

February 10, 2015

The Honorable Pete DeGraaf, Chairperson
House Committee on Financial Institutions
Statehouse, Room 459-W
Topeka, Kansas 66612

Dear Representative DeGraaf:

SUBJECT: Fiscal Note for HB 2216 by House Committee on Financial Institutions

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2216 is respectfully submitted to your committee.

HB 2216 would amend the Money Transmitter Act to place additional restrictions to money transmitter licensees and the agents operating under those licensees. The bill would require the agent of the licensee to forward any funds it receives directly to the licensee. The bill would require the licensee to obtain prior approval from the State Bank Commissioner before any licensee may designate an agent that is not located in Kansas. The State Bank Commissioner would be authorized to require a licensee to have a surety bond in an amount up to \$1.0 million, up from the current maximum of \$500,000. The bill authorizes the State Bank Commissioner to increase the surety bond amount based on business volume transacted in the state and the impaired financial condition of a licensee. The bill also requires each licensee to maintain audited financial statements that are prepared under the United States General Accepted Accounting Principles. The bill also makes technical changes and updates definitions.

The Office of the State Bank Commissioner indicates that the costs associated with implementing the requirements of HB 2216 would be negligible and could be absorbed within its existing budget.

Sincerely,



Shawn Sullivan,
Director of the Budget

cc: Judi Stork, Banking