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Lieutenant Governor
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**OFFICE OF THE LIEUTENANT GOVERNOR
ALASKA**

MEMORANDUM

TO: Micaela Fowler
Department of Commerce, Community & Economic Development

FROM: Scott Meriwether, Office of the Lieutenant Governor
465.4081 

DATE: October 24, 2017

RE: Filed Permanent Regulations: Department of Commerce, Community & Economic Development

Department of Commerce, Community, and Economic Development Regulations re: money services (3 AAC 13)

Attorney General File:	JU2017200431
Regulation Filed:	10/23/2017
Effective Date:	11/22/2017
Print:	224, January 2018

cc with enclosures: Linda Miller, Department of Law
Judy Herndon, LexisNexis

ORDER ADOPTING CHANGES TO
REGULATIONS OF DEPARTMENT OF COMMERCE,
COMMUNITY, AND ECONOMIC DEVELOPMENT

The attached fifteen pages of regulations, dealing with money services, are adopted and certified to be a correct copy of the regulation changes that the Department of Commerce, Community, and Economic Development adopts under the authority of AS 45.55.950 and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

In considering public comments, the Department of Commerce, Community, and Economic Development paid special attention to the cost to private persons of the regulatory action being taken.

The regulation changes adopted under this order take effect on the 30th day after they have been filed by the lieutenant governor, as provided in AS 44.62.180.

Date: October 16, 2017



Micaela Fowler
Legislative Liaison
Office of the Commissioner

FILING CERTIFICATION

I, Byron Mallott, Lieutenant Governor for the State of Alaska, certify that on

October 23, 2017, at 145p m., I filed the attached regulations according to the provisions of AS 44.62.040 - 44.62.120.



Lieutenant Governor

Effective: November 22, 2017

Register: 224, January 2018



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

**Department of Commerce, Community,
and Economic Development**

OFFICE OF THE COMMISSIONER

P.O. Box 110800
Juneau, Alaska 99811-0800
Main: 907.465.2500
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**ALASKA DEPARTMENT OF COMMERCE, COMMUNITY, AND
ECONOMIC DEVELOPMENT**

Delegation of Authority

In accordance with AS 44.17.010, the authority and responsibility for adopting regulations, outside of the Division of Corporations, Business and Professional Licensing (CBPL), but for the Department of Commerce, Community, and Economic Development (DCCED), under the Alaska Administrative Procedure Act, is hereby delegated to:

Micaela Fowler
Legislative Liaison
Office of the Commissioner
DCCED
P.O. Box 110800
Juneau, AK 99811-0800
907-465-2503
micaela.fowler@alaska.gov

In accordance with AS 44.17.010, the authority and responsibility for adopting regulations of the Division of Corporations, Business and Professional Licensing, under the Alaska Administrative Procedure Act, is hereby delegated to:

Janey Hovenden
Director
CBPL
DCCED
P.O. Box 110806
Juneau, AK 99811-0806
907-465-2538
janey.hovenden@alaska.gov

This Delegation of Authority will remain in effect until modified or revoked by a subsequent delegation. This Delegation supersedes and revokes all delegations preceding it.

Dated the 16th day of March, 2015



Chris Hladick
Commissioner
Department of Commerce, Community,
and Economic Development

3 AAC 13.010 is repealed and readopted to read:

3 AAC 13.010. Money transmission and currency exchange license applications. (a)

A person applying for a money transmission or currency exchange license under AS 06.55.101 or 06.55.201 must submit an application that complies with AS 06.55.102 or 06.55.202 to the department through the registry. In addition to the information required by AS 06.55.102 or 06.55.202, the application must contain

(1) a full description of the screening process used by the applicant in selecting an authorized delegate, including a sample of any forms used, and the method used to screen for criminal history;

(2) satisfactory proof that, if applying for a money transmission license, the person has obtained the security required by AS 06.55.104 and that the security is in force, including the amount and type of any excess coverage provided; and

(3) personal history and experience in a form prescribed by the registry and authorization for the registry and the department to obtain

(A) an independent credit report from a consumer reporting agency; and

(B) information related to administrative, civil, or criminal findings by a governmental jurisdiction.

(b) For the purposes of this section, the department may use the registry as an agent for requesting information from and distributing information to the United States Department of Justice, another governmental agency, or another source directed by the department.

(c) As part of the investigation of an application for a license under this chapter, the department will, under (a)(3) of this section, including through the registry, obtain an

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independent credit report and other information related to administrative, civil, or criminal findings regarding the applicant and each control person of the applicant. (Eff. 7/12/2008, Register 187; am 11 / 22 / 2017, Register 224)

Authority: AS 06.55.102 **AS 06.55.202** AS 44.33.020
AS 06.55.104

3 AAC 13.020(a) is amended to read:

(a) A person seeking approval to engage in money transmission or currency exchange activities under AS 06.55.103 without obtaining a license **under AS 06.55.101** from the department must submit to the department

(1) the items described in AS 06.55.103(a)(2) **and 3 AAC 13.010(a)**;

(2) satisfactory proof that the person holds a license in good standing to engage in money transmissions in at least one other state that has either adopted the Uniform Money Services Act or has money transmission laws that are substantially similar to those of this state;

(3) satisfactory proof that the person has obtained the security required by AS 06.55.104 and that the security is in force, including the amount and type of any excess coverage provided; [AND]

(4) a signed release of information that allows the department to obtain information from licensing agencies of other states necessary to verify the person's eligibility to engage in money transmission or currency exchange under AS 06.55.103; **and**

(5) any other information that the department reasonably requires with respect to the applicant.

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3 AAC 13.020(b)(1) is amended to read:

(1) the person fails to comply with 3 AAC 13.010(a), (a) of this section, or
AS 06.55.103;

3 AAC 13.020 is amended by adding a new subsection to read:

(c) An application for approval under AS 06.55.103 must be made to the department
through the registry. (Eff. 7/12/2008, Register 187; am 11 / 22 / 2017, Register 224)

Authority: AS 06.55.103 AS 44.33.020

3 AAC 13.030 is repealed and readopted to read:

3 AAC 13.030. Security requirement. (a) An applicant for a money transmission
license or for approval under AS 06.55.103 must provide, and must maintain at all times,
security that satisfies the requirements of AS 06.55.104. The security must secure the faithful
performance of the obligations of the money transmission licensee, including its principals,
responsible individuals, employees, and authorized delegates, with respect to money
transmission. For purposes of this subsection, the obligations of the money transmission licensee
are

- (1) its legal obligations to its customers;
- (2) its obligation to comply with AS 06.55, with this chapter, with any order
issued under AS 06.55 or this chapter, and with any other applicable law; and
- (3) for a money transmission licensee that engages in currency exchange or
advertises, solicits, or holds itself out as providing currency exchange under AS 06.55.201(a)(2)

or (3), obligations listed in (1) and (2) of this subsection and related to currency exchange.

(b) If a surety bond is used to satisfy AS 06.55.104, it must be in a form acceptable to the department, issued by a surety company authorized to engage in business in this state and acceptable to the department with an assignment in favor of the department. The surety bond must cover claims for the entire period that the person who is licensed under AS 06.55.105 or is offering services under AS 06.55.103 provides money transmission services in this state and for at least five years after the person ceases to provide those services. The department may require that the surety bond be kept in place for more than five years after the services are no longer provided in the state if the department determines that the surety bond will be needed to satisfy claims against the person after expiration of the five-year period.

(c) Not later than 14 days after the money transmission licensee receives notice of an action against the money transmission licensee that could result in recovery against the bond, a money transmission licensee shall provide written or electronic notice to the department of the action.

(d) The bond must provide that, not later than 14 days after the surety receives notice of an action against the bond or a final order of a court under (c) of this section, the surety shall provide written or electronic notice of the action or final order to the department.

(e) The bond must provide that immediately upon a payment by the surety under the bond, the surety shall provide written or electronic notice of the payment to the department.

(f) If a letter of credit is used to satisfy the security requirement of AS 06.55.104, it must be

(1) in a form acceptable to the department;

(2) clean and unconditional;

(3) irrevocable for a period not less than five years after the person obtaining the letter of credit ceases to provide services in the state; and

(4) issued or confirmed by, and payable and presentable at, a financial institution whose deposits are insured by the federal government.

(g) The security remains in effect until canceled. Cancellation may occur only after at least 30 days' written or electronic notice to the department. Nothing in this subsection affects any liability incurred or accrued during the period covered by the security. Cancellation of a security used to satisfy the requirements of AS 06.55.104 constitutes grounds for suspension or revocation of a license issued under AS 06.55 or the department's approval to offer services in the state under AS 06.55.103.

(h) If the department at any time reasonably determines that the required security is insecure, deficient in amount, or exhausted in whole or in part, the department will require the money transmission licensee to provide new or additional security to comply with AS 06.55.104 and this section. The department may increase the amount of security required, to a maximum of \$500,000, if the financial condition of a money transmission licensee requires the increase. In determining whether to require new, additional, or increased security, the department may consider one or more of the following criteria:

(1) significant reduction of net worth;

(2) financial losses

(3) potential losses resulting from violations of AS 06.55 or this chapter;

(4) the licensee filing for bankruptcy;

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(5) a judicial or administrative finding against the licensee in any state or foreign country based on the conduct of a money services business;

(6) a licensee, executive officer, board director, person in control, responsible individual, principal, or authorized delegate being convicted of a felony;

(7) any unsafe or unsound practice;

(8) other events and circumstances that the department considers to impair the ability of the licensee to meet its obligations to its customers. (Eff. 7/12/2008, Register 187; am 11 / 22 / 2017, Register 224)

Authority: AS 06.55.104 AS 44.33.020

The introductory language of 3 AAC 13.040(a) is amended to read:

(a) Subject to (b) and (c) of this section, the department will deny a money services license application [, OTHER THAN AN APPLICATION FOR APPROVAL UNDER AS 06.55.103,] if the department determines that

...

(Eff. 7/12/2008, Register 187; am 11 / 22 / 2017, Register 224)

Authority: AS 06.55.103 AS 06.55.105 AS 06.55.203
AS 06.55.104 AS 06.55.107 AS 44.33.020

3 AAC 13.050 is amended by adding a new subsection to read:

(d) A request to renew a money transmission license must be made to the department through the registry. (Eff. 7/12/2008, Register 187; am 11 / 22 / 2017, Register 224)

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Authority: AS 06.55.103 AS 06.55.990 AS 44.33.020

AS 06.55.106

3 AAC 13.060 is amended by adding a new subsection to read:

(d) A request to renew a currency exchange license must be made to the department through the registry. (Eff. 7/12/2008, Register 187; am 11 / 22 / 2017, Register 224)

Authority: AS 06.55.204 AS 44.33.020

3 AAC 13 is amended by adding a new section to Article 1 to read:

3 AAC 13.070. Abandoned applications. (a) An application is considered abandoned if the department does not receive any response from the applicant or licensee for 60 days after the department assigns a notice of deficiency to the record of the applicant or licensee in the registry.

(b) An abandoned application is denied without prejudice and all fees are forfeited. (Eff. 11 / 22 / 2017, Register 224)

Authority: AS 06.55.850 AS 44.33.020

3 AAC 13.120(a) is amended to read:

(a) A request for approval of change of control required by AS 06.55.404 must include a comprehensive description of the proposed change **and be submitted to the department through the registry.** The description must set out

(1) the identity of each person acquiring control under the proposed change;

(2) the ownership interest and managerial authority of each person in control

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under the proposed change; and

(3) for each new person in control under the proposed change,

[BIOGRAPHICAL] information **about personal history and experience as described in**

3 AAC 13.010(a)(3), including employment history for the immediate previous **10** [FIVE] years.

(Eff. 7/12/2008, Register 187; am 11 / 22 / 2017, Register 224)

Authority: AS 06.55.404 AS 44.33.020

The introductory language of 3 AAC 13.210(a) is amended to read:

(a) When the department conducts an on-site investigation under AS 06.55.105(a),

06.55.103(b), or 06.55.203(a) or an examination under AS 06.55.401,

...

3 AAC 13.210(a)(3) is amended to read:

(3) the applicant, money services licensee, or authorized delegate shall pay the department **examination and investigation fees in accordance with AS 06.01.010** [THE HOURLY FEE SET OUT IN 3 AAC 13.840] and any expenses required to be paid under 3 AAC 13.850 for each representative of the department who is reasonably necessary to conduct the investigation or examination.

3 AAC 13.210(b)(3) is amended to read:

(3) the licensee provides **written or electronic** [PRIOR] notice **through the registry** [IN WRITING] that the licensee is having the audit prepared instead of the investigation

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or examination required by the department; and

3 AAC 13.210(b)(4) is amended to read:

(4) the department has given prior written **or electronic** approval for the person to conduct the audit. (Eff. 7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority: AS 06.01.010 AS 06.55.105 AS 06.55.401
 AS 06.55.103 AS 06.55.203 AS 44.33.020

3 AAC 13.830 is amended to read:

3 AAC 13.830. Termination of operations. A money services licensee shall **provide electronic notice to** [NOTIFY] the department **through the registry** [IN WRITING] of its decision to cease operations as a money services licensee or the cessation of operations of any of its authorized delegates **not later than** [WITHIN] seven days after that decision or cessation.

(Eff. 7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority: AS 44.33.020

3 AAC 13.840 is amended to read:

3 AAC 13.840. Fees. (a) The following nonrefundable fees are established for services provided under AS 06.55 or this chapter **and shall be paid to the department through the registry:**

(1) an application fee for a money transmission license **under AS 06.55.102, approval under AS 06.55.103, or currency exchange license under AS 06.55.202, \$2,000**

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[\$500], plus \$200 [\$100] for each additional location;

(2) [AN APPLICATION FEE FOR APPROVAL UNDER AS 06.55.103 TO ENGAGE IN MONEY TRANSMISSION, CURRENCY EXCHANGE, OR BOTH MONEY TRANSMISSION AND CURRENCY EXCHANGE WHEN LICENSED IN ANOTHER STATE, \$250;

(3)] an annual renewal fee for a money transmission license, including an approval under AS 06.55.103, \$1,000 [\$500];

(3) [4] a biennial renewal fee for a currency exchange license under AS 06.55.204, \$2,000; the fee shall be paid through the registry in two annual installments of \$1,000 each;

(4) [(5)] a late fee for each day after suspension that the department does not receive the renewal report or [AND] the renewal fee under AS 06.55.106(c)(2), \$25 [\$10];

(5) [(6) THE COST OF AN ON-SITE INVESTIGATION UNDER AS 06.55.105(a) OR 06.55.203(a) OR AN EXAMINATION UNDER AS 06.55.401, \$75 PER HOUR FOR EACH REPRESENTATIVE OF THE DEPARTMENT WHO IS REASONABLY NECESSARY TO CONDUCT THE INVESTIGATION OR EXAMINATION;

(7)] a request for approval of a change in control of a money services licensee under AS 06.55.404(a), \$750;

(6) a request for a change in mailing address, \$50;

(7) a request for a change in name, \$100 [\$500].

(b) The following fees, paid to the department through the registry, are refundable if the application is denied, are nonrefundable if the application is withdrawn or abandoned, and

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are established for [THE FOLLOWING] services **provided under AS 06.55 or this chapter:**

(1) license fee for a license under AS 06.55.102 or 06.55.202, **\$1,000** [\$500] for the initial location, **\$200** [AND \$50] for each additional **physical** location, **and \$1,000 for each additional Internet-based location** where the applicant or its authorized delegate will provide services;

(2) a fee for the first year of operating with the approval given under AS 06.55.103, **\$1,000 for the initial location, \$200 for each additional physical location, and \$1,000 for each additional Internet-based location where the applicant or its authorized delegate will provide services** [\$500].

3 AAC 13.840 is amended by adding a new subsection to read:

(c) Nothing in this section relieves an applicant from the obligation to pay processing or other fees that the registry sets for services that the registry provides. (Eff. 7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority:	AS 06.55.103	AS 06.55.203	AS 06.55.990
	AS 06.55.105	AS 06.55.401	AS 44.33.020
	AS 06.55.106	AS 06.55.404	

3 AAC 13.850 is amended to read:

3 AAC 13.850. Reimbursement of expenses. When the department conducts an [ON-SITE] investigation under **AS 06.55.103(b)**, [AS] 06.55.105(a), or 06.55.203(a) or an examination under AS 06.55.401, the applicant, money services licensee, or authorized delegate

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shall pay the actual expenses of required travel, including transportation, lodging, and per diem expense not to exceed the per diem allowance for employees of the state under AS 39.20.110.

(Eff. 7/12/2008, Register 187; am 11 /22 /2017, Register 224)

Authority: AS 06.55.103 AS 06.55.203 AS 44.33.020
AS 06.55.105 AS 06.55.401

3 AAC 13.910(a) is amended to read:

(a) An application for department action under AS 06.55 and this chapter will be considered filed or submitted [AS OF THE POSTMARK DATE OF THE DOCUMENT. IF THE DOCUMENT IS SUBMITTED BY A METHOD THAT DOES NOT PROVIDE A POSTMARK DATE, THE DOCUMENT WILL BE CONSIDERED FILED OR SUBMITTED AS OF THE DATE STAMPED OR OTHERWISE MARKED ON THE DOCUMENT WHEN IT IS RECEIVED AT THE DEPARTMENT'S JUNEAU OFFICE. AN ELECTRONIC FILING OR SUBMISSION, IF ALLOWED, WILL BE CONSIDERED FILED OR SUBMITTED] at the time the filing or submission is received in electronic form by the department **through the registry.**

3 AAC 13.910(b) is repealed:

(b) Repealed 11 /22 /2017. (Eff. 7/12/2008, Register 187; am 11 /22 /2017, Register 224)

Authority: AS 44.33.020

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[EDITOR'S NOTE: FOR DELIVERY BY UNITED STATES MAIL, THE ADDRESS OF THE DEPARTMENT'S JUNEAU OFFICE IS: DIVISION OF CORPORATIONS, BUSINESS, AND PROFESSIONAL LICENSING, DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT, P.O. BOX 110806, JUNEAU AK 99811-10806. FOR HAND DELIVERY OR DELIVERY BY DOMESTIC COURIER SERVICE, THE ADDRESS OF THE DEPARTMENT'S JUNEAU OFFICE IS: DIVISION OF CORPORATIONS, BUSINESS, AND PROFESSIONAL LICENSING, DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT, 333 W. WILLOUGHBY AVE., 9TH FLOOR, JUNEAU, AK 99801.]

3 AAC 13.920(a) is amended to read:

(a) A money services licensee shall maintain a current, valid, mailing address and electronic mail address on file with the department through the registry at all times. An applicant or licensee shall monitor its record in the registry and its electronic mail address filed with the registry for communications from the department and information regarding its license or registration. The department will use the latest mailing address submitted to the registry [ON FILE WITH THE DEPARTMENT] for official communications, notifications, and service of legal process.

3 AAC 13.920(b) is amended to read:

(b) A person required to be licensed under AS 06.55 shall file an application to amend its record with [A MONEY SERVICES LICENSEE SHALL NOTIFY] the department

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through the registry 30 days before [, IN WRITING, OF] a change of **a** mailing address **and**
immediately upon change of an electronic mail address. A money services licensee shall
submit the required fee to the department through the registry with an application to
amend its record because of a change of a mailing address. A change of the mailing address
of a licensee in the registry is effective when approved by the department in the registry.

3 AAC 13.920(c) is repealed and readopted to read:

(c) If a money services licensee seeks to change its name, the licensee must submit an application to amend its Form MU1 and the required fee to the department through the registry. Not later than seven days after filing the application to amend the Form MU1 for a change of name, a licensee must submit directly to the department

(1) organizational documents filed with the domestic state under AS 06.55.102 with the changed name and, if the licensee is organized outside this state, documentation of authority to conduct business in this state with the changed name; and

(2) a copy of the name registration form with the changed name, stamped "received" by the regulatory agency overseeing corporations.

3 AAC 13.920(d) is repealed:

(d) Repealed 11/22/2017.

3 AAC 13.920 is amended by adding a new subsection to read:

(e) A name change takes effect in the registry upon the approval of the department. (Eff.

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7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority: AS 06.55.102 AS 06.55.106 AS 44.33.020
AS 06.55.103 AS 06.55.202

3 AAC 13.990 is amended by adding new paragraphs to read:

(3) "Form MU1" means the uniform money services license application developed and used by the registry;

(4) "registry" means the Nationwide Multistate Licensing System and Registry; in this paragraph, "Nationwide Multistate Licensing System and Registry" means a licensing system developed by the Conference of State Bank Supervisors and the American Association of Residential Registry, LLC, or a successor or an affiliated entity, for the licensing and registration of persons in the mortgage and other financial services industries. (Eff. 7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority: AS 06.55.102 AS 06.55.203 AS 06.55.405
AS 06.55.103 AS 06.55.204 AS 06.55.820
AS 06.55.105 AS 06.55.403 AS 44.33.020
AS 06.55.106 AS 06.55.404

MEMORANDUM


State of Alaska
Department of Law

To: Hon. Byron Mallott
Lieutenant Governor

Date: October 19, 2017

File No.: JU2017200431

Tel. No.: 465-3600

From: Steven C. Weaver 
Sr. Assistant Attorney General
and Assistant Regulations Attorney
Legislation and Regulations Section

Re: Department of Commerce,
Community, and Economic
Development regulations re: money
services (3 AAC 13)

We have reviewed the attached regulations from the Department of Commerce, Community, and Economic Development against the statutory standards of the Administrative Procedure Act. I have reviewed this project under a specific delegation dated October 16, 2017 from the Regulations Attorney. The regulations update provisions and requirements relating to money services and money service licenses, including money transmission and currency exchange; and in particular provide for use, consistent with current AS 06.55 (Alaska Uniform Money Services Act), of the Nationwide Multistate Licensing System and Registry as a centralized tool for the Department of Commerce, Community, and Economic Development to process applications for licensure and renewal, review those applications, oversee licensees and changes in the licensees' status, and promote uniformity with the regulation of money services in other states.

We find no legal problems. This memorandum constitutes the written statement of approval under AS 44.62.060(b) and (c) that authorizes your office to file the attached regulations.

Hon. Byron Mallott, Lieutenant Governor
Our file: JU2017200431

October 19, 2017
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The July 2, 2017 public notice and the October 16, 2017 adoption order both state that this action is not expected to require an increased appropriation. Therefore, a fiscal note under AS 44.62.195 is not required.

SCW

cc w/enc: (via email)

Hon. Chris Hladick, Commissioner
Department of Commerce, Community, and Economic Development

Micaela Fowler, Regulations Contact
Department of Commerce, Community, and Economic Development

Kevin Anselm, Director
Division of Banking and Securities
Department of Commerce, Community, and Economic Development

Amie Spieth
Division of Banking and Securities
Department of Commerce, Community, and Economic Development

Renee O. Wardlaw, Assistant Attorney General
Commercial and Fair Business Section

MEMORANDUM

State of Alaska Department of Law

TO: Hon. Byron Mallott
Lieutenant Governor

DATE: October 17, 2017

FILE NO.: JU2017200431

TELEPHONE NO.: 465-3600

FROM: Susan R. Pollard *SRP*
Chief Assistant Attorney General
and Regulations Attorney
Legislation/Regulations Section

SUBJECT: Specific delegation of authority
regarding regulations review on
Department of Commerce,
Community, and Economic
Development regulations re:
money services (3 AAC 13)

By this memorandum, I am delegating my authority as Regulations Attorney under AS 44.62 to Assistant Attorney General Steven C. Weaver for the above-referenced regulations project. Under this delegation of authority, Steven Weaver has my full authority under AS 44.62 to conduct the legal review under AS 44.62 and take necessary actions on this regulations project.

If you have questions, please let me know.

SCW

cc w/enc: Scott C. Meriwether, AAC Coordinator
Office of the Lieutenant Governor

Steven C. Weaver
Sr. Assistant Attorney General and
Assistant Regulations Attorney
Legislation/Regulations Section

NOTICE OF PROPOSED CHANGES ON MONEY TRANSMISSION
IN THE REGULATIONS OF THE DEPARTMENT OF COMMERCE,
COMMUNITY, AND ECONOMIC DEVELOPMENT

BRIEF DESCRIPTION

The Department of Commerce, Community, and Economic Development proposes regulations to streamline licensing through the Nationwide Multistate Licensing System and Registry (NMLS), update fees for money services licensees, and update and clarify various sections throughout 3 AAC 13.

The Department of Commerce, Community, and Economic Development proposes to adopt regulation changes in Title 3, Chapter 13, of the Alaska Administrative Code, dealing with money services, including the following:

- (1) Make amendments throughout the Chapter to require and facilitate submission of applications through the NMLS registry (registry).
- (2) Repeal and re-adopt 3 AAC 13.030 to clarify surety requirements.
- (3) Amend 3 AAC 13.040 to include denial of an application for a money transmission license that is licensed in another state if licensing requirements are not met.
- (4) Amend 3 AAC 13.050 to require renewal of money transmission licenses through the registry.
- (5) Amend 3 AAC 13.060 to establish a process for renewing a currency exchange license through the registry.
- (6) Add 3 AAC 13.070 to establish a process for abandoning a money services application.
- (7) Amend 3 AAC 13.120 to include fingerprints and credit reports in required biographical information.
- (8) Amend 3 AAC 13.840 to increase fees and allow fees to be paid through the registry.
- (9) Amend 3 AAC 13.850 to clarify that reimbursement of expenses includes off-site examinations.
- (10) Amend 3 AAC 13.910 subsection (a) to implement filing and submission of applications through the registry.
- (11) Amend 3 AAC 13.920 to update the process for name changes and add associated fees.
- (12) Amend 3 AAC 13.990 to add definition for "registry."
- (13) Make ministerial changes throughout the chapter to update outdated references to federal law and the department's mailing address.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Amie Spieth, Division of Banking and Securities, Department of Commerce, Community, and Economic Development, P.O. Box 110807, Juneau, AK, 99801. Additionally, the Department of Commerce, Community, and Economic Development will accept comments by facsimile at

(907) 465-1230 and by electronic mail at dbsregs@alaska.gov. Comments may also be submitted through the Alaska Online Public Notice System by accessing this notice on the system and using the comment link. **The comments must be received not later than August 2, 2017.**

You may submit written questions relevant to the proposed action to Amie Spieth by electronic mail at dbsregs@alaska.gov or by mail at P.O. Box 110807, Juneau, AK, 99801. **The questions must be received at least 10 days before the end of the public comment period.** The Department of Commerce, Community, and Economic Development will aggregate its response to substantially similar questions and make the questions and responses available on the Alaska Online Public Notice System and the Division of Banking and Securities' website at <https://www.commerce.alaska.gov/web/dbs>. The Department of Commerce, Community, and Economic Development may, but is not required to, answer written questions received after the 10-day cut-off date and before the end of the comment period.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Amie Spieth at dbsregs@alaska.gov or (907) 465-5450 not later than July 18th, 2017 to ensure that any necessary accommodation can be provided.

A copy of the proposed regulation changes is available on the Division of Banking and Securities' website at <https://www.commerce.alaska.gov/web/dbs> and the Alaska Online Public Notice System. You may also request a copy by contacting Amie Spieth at dbsregs@alaska.gov or (907) 465-5450.

After the public comment period ends, the Department of Commerce, Community, and Economic Development will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation. **You should comment during the time allowed if your interests could be affected. Written comments and questions received are public records and are subject to public inspection.**

Statutory authority: AS 06.60.910 06.55.850

Statutes being implemented, interpreted, or made specific: AS 06.55.102; AS 06.55.103; AS 06.55.104; AS 06.55.105; AS 06.55.106; AS 06.55.202; AS 06.55.203; AS 06.55.204; AS 06.55.301; AS 06.55.401; AS 06.55.404; AS 06.55.850; AS 06.55.990

Fiscal information: The proposed regulation changes are not expected to require an increased appropriation.

6/30/17
Date


Chief of Licensing

The Department of Commerce, Community, and Economic Development, Division of Banking and Securities keeps a list of individuals and organizations interested in its regulations. Those on

the list will automatically be sent a copy of all the Division's Notice of Proposed Regulation Changes. To be added to or removed from the list, send the request to Division of Banking and Securities, Department of Commerce, Community, and Economic Development, P.O. Box 110807, Juneau, AK, 99801 or to dbsregs@alaska.gov. Please include your name and either your electronic mail address or mailing address, as you prefer for receiving notices.

ADDITIONAL REGULATION NOTICE INFORMATION
(AS 44.62.190(d))

1. **Adopting agency:** Department of Commerce, Community, and Economic Development
2. **General subject of regulation:** Money service transmission and currency exchange licensing.
3. **Citation of regulation:** 3 AAC 13.010, 3 AAC 13.020, 3 AAC 13.030, 3 AAC 13.040, 3 AAC.050, 3 AAC 13.060, 3 AAC 13.070, 3 AAC 13.120, 3 AAC 13.210, 3 AAC 13.220, 3 AAC 13.830, 3 AAC 13.840, 3 AAC 13.850, 3 AAC 13.910, 3 AAC 13.920, 3 AAC 13.990
4. **Department of Law file number:** JU201700431
5. **Reason for the proposed action:** Update and clarify various outdated sections and allow for licensees to be licensed through the Nationwide Multistate Licensing System and Registry.
6. **Appropriation/Allocation:** None
7. **Estimated annual cost to comply with the proposed action to:**

A private person: Increase application fees for money transmission and currency exchange licenses from \$500 to \$2000; increase application fee for money transmission and currency exchange licenses when licensed in another state from \$250 to \$2000; increase renewal fee for money transmission license from \$500 to \$1000; increase biannual renewal fee for currency exchange licenses from \$1000 to \$2000; increase late fee from \$10 per day to \$25 per day; increase fee for an approval of a change in control of a money services licensee from \$500 to \$750; new fee of \$50 for registering a change in mailing address or electronic mail address; new fee of \$100 for change in name; increase license fee for money transmission or currency exchange license for the initial location from \$500 to \$1000 and for each additional physical location from \$50 to \$200; new fee of \$1000 for each additional internet-based location; increase fee for money transmission license when licensed in another state from \$500 to \$1000 for the initial location; new fee of \$200 for each additional physical location for money transmission licensees licensed in another state; new fee of \$1000 for each additional internet-based location for money transmission licensees licensed in another state.

Another state agency: None

A municipality: None

8. **Cost of implementation to the state agency and available funding (in thousands of dollars):** No costs are expected in FY2017 or in subsequent years.

9. **The name of the contact person for the regulation:**

Amie Spieth, Regulations Specialist
Division of Banking and Securities
Telephone: (907) 465-5450
E-mail address: amie.spieth@alaska.gov

10. **The origin of the proposed action:** Division of Banking and Securities

11. **Date:** July 5, 2017

Prepared by: Amie Spieth, Regulations Specialist

AFFIDAVIT OF NOTICE OF PROPOSED REGULATION
AND FURNISHING OF ADDITIONAL INFORMATION

I, Amie Spieth, Regulation Specialist II, of the Department of Commerce, Community, and Economic Development, Division of Banking and Securities, being sworn, state the following:

As required by AS 44.62.190, notice of the proposed adoption of changes to 3 AAC 08 related to securities has been given by being

- (1) published in a newspaper or trade publication;
- (2) furnished to interested persons;
- (3) furnished to appropriate state officials;
- (4) furnished to the Department of Law, along with a copy of the proposed regulation;
- (5) furnished electronically to incumbent State of Alaska legislators;
- (6) furnished to the Legislative Affairs Agency, Division of Legal and Research Services;
- (7) posted on the Alaska Online Public Notice System as required by AS 44.62.175(a)(1) and (b) and 44.62.190(a)(1); and
- (8) furnished electronically, along with a copy of the proposed regulation, to the Legislative Affairs Agency, the chair of the Labor and Commerce Committee of the Alaska Senate and House of Representatives, the Administrative Regulation Review Committee, and the legislative council.

As required by AS 44.62.190, additional regulation notice information regarding the proposed adoption of the regulation changes described above has been furnished to interested persons and those in (5) and (6) of the list above. The additional regulation notice information also has been posted on the Alaska Online Public Notice System.

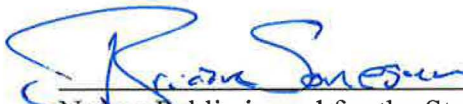
Date: 10/4/17



Amie Spieth, Regulations Specialist II

Subscribed and sworn to before me at Juneau Alaska on
October 4th 2017.





Notary Public in and for the State of Alaska

AFFIDAVIT OF AGENCY RECORD OF PUBLIC COMMENT

I, Amie Spieth, Regulation Specialist II, of the Department of Commerce, Community, and Economic Development, Division of Banking and Securities, being sworn, state the following:

In compliance with AS 44.62.215, the Department of Commerce, Community, and Economic Development has kept a record of its use or rejection of factual or other substantive information that was submitted in writing as public comment and that was relevant to the accuracy, coverage, or other aspect of the Department of Commerce, Community, and Economic Development regulations dealing with money services.

Date: 10/4/17

Amie Spieth
Amie Spieth, Regulations Specialist II

Subscribed and sworn to before me at Juneau Alaska on
October 4th 2017.



Brian Sonesen
Notary Public in and for the State of Alaska

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AFFIDAVIT OF PUBLICATION

STATE OF ALASKA

THIRD JUDICIAL DISTRICT

Joleesa Stepetin

being first duly sworn on oath deposes and says that he/she is a representative of the Alaska Dispatch News, a daily newspaper. That said newspaper has been approved by the Third Judicial Court, Anchorage, Alaska, and it now and has been published in the English language continually as a daily newspaper in Anchorage, Alaska, and it is now and during all said time was printed in an office maintained at the aforesaid place of publication of said newspaper. That the annexed is a copy of an advertisement as it was published in regular issues (and not in supplemental form) of said newspaper on

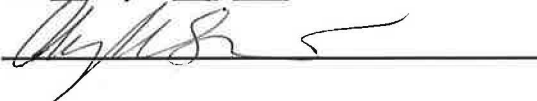
July 02, 2017

and that such newspaper was regularly distributed to its subscribers during all of said period. That the full amount of the fee charged for the foregoing publication is not in excess of the rate charged private individuals.

Signed



Subscribed and sworn to before me this 5th day of July, 2017



Notary Public in and for
The State of Alaska.

Third Division

Anchorage, Alaska

MY COMMISSION EXPIRES

4/14/21

ANGELA M SIMMONS
NOTARY PUBLIC
State of Alaska
My Commission Expires Apr. 14, 2021

NOTICE OF PROPOSED CHANGES ON MONEY TRANSMISSION IN THE REGULATIONS OF THE DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

BRIEF DESCRIPTION

The Department of Commerce, Community, and Economic Development proposes regulations to streamline licensing through the Nationwide Multistate Licensing System and Registry (NMLS), update fees for money services licensees, and update and clarify various sections throughout 3 AAC 13.

The Department of Commerce, Community, and Economic Development proposes to adopt regulation changes in Title 3, Chapter 13, of the Alaska Administrative Code, dealing with money services, including the following:

- (1) Make amendments throughout the Chapter to require and facilitate submission of applications through the NMLS registry (registry).
- (2) Repeal and re-adopt 3 AAC 13.030 to clarify surety requirements.
- (3) Amend 3 AAC 13.040 to include denial of an application for a money transmission license that is licensed in another state if licensing requirements are not met.
- (4) Amend 3 AAC 13.050 to require renewal of money transmission licenses through the registry.
- (5) Amend 3 AAC 13.060 to establish a process for renewing a currency exchange license through the registry.
- (6) Add 3 AAC 13.070 to establish a process for abandoning a money services application.
- (7) Amend 3 AAC 13.120 to include fingerprints and credit reports in required biographical information.
- (8) Amend 3 AAC 13.840 to increase fees and allow fees to be paid through the registry.
- (9) Amend 3 AAC 13.850 to clarify that reimbursement of expenses includes off-site examinations.
- (10) Amend 3 AAC 13.910 subsection (a) to implement filing and submission of applications through the registry.
- (11) Amend 3 AAC 13.920 to update the process for name changes and add associated fees.
- (12) Amend 3 AAC 13.990 to add definition for "registry."
- (13) Make ministerial changes throughout the chapter to update outdated references to federal law and the department's mailing address.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Amie Spieth, Division of Banking and Securities, Department of Commerce, Community, and Economic Development, P.O. Box 110807, Juneau, AK, 99801. Additionally, the Department of Commerce, Community, and Economic Development will accept comments by facsimile at (907) 465-1230 and by electronic mail at dbsregs@alaska.gov. Comments may also be submitted through the Alaska Online Public Notice System by accessing this notice on the system and using the comment link. The comments must be received not later than August 2, 2017.

You may submit written questions relevant to the proposed action to Amie Spieth by electronic mail at dbsregs@alaska.gov or by mail at P.O. Box 110807, Juneau, AK, 99801. The questions must be received at least 10 days before the end of the public comment period. The Department of Commerce, Community, and Economic Development will aggregate its response to substantially similar questions and make

at the front office of each site.
A Pre-Proposal Conference will be held 10:00 a.m., local time, July 12, 2017 at the Department Building, Conference Room, at 4919 Van Buren Street, Anchorage, Alaska to discuss any matter concerned with this solicitation.
Proposals are due prior to 10:00 a.m., local time, July 24, 2017. Time of receipt will be as determined by the time stamp at the front desk of the Purchasing Department Building.
Proposal documents are available on the Anchorage School District website: <http://www.asdk12.org/purchasing/>. Only electronic versions of this RFP are issued.
Published: June 30 & July 2, 3, 2017
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