

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 Banking and Insurance Committee

BILL: SB 1534

INTRODUCER: Senators Storms and Fasano

SUBJECT: Money Services Businesses

DATE: March 10, 2009

REVISED: 03/17/09

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Johnson	Burgess	BI	Fav/2 amendments
2.			FT	
3.			GA	
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input checked="" type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

Money services businesses (MSBs) 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 the 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 MSBs. Currently, fees for authorized vendors are assessed by the Office of Financial Regulation on a per location basis and the bill clarifies this provision. 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 MSB industry includes payment instrument sellers, foreign currency exchangers, check cashers, funds transmitters, and deferred presentment providers that are subject to ch. 560, F.S. According to the OFR, there were approximately 1,400 licensed MSBs 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 MSBs 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 OFR assesses fees for authorized vendors of licensees on a per location basis.

III. Effect of Proposed Changes:

Sections 1 and 2 replace the word appointment with the word location. This change will clarify that fees for authorized vendors of licensees are assessed per location, rather than per appointment basis. The OFR 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 3 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.)

None.

B. Amendments:

Barcode 716104 by Banking and Insurance on March 17, 2009:

Provides technical changes to s. 560.123(3), F.S., to make the language consistent with s. 655.50(4)(a), F.S. During the 2008 rewrite of ch. 560, F.S., this language was unintentionally revised. (WITH TITLE AMENDMENT)

Barcode 805684 by Banking and Insurance on March 17, 2009:

Provides technical changes to s. 560.141, F.S. (WITH TITLE AMENDMENT)