State Corporation Commission
2025 General Assembly Session
State Fiscal Impact Statement

PUBLISHED: 1/15/2025 8:01 PM **ORIGINAL**

Bill Number: HB1942 **Patron:** Cole
Bill Title: Financial institutions; regulation of money transmitters; penalty.

Bill Summary: Replaces existing state law regulating money transmitters and money order sellers with comprehensive provisions aimed at standardizing the regulation of money transmitters across the 50 states. The bill includes provisions for the licensure of money transmitters and money order sellers, supervision and implementation by the State Corporation Commission, acquisition of control of a licensee, mandatory disclosures, reporting and records requirements, authorized delegates, prudential standards, and enforcement. The legislation requires money transmitters and money order sellers to be licensed separately under Chapter 19 of Title 6.2 of the Code of Virginia (Chapter 19). Under current law, a license issued under Chapter 19 authorizes both activities. The bill has a delayed effective date of January 1, 2026.

Budget Amendment Necessary: No. **Items Impacted:** None

Explanation: Not applicable

Fiscal Summary: The fiscal impact is Indeterminate on the State Corporation Commission.

General Fund Expenditure Impact: None

Nongeneral Fund Expenditure Impact: None

Position Impact: None

Fiscal Analysis: As introduced, the SCC may need to hire additional staff to process license applications, perform examinations, handle consumer complaints, oversee enforcement, and handle administrative support duties based on the expanded scope of Chapter 19, Title 6.2 of the Code of Virginia. However, the SCC does not have sufficient data to reliably estimate how many additional entities would ultimately be subject to SCC jurisdiction.

The legislation provides the SCC broad authority to impose and collect the fees necessary to recover the costs of administering and enforcing the law. The SCC will exercise that authority should it determine the collection of revenue is necessary to cover its expenses. The legislation provides that the SCC may impose a civil penalty of up to $2,500 upon any person the SCC determines has violated any provisions of the proposed article or any other law or regulation applicable to the conduct of the person's business. Such civil money penalties would be credited to the Literary Fund (Fund 0702).

Other: None.