

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the General Government Appropriations Committee

BILL: CS/SB 1534

INTRODUCER: Finance and Tax Committee and Senator Storms

SUBJECT: Money Services Businesses

DATE: April 16, 2009

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Burgess	BI	Fav/2 amendments
2.	ODonnell	McKee	FT	Fav/CS
3.	Frederick	DeLoach	GA	Favorable
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | ☒ | Statement of Substantial Changes |
| B. AMENDMENTS..... | ☐ | Technical amendments were recommended |
| | ☐ | Amendments were recommended |
| | ☐ | Significant amendments were recommended |

I. Summary:

Money services businesses offer financial services, such as check cashing, money transmittals (wire transfers), sales of monetary instruments, and currency exchange outside the traditional banking environment. In 2008, the Florida Legislature enacted legislation that incorporated recommendations from a 2008 statewide grand jury report, *Check Cashers: A Call for Enforcement*, and from Senate Interim Project 2008-101, *Regulation of Money Services Businesses*, designed to strengthen the regulation of money services businesses in Florida.

The bill clarifies terminology in ch. 560, F.S., which regulates money services businesses. Currently, fees for authorized vendors are assessed by the Office of Financial Regulation (office) on a per location basis and the bill clarifies the statute to be consistent with current administration. The bill does not impose any new fees.

This bill substantially amends the following sections of the Florida Statutes: 560.123, 560.141, 560.143, and 560.2085.

II. Present Situation:

Money Services Businesses

The Office of Financial Regulation regulates money services businesses. The industry includes payment instrument sellers, foreign currency exchangers, check cashers, funds transmitters, and deferred presentment providers who are subject to ch. 560, F.S. According to the office, there were approximately 1,400 licensed money services businesses with over 38,000 authorized vendors, as of March 1, 2009.

The money services businesses license categories are wire transfer businesses and money order sellers (Part II of ch. 560, F.S.) and check cashers and foreign currency exchangers (Part III of ch. 560, F.S.). Authorized vendors act on behalf of money services businesses at locations around the state. For example, licensees, such as Western Union and MoneyGram, may use authorized vendors located at convenience stores to sell their products. The office assesses fees for authorized vendors of licensees on a per location basis.

III. Effect of Proposed Changes:

Sections 1 amends s. 560.123(3), F.S., to require that a money services business keep records of certain financial transactions.

Section 2 amends s. 560.141(1)(a), F.S., to replace the word “appointment” with “location” to clarify the statute for consistency with current practice.

Sections 3 and 4 amends ss. 560.143 and 560.2085, F.S., to replace the word “appointment” with the word “location.” Section 560.103(16), F.S., defines "location" to mean a branch office, mobile location, or location of an authorized vendor whose business activity is regulated under this chapter. This change clarifies that fees for authorized vendors of licensees are assessed per location, rather than on a per appointment basis. The office has been authorized to charge licensure fees for each location of an authorized vendor since 2001, and renewal fees based on each location since 1994.

Section 5 provides this bill will take effect upon becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

None.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:**A. Committee Substitute – Statement of Substantial Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Finance and Tax Committee on March 25, 2009:

The committee substitute incorporates two amendments. The first amends s. 560.123, F.S., to require that money services businesses keep records of certain financial transactions. The second amends section 560.141, F.S., to delete the word “appointment” and replacing it with the word “location.”

B. Amendments:

None.