited financial statement of the licensee for the
14 fiscal year prepared in accordance with United States generally
15 accepted accounting principles.

16 (b) Any other information as the director may reasonably
17 require.

18 (2) The audited financial statements must be prepared by an
19 independent certified public accountant or independent public
20 accountant who is satisfactory to the director.

21 (3) The audited financial statements must include or be
22 accompanied by a certificate of opinion of the independent
23 certified public accountant or independent public accountant that
24 is satisfactory in form and content to the director. If the
25 certificate or opinion is qualified, the director may order the
26 licensee to take any action as the director may find necessary to
27 enable the independent certified public accountant or independent
28 public accountant to remove the qualification.

29 Sec. 43. (1) Each licensee shall submit a report of authorized

1 delegates within 45 days of the end of the calendar quarter. The
2 director may utilize the nationwide multistate licensing system and
3 registry for the submission of the report required by this
4 subsection provided that such functionality is consistent with the
5 requirements of this section.

6 (2) The authorized delegate report must include, at a minimum,
7 all of the following related to each authorized delegate:

- 8 (a) Company legal name.
- 9 (b) Taxpayer employer identification number.
- 10 (c) Principal provider identifier.
- 11 (d) Physical address.
- 12 (e) Mailing address.
- 13 (f) Any business conducted in other states.
- 14 (g) Any assumed name or trade name.
- 15 (h) Contact person name, phone number, and email.
- 16 (i) Start date as licensee's authorized delegate.
- 17 (j) End date acting as licensee's authorized delegate, if
18 applicable.
- 19 (k) Any other information the director reasonably requires
20 with respect to the authorized delegate.

21 Sec. 45. (1) A licensee shall file a report with the director
22 within 1 business day after the licensee has reason to know of the
23 occurrence of any of the following events:

- 24 (a) The filing of a petition by or against the licensee under
25 11 USC 101 to 110, for bankruptcy or reorganization.
- 26 (b) The filing of a petition by or against the licensee for
27 receivership, the commencement of any other judicial or
28 administrative proceeding for its dissolution or reorganization, or
29 the making of a general assignment for the benefit of its

1 creditors.

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

5 (2) A licensee shall file a report with the director within 3
6 business days after the licensee has reason to know of the
7 occurrence of any of the following events:

8 (a) A charge or conviction of the licensee or of a key
9 individual or person in control of the licensee for a felony.

10 (b) A charge or conviction of an authorized delegate for a
11 felony.

12 Sec. 47. A licensee and an authorized delegate shall file all
13 reports required by federal currency reporting, record keeping, and
14 suspicious activity reporting requirements as set forth in the bank
15 secrecy act and other federal and state laws pertaining to money
16 laundering. The timely filing of a complete and accurate report
17 required under this section with the appropriate federal agency is
18 deemed compliant with the requirements of this section.

19 Sec. 49. (1) A licensee shall maintain all of the following
20 records, for determining its compliance with this act for at least
21 3 years:

22 (a) A record of each outstanding money transmission obligation
23 sold.

24 (b) A general ledger posted at least monthly containing all
25 asset, liability, capital, income, and expense accounts.

26 (c) Bank statements and bank reconciliation records.

27 (d) Records of each outstanding money transmission obligation.

28 (e) Records of each outstanding money transmission obligation
29 paid within the 3-year period.

1 (f) A list of the last known names and addresses of all of the
2 licensee's authorized delegates.

3 (g) Any other records the director reasonably requires by
4 rule.

5 (2) The items specified in subsection (1) may be maintained in
6 any form of record.

7 (3) Records specified in subsection (1) may be maintained
8 outside this state if they are made accessible to the director on 7
9 business-days' notice that is sent in a record.

10 (4) All records maintained by the licensee as required in
11 subsections (1), (2), and (3) are open to inspection by the
12 director in accordance with section 15(1).

13 ARTICLE 8

14 AUTHORIZED DELEGATES

15 Sec. 51. (1) Before a licensee is authorized to conduct
16 business through an authorized delegate or allows a person to act
17 as the licensee's authorized delegate, the licensee must do all of
18 the following:

19 (a) Adopt, and update as necessary, written policies and
20 procedures reasonably designed to ensure that the licensee's
21 authorized delegates comply with applicable state and federal law.

22 (b) Enter into a written contract that complies with
23 subsection (3).

24 (c) Conduct a reasonable risk-based background investigation
25 sufficient for the licensee to determine whether the authorized
26 delegate has complied and will likely comply with applicable state
27 and federal law.

28 (2) An authorized delegate shall operate in full compliance
29 with this act.

1 (3) The written contract required by subsection (1) must be
2 signed by the licensee and the authorized delegate and, at a
3 minimum, must do all of the following:

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

7 (b) Set forth the nature and scope of the relationship between
8 the licensee and the authorized delegate and the respective rights
9 and responsibilities of the parties.

10 (c) Require the authorized delegate to agree to fully comply
11 with all applicable state and federal laws, rules, and regulations
12 pertaining to money transmission, including this act and
13 regulations implementing this act, relevant provisions of the bank
14 secrecy act and the united and strengthening America by providing
15 appropriate tools required to intercept and obstruct terrorism (USA
16 PATRIOT ACT) act of 2001, Public Law 107-56.

17 (d) Require the authorized delegate to remit and handle money
18 and monetary value in accordance with the terms of the contract
19 between the licensee and the authorized delegate.

20 (e) Impose a trust on money and monetary value net of fees
21 received for money transmission for the benefit of the licensee.

22 (f) Require the authorized delegate to prepare and maintain
23 records as required by this act or regulations implementing this
24 act, or as reasonably requested by the director.

25 (g) Acknowledge that the authorized delegate consents to
26 examination or investigation by the director.

27 (h) State that the licensee is subject to regulation by the
28 director and that, as part of that regulation, the director may
29 suspend or revoke an authorized delegate designation or require the

1 licensee to terminate an authorized delegate designation.

2 (i) Acknowledge receipt of the written policies and procedures
3 required under subsection (1) (a).

4 (4) If the licensee's license is suspended, revoked,
5 surrendered, or expired, the licensee must, within 5 business days,
6 provide documentation to the director that the licensee has
7 notified all applicable authorized delegates of the licensee whose
8 names are in a record filed with the director of the suspension,
9 revocation, surrender, or expiration of a license. On suspension,
10 revocation, surrender, or expiration of a license, applicable
11 authorized delegates shall immediately cease to provide money
12 transmission as an authorized delegate of the licensee.

13 (5) An authorized delegate of a licensee holds in trust for
14 the benefit of the licensee all money net of fees received from
15 money transmission. If any authorized delegate commingles any funds
16 received from money transmission with any other funds or property
17 owned or controlled by the authorized delegate, all commingled
18 funds and other property must be considered held in trust in favor
19 of the licensee in an amount equal to the amount of money net of
20 fees received from money transmission.

21 (6) An authorized delegate may not use a subdelegate to
22 conduct money transmission on behalf of a licensee.

23 (7) As used in this section, "remit" means to make direct
24 payments of money to a licensee or its representative authorized to
25 receive money or to deposit money in a bank in an account specified
26 by the licensee.

27 Sec. 53. A person shall not engage in the business of money
28 transmission on behalf of a person not licensed under this act or
29 not exempt under article 3. A person that engages in such activity

1 provides money transmission to the same extent as if the person
2 were a licensee, and shall be jointly and severally liable with the
3 unlicensed or nonexempt person.

4 ARTICLE 9

5 TIMELY TRANSMISSION, REFUNDS, AND DISCLOSURES

6 Sec. 55. (1) Every licensee shall forward all money received
7 for transmission in accordance with the terms of the agreement
8 between the licensee and the sender unless the licensee has a
9 reasonable belief or a reasonable basis to believe that the sender
10 may be a victim of fraud or that a crime or violation of law, rule,
11 or regulation has occurred, is occurring, or may occur.

12 (2) If a licensee fails to forward money received for
13 transmission in accordance with this section, the licensee shall
14 respond to inquiries by the sender with the reason for the failure
15 unless providing a response would violate a state or federal law,
16 rule, or regulation.

17 Sec. 57. (1) This section does not apply to either of the
18 following:

19 (a) Money received for transmission subject to 12 CFR 1005.30
20 to 1005.36.

21 (b) Money received for transmission under a written agreement
22 between the licensee and payee to process payments for goods or
23 services provided by the payee.

24 (2) Every licensee shall refund to the sender within 10 days
25 of receipt of the sender's written request for a refund of any and
26 all money received for transmission unless any of the following
27 occurs:

28 (a) The money has been forwarded within 10 days of the date on
29 which the money was received for transmission.

1 (b) Instructions have been given committing an equivalent
2 amount of money to the person designated by the sender within 10
3 days of the date on which the money was received for transmission.

4 (c) The agreement between the licensee and the sender
5 instructs the licensee to forward the money at a time that is
6 beyond 10 days of the date on which the money was received for
7 transmission. If funds have not yet been forwarded in accordance
8 with the terms of the agreement between the licensee and the
9 sender, the licensee shall issue a refund in accordance with the
10 other provisions of this section.

11 (d) The refund is requested for a transaction that the
12 licensee has not completed based on a reasonable belief or a
13 reasonable basis to believe that a crime or violation of law, rule,
14 or regulation has occurred, is occurring, or may occur.

15 (e) The refund request does not enable the licensee to do
16 either of the following:

17 (i) Identify the sender's name and address or telephone number.

18 (ii) Identify the particular transaction to be refunded in the
19 event the sender has multiple transactions outstanding.

20 Sec. 59. (1) Every licensee or its authorized delegate shall
21 provide the sender a receipt for money received for transmission.
22 The receipt must contain the name of the sender, the name of the
23 designated recipient, the date of the transaction, the unique
24 transaction or identification number, the name of the licensee, the
25 nationwide multistate licensing system and registry unique ID, the
26 licensee's business address, and the licensee's customer service
27 telephone number, the amount of the transaction in United States
28 dollars, any fee charged by the licensee to the sender for the
29 transaction, and any taxes collected by the licensee from the

1 sender for the transaction. The receipt required by this subsection
2 must be in English and in the language principally used by the
3 licensee or authorized delegate to advertise, solicit, or
4 negotiate, either orally or in writing, for a transaction conducted
5 in person, electronically or by phone, if other than English.

6 (2) This section does not apply to any of the following:

7 (a) Money received for transmission subject to 12 CFR 1005.30
8 to 1005.36.

9 (b) Money received for transmission that is not primarily for
10 personal, family, or household purposes.

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

14 (d) Payroll processing services.

15 (3) As used in this section, "receipt" means a paper receipt,
16 electronic record, or other written confirmation. For a transaction
17 conducted in person, the receipt may be provided electronically if
18 the sender requests or agrees to receive an electronic receipt. For
19 a transaction conducted electronically or by phone, a receipt may
20 be provided electronically. All electronic receipts must be
21 provided in a retainable form.

22 Sec. 61. Every licensee or authorized delegate shall include
23 on a receipt or disclose on the licensee's website or mobile
24 application the name and phone number of the department and a
25 statement that the licensee's customers can contact the department
26 with questions or complaints about the licensee's money
27 transmission services.

28 Sec. 63. (1) A licensee that provides payroll processing
29 services shall do both of the following:

1 (a) Issue reports to clients detailing client payroll
 2 obligations in advance of the payroll funds being deducted from an
 3 account.

4 (b) Make available worker paystubs or an equivalent statement
 5 to workers.

6 (2) Subsection (1) does not apply to a licensee providing
 7 payroll processing services where the licensee's client designates
 8 the intended recipients to the licensee and is responsible for
 9 providing the disclosures required by subsection (1) (b).

10 ARTICLE 10

11 PRUDENTIAL STANDARDS

12 Sec. 65. (1) A licensee shall maintain at all times a tangible
 13 net worth of the greater of \$100,000.00 or 3% of total assets for
 14 the first \$100,000,000.00, 2% of additional assets for
 15 \$100,000,000.00 to \$1,000,000,000.00, and 0.5% of additional assets
 16 for over \$1,000,000,000.00.

17 (2) Tangible net worth must be demonstrated at initial
 18 application by the applicant's most recent audited or unaudited
 19 financial statements in accordance with section 25(2) (f).

20 (3) Notwithstanding the foregoing provisions of this section,
 21 the director has the authority, for good cause shown, to exempt,
 22 in-part or in whole, from the requirements of this section any
 23 applicant or licensee.

24 Sec. 67. (1) An applicant for a money transmission license
 25 must provide, and a licensee at all times shall maintain, security
 26 consisting of a surety bond in a form satisfactory to the director
 27 or, with the director's approval, a deposit instead of a bond in
 28 accordance with this section.

29 (2) The amount of the required security is either of the

1 following:

2 (a) The greater of \$100,000.00 or an amount equal to 100% of
3 the licensee's average daily money transmission liability in this
4 state calculated for the most recently completed 3-month period, up
5 to a maximum of \$500,000.00.

6 (b) In the event that the licensee's tangible net worth
7 exceeds 10% of total assets, the licensee shall maintain a surety
8 bond of \$100,000.00.

9 (3) A licensee that maintains a bond in the maximum amount
10 provided for in subsection (2)(a) or (b), as applicable, shall not
11 be required to calculate its average daily money transmission
12 liability in this state for purposes of this section.

13 (4) A licensee may exceed the maximum required bond amount
14 under section 71(1)(d).

15 Sec. 69. (1) A licensee shall maintain at all times
16 permissible investments that have a market value computed in
17 accordance with United States generally accepted accounting
18 principles of not less than the aggregate amount of all of its
19 outstanding money transmission obligations.

20 (2) Except for permissible investments enumerated in section
21 71(1), the director, with respect to any licensee, may by rule or
22 order limit the extent to which a specific investment maintained by
23 a licensee within a class of permissible investments may be
24 considered a permissible investment, if the specific investment
25 represents undue risk to customers, not reflected in the market
26 value of investments.

27 (3) Permissible investments, even if commingled with other
28 assets of the licensee, are held in trust for the benefit of the
29 purchasers and holders of the licensee's outstanding money

1 transmission obligations in the event of insolvency, the filing of
2 a petition by or against the licensee under 11 USC 101 to 110, for
3 bankruptcy or reorganization, the filing of a petition by or
4 against the licensee for receivership, the commencement of any
5 other judicial or administrative proceeding for its dissolution or
6 reorganization, or in the event of an action by a creditor against
7 the licensee who is not a beneficiary of this statutory trust. No
8 permissible investments impressed with a trust under this
9 subsection is subject to attachment, levy of execution, or
10 sequestration by order of any court, except for a beneficiary of
11 this statutory trust.

12 (4) On the establishment of a statutory trust in accordance
13 with subsection (3) or when any funds are drawn on a letter of
14 credit under section 71(1)(e), the director shall notify the
15 applicable regulator of each state in which the licensee is
16 licensed to engage in money transmission, if any, of the
17 establishment of the trust or the funds drawn on the letter of
18 credit, as applicable. Notice must be deemed satisfied if performed
19 in accordance with a multistate agreement or through the nationwide
20 multistate licensing system and registry. Funds drawn on a letter
21 of credit, and any other permissible investments held in trust for
22 the benefit of the purchasers and holders of the licensee's
23 outstanding money transmission obligations, are deemed held in
24 trust for the benefit of such purchasers and holders on a pro rata
25 and equitable basis in accordance with statutes under which
26 permissible investments are required to be held in this state, and
27 other states, as applicable. Any statutory trust established
28 hereunder must be terminated on extinguishment of all of the
29 licensee's outstanding money transmission obligations.

1 (5) The director by rule or by order may allow other types of
2 investments that the director determines are of sufficient
3 liquidity and quality to be a permissible investment. The director
4 is authorized to participate in efforts with other state regulators
5 to determine that other types of investments are of sufficient
6 liquidity and quality to be a permissible investment.

7 Sec. 71. (1) The following investments are permissible under
8 section 69:

9 (a) Cash, including demand deposits, savings deposits, and
10 funds in such accounts held for the benefit of the licensee's
11 customers in a federally insured depository financial institution,
12 and cash equivalents including ACH items in transit to the licensee
13 and ACH items or international wires in transit to a payee, cash in
14 transit via armored car, cash in smart safes, cash in licensee-
15 owned locations, debit card or credit card-funded transmission
16 receivables owed by any bank, or money market mutual funds rated
17 "AAA" by S&P, or the equivalent from any eligible rating service.

18 (b) Certificates of deposit or senior debt obligations of an
19 insured depository institution, as defined in section 3 of the
20 federal deposit insurance act, 12 USC 1813, or an insured credit
21 union, as defined under 12 USC 1752.

22 (c) An obligation of the United States or a commission,
23 agency, or instrumentality thereof, an obligation that is
24 guaranteed fully as to principal and interest by the United States,
25 or an obligation of a state or a governmental subdivision, agency,
26 or instrumentality thereof.

27 (d) One hundred percent of the surety bond or deposit provided
28 for under section 67.

29 (e) The full drawable amount of an irrevocable standby letter

1 of credit for which the stated beneficiary is the director that
2 stipulates that the beneficiary need only draw a sight draft under
3 the letter of credit and present it to obtain funds up to the
4 letter of credit amount within 7 days of presentation of the items
5 required by subsection (4).

6 (2) All of the following apply to letter of credit under
7 subsection (1) (e):

8 (a) It must be issued by a federally insured depository
9 financial institution, a foreign bank that is authorized under
10 federal law to maintain a federal agency or federal branch office
11 in a state or states, or a foreign bank that is authorized under
12 state law to maintain a branch in a state to which either of the
13 following apply:

14 (i) It bears an eligible rating or whose parent company bears
15 an eligible rating.

16 (ii) It is regulated, supervised, and examined by United States
17 federal or state authorities having regulatory authority over
18 banks, credit unions, and trust companies.

19 (b) It must be irrevocable, unconditional, and indicate that
20 it is not subject to any condition or qualifications outside of the
21 letter of credit.

22 (c) It must not contain reference to any other agreements,
23 documents or entities, or otherwise provide for any security
24 interest in the licensee.

25 (d) It must contain an issue date and expiration date, and
26 expressly provide for automatic extension, without a written
27 amendment, for an additional period of 1 year from the present or
28 each future expiration date, unless the issuer of the letter of
29 credit notifies the director in writing by certified or registered

1 mail or courier mail or other receipted means, at least 60 days
2 before any expiration date, that the irrevocable letter of credit
3 will not be extended.

4 (3) In the event of any notice of expiration or non-extension
5 of a letter of credit issued under subsection (2)(d), the licensee
6 shall be required to demonstrate to the satisfaction of the
7 director, 15 days before expiration, that the licensee maintains
8 and will maintain permissible investments in accordance with
9 section 69(1) on the expiration of the letter of credit. If the
10 licensee is not able to do so, the director may draw on the letter
11 of credit in an amount up to the amount necessary to meet the
12 licensee's requirements to maintain permissible investments in
13 accordance with section 69(1). Any such draw must be offset against
14 the licensee's outstanding money transmission obligations. The
15 drawn funds must be held in trust by the director or the director's
16 designated agent, to the extent authorized by law, as agent for the
17 benefit of the purchasers and holders of the licensee's outstanding
18 money transmission obligations.

19 (4) The letter of credit under subsection (1)(e) must provide
20 that the issuer of the letter of credit will honor, at sight, a
21 presentation made by the beneficiary to the issuer all of the
22 following documents on or before the expiration date of the letter
23 of credit:

24 (a) The original letter of credit, including any amendments.

25 (b) A written statement from the beneficiary stating that any
26 of the following events have occurred:

27 (i) The filing of a petition by or against the licensee under
28 11 USC 101 to 110, for bankruptcy or reorganization.

29 (ii) The filing of a petition by or against the licensee for

1 receivership, or the commencement of any other judicial or
2 administrative proceeding for its dissolution or reorganization.

3 (iii) The seizure of assets of a licensee by a director under an
4 emergency order issued in accordance with applicable law on the
5 basis of an action, violation, or condition that has caused or is
6 likely to cause the insolvency of the licensee.

7 (iv) The beneficiary has received notice of expiration or non-
8 extension of a letter of credit and the licensee failed to
9 demonstrate to the satisfaction of the beneficiary that the
10 licensee will maintain permissible investments in accordance with
11 section 69(1) on the expiration or non-extension of the letter of
12 credit.

13 (5) The director may designate an agent to serve on the
14 director's behalf as beneficiary to a letter of credit under
15 subsection (1) (e) so long as the agent and letter of credit meet
16 requirements established by the director. The director's agent may
17 serve as agent for multiple licensing authorities for a single
18 irrevocable letter of credit if the proceeds of the drawable amount
19 for the purposes of subsection (1) (e) are assigned to the director.

20 (6) The director is authorized to participate in multistate
21 processes designed to facilitate the issuance and administration of
22 letters of credit under subsection (1) (e), including, but not
23 limited to, services provided by the nationwide multistate
24 licensing system and registry and State Regulatory Registry, LLC.

25 (7) Unless permitted by the director by rule or by order to
26 exceed the limit as set forth herein, all of the following
27 investments are permissible under section 69 to the extent
28 specified:

29 (a) Receivables that are payable to a licensee from its

1 authorized delegates in the ordinary course of business that are
2 less than 7 days old, up to 50% of the aggregate value of the
3 licensee's total permissible investments.

4 (b) Of the receivables permissible under subdivision (a),
5 receivables that are payable to a licensee from a single authorized
6 delegate in the ordinary course of business may not exceed 10% of
7 the aggregate value of the licensee's total permissible
8 investments.

9 (c) The following investments are permissible up to 20% per
10 category and combined up to 50% of the aggregate value of the
11 licensee's total permissible investments:

12 (i) A short-term, up to 6 months, investment bearing an
13 eligible rating.

14 (ii) Commercial paper bearing an eligible rating.

15 (iii) A bill, note, bond, or debenture bearing an eligible
16 rating.

17 (iv) United States tri-party repurchase agreements
18 collateralized at 100% or more with United States government or
19 agency securities, municipal bonds, or other securities bearing an
20 eligible rating.

21 (v) Money market mutual funds rated less than "AAA" and equal
22 to or higher than "A-" by S&P, or the equivalent from any other
23 eligible rating service.

24 (vi) A mutual fund or other investment fund composed solely and
25 exclusively of one or more permissible investments listed in
26 subsection (1)(a) to (c).

27 (d) Cash, including demand deposits, savings deposits, and
28 funds in such accounts held for the benefit of the licensee's
29 customers, at foreign depository institutions are permissible up to

1 10% of the aggregate value of the licensee's total permissible
2 investments, if all of the following apply to the foreign
3 depository institution:

4 (i) It has an eligible rating.

5 (ii) It is registered in accordance with subtitle A of title V
6 of the hiring incentives to restore employment act, Public Law 111-
7 147.

8 (iii) It is not located in any country subject to sanctions from
9 the Office of Foreign Asset Control.

10 (iv) It is not located in a high-risk or non-cooperative
11 jurisdiction as designated by the Financial Action Task Force.

12 ARTICLE 11

13 ENFORCEMENT

14 Sec. 73. (1) The director may suspend or revoke a license or
15 order a licensee to revoke the designation of an authorized
16 delegate under any of the following circumstances:

17 (a) The licensee violates this act, a rule promulgated under
18 this act, an order or declaratory ruling issued under this act, or
19 any applicable state or federal law.

20 (b) The licensee does not cooperate with an examination or
21 investigation by the director.

22 (c) The licensee engages in fraud, intentional
23 misrepresentation, or gross negligence.

24 (d) An authorized delegate is convicted of a violation of a
25 state or federal anti-money laundering statute, or violates a rule
26 adopted or an order issued under this act, as a result of the
27 licensee's willful misconduct or willful blindness, as that term is
28 defined in section 4701 of the revised judicature act of 1961, 1961
29 PA 236, MCL 600.4701.

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

6 (f) Subject to subsection (2), the licensee engages in an
7 unsafe or unsound practice.

8 (g) The licensee fails to maintain the minimum net worth
9 required under section 65 or is insolvent, suspends payment of its
10 obligations, or makes a general assignment for the benefit of its
11 creditors.

12 (h) The licensee does not remove an authorized delegate after
13 the director issues and serves on the licensee a final order
14 including a finding that the authorized delegate has violated this
15 act.

16 (2) In determining whether a licensee is engaging in an unsafe
17 or unsound practice, the director may consider the size and
18 condition of the licensee's money transmission, the magnitude of
19 the loss, the gravity of the violation of this act, and the
20 previous conduct of the person involved.

21 Sec. 75. (1) If in the opinion of the director a licensee or
22 an authorized delegate is, has, or is about to engage in a practice
23 that poses a threat of financial loss or threat to the public
24 welfare or is, has, or is about to violate a law, rule, or order,
25 the director may issue and serve on the licensee or authorized
26 delegate a cease and desist order under this section.

27 (2) A cease and desist order issued under this section must
28 contain a statement of the facts constituting the alleged practice
29 or violation. A person ordered to cease and desist must be entitled

1 to a hearing before the commissioner if a written request for a
2 hearing is filed with the commissioner not more than 30 days after
3 the effective date of the order. A hearing must be conducted in
4 accordance with the provisions of the administrative procedures act
5 of 1969, 1969 PA 306, MCL 24.201 to 24.328.

6 (3) A licensee or authorized delegate ordered to cease and
7 desist may consent to issuance of a cease and desist order under
8 this section. A licensee or authorized delegate ordered to cease
9 and desist also consents to the issuance of the cease and desist
10 order if the licensee or a duly authorized representative of the
11 licensee fails to appear at a hearing described in subsection (2).

12 (4) If a licensee or authorized delegate consents under
13 subsection (3), or if the director finds based on the record made
14 at the hearing that the practice or violation specified in the
15 order is established, the cease and desist order becomes final. The
16 order may require the licensee or authorized delegate and its
17 officers, directors, members, partners, trustees, employees,
18 agents, or control persons to cease and desist from the practice or
19 violation and to take affirmative action to correct the conditions
20 resulting from the practice or violation.

21 (5) Except as provided in subsection (6) or to the extent it
22 is stayed, modified, terminated, or set aside by the director or a
23 court, a cease and desist order is effective on the date of
24 service.

25 (6) A cease and desist order issued with a licensee's or
26 authorized delegate's consent is effective at the time specified in
27 the order and remains effective and enforceable as provided in the
28 order.

29 Sec. 77. (1) If in the opinion of the director a person has

1 engaged in fraud or has been convicted of a criminal violation
2 involving money laundering, the director may serve on that person a
3 written notice of intention to prohibit that person from being
4 employed by an agent of, or a control person of a licensee under
5 this act, or a licensee or registrant under a financial licensing
6 act. As used in this subsection, "fraud" includes actionable fraud,
7 actual or constructive fraud, criminal fraud, extrinsic or
8 intrinsic fraud, fraud in the execution, in the inducement, in
9 fact, or in law, or any other form of fraud.

10 (2) A notice issued under subsection (1) must contain a
11 statement of the facts supporting the prohibition and, except as
12 provided under subsection (7), set a time and date for a hearing,
13 within 60 days after the date of the notice. If the person does not
14 appear at the hearing, the person consents to the issuance of an
15 order in accordance with the notice.

16 (3) If, after a hearing held under subsection (2), the
17 director finds that any of the grounds specified in the notice have
18 been established, the director may issue an order of suspension or
19 prohibition from being a licensee or registrant or from being
20 employed by, an agent of, or a control person of any licensee under
21 this act or a licensee or registrant under any financial licensing
22 act.

23 (4) An order issued under subsection (2) or (3) is effective
24 when served on the person subject to the order. The director shall
25 also serve a copy of the order on the licensee of which the person
26 is an employee, agent, or control person. The order remains in
27 effect until it is stayed, modified, terminated, or set aside by
28 the director or a reviewing court.

29 (5) After 5 years from the date of an order issued under

1 subsection (2) or (3), the person subject to the order may apply to
2 the director to terminate the order.

3 (6) If the director considers that a person served a notice
4 under subsection (1) poses an imminent threat of financial loss to
5 purchasers of payment instruments from a licensee, the director may
6 serve on the person an order of suspension from being employed by,
7 an agent of, or a control person of any licensee. The suspension is
8 effective on the date the order is issued and, unless stayed by a
9 court, remains in effect pending the completion of a review as
10 provided under this section and until the director has dismissed
11 the charges specified in the order.

12 (7) Unless otherwise agreed to by the director and the person
13 served with an order issued under subsection (6), the director
14 shall hold the hearing required under subsection (2) to review a
15 suspension not earlier than 5 days or later than 20 days after the
16 date of the notice.

17 (8) If a person is convicted of a felony involving fraud,
18 dishonesty, breach of trust, or money laundering, the director may
19 issue an order suspending or prohibiting that person from being a
20 licensee and from being employed by, an agent of, or a control
21 person of any licensee under this act or a licensee or registrant
22 under a financial licensing act. After 5 years from the date of the
23 order, the person subject to the order may apply to the director to
24 terminate the order.

25 (9) The director shall mail a copy of any notice or order
26 issued under this section to the licensee of which the person
27 subject to the notice or order is an employee, agent, or control
28 person.

29 Sec. 79. The director may enter into a consent order at any

1 time with a person to resolve a matter arising under this act or a
2 rule adopted or order issued under this act. A consent order must
3 be signed by the person to whom it is issued or by the person's
4 authorized representative, and must indicate agreement with the
5 terms contained in the order. A consent order may provide that it
6 does not constitute an admission by a person that this act or a
7 rule adopted or an order issued under this act has been violated.

8 Sec. 81. (1) A person that intentionally makes a false
9 statement, misrepresentation, or false certification in any record
10 or document filed or required to be maintained under this act or
11 that intentionally makes a false entry or omits a material entry in
12 a record is guilty of a felony punishable by imprisonment for not
13 more than 5 years or a fine of not more than \$100,000.00, or both.

14 (2) A person that engages in criminal fraud in the conduct of
15 its money transmission services business is guilty of a felony
16 punishable by imprisonment for not more than 5 years or a fine of
17 not more than \$100,000.00, or both.

18 (3) A person that knowingly engages in an activity for which a
19 license is required under this act and is not licensed under this
20 act is guilty of a felony punishable by imprisonment for not more
21 than 5 years or a fine of not more than \$100,000.00, or both. A
22 court shall order a person convicted of violating subsection (1) or
23 (2) to pay restitution as provided in section 1a of chapter IX of
24 the code of criminal procedure, 1927 PA 175, MCL 769.1a, and the
25 William Van Regenmorter crime victim's rights act, 1985 PA 87, MCL
26 780.751 to 780.834.

27 Sec. 83. The director may assess a civil fine against a person
28 that violates this act or a rule adopted or an order issued under
29 this act in an amount not to exceed \$10,000.00 per day for each day

1 the violation is outstanding, plus this state's costs and expenses
2 for the investigation and prosecution of the matter, including
3 reasonable attorney fees.

4 ARTICLE 12

5 MISCELLANEOUS PROVISIONS

6 Sec. 85. In applying and construing this act, consideration
7 must be given to the need to promote uniformity of the law with
8 respect to its subject matter among states that enact it.

9 Sec. 87. If any provision of this act or its application to
10 any person or circumstance is held invalid, the invalidity does not
11 affect other provisions or applications of this act which can be
12 given effect without the invalid provision or application, and to
13 this end the provisions of this act are severable.

14 Sec. 89. (1) A person licensed in this state to engage in the
15 business of money transmission shall not be subject to the
16 provisions of this act, to the extent that the provisions conflict
17 with current law or establish new requirements not imposed under
18 current law, until July 1, 2025.

19 (2) Notwithstanding subsection (1), a licensee shall only be
20 required to amend its authorized delegate contracts for contracts
21 entered into or amended after January 1, 2025 or the completion of
22 any transition period contemplated under subsection (1). Nothing
23 herein shall be construed as limiting an authorized delegate's
24 obligations to operate in full compliance with this act as required
25 by section 51(2).

26 (3) A person providing payroll processing services in this
27 state without a license shall not be considered in violation of
28 section 21 if the person applies for a license before July 1, 2025.
29 The director may for good cause extend the transition period in

1 conjunction with the extension of an application period.

2 Enacting section 1. The money transmission services act, 2006
3 PA 250, MCL 487.1001 to 487.1047, is repealed effective July 1,
4 2025.

5 Enacting section 2. This act takes effect January 1, 2025.