

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 Finance and Tax Committee

BILL: CS/SB 1534

INTRODUCER: Finance and Tax Committee and Senators Storms and Fasano

SUBJECT: Money Services Businesses

DATE: March 25, 2009

REVISED: _____

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

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|--|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="checked" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input 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 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 MSB 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 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 amends the statute to require money service business to keep records of certain transactions.

Section 2 amends the statute to section 560.141 to insert the word “location and replace the word “appointment.”

Section 3 and 4 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 will clarify that fees for authorized vendors of licensees are assessed per location, rather than on a 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. The bill makes technical changes to s. 560.123(3), F.S., to make the statutory language consistent with s. 655.50(4)(a), F.S. During the 2008 rewrite of ch. 560, F.S., this language was unintentionally revised. An additional change is made to s. 560.141, F.S., to cure a technical defect.

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.)

The C/S incorporates two amendments. The first amends s. 560.123, F.S., to require money service business to keep records of certain transactions. The second amends section 560.141 to insert the word “location.”

B. Amendments:

None