

HOUSE BILL NO. 1942

AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on Commerce and Labor

on \_\_\_\_\_)

(Patron Prior to Substitute—Delegate Cole)

A BILL to amend and reenact §§ 6.2-1523.1, 6.2-2001, 18.2-516, 19.2-10.1, 19.2-56, and 19.2-389 of the Code of Virginia, to amend the Code of Virginia by adding in Title 6.2 a chapter numbered 19.1, consisting of sections numbered 6.2-1922 through 6.2-1957, and to repeal Chapter 19 (§§ 6.2-1900 through 6.2-1921) of Title 6.2 of the Code of Virginia, relating to financial institutions; regulation of money transmitters; penalty.

Be it enacted by the General Assembly of Virginia:

1. That §§ 6.2-1523.1, 6.2-2001, 18.2-516, 19.2-10.1, 19.2-56, and 19.2-389 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding in Title 6.2 a chapter numbered 19.1, consisting of sections numbered 6.2-1922 through 6.2-1957, as follows:

§ 6.2-1523.1. Access partners.

A. Notwithstanding the provisions of §§ 6.2-1501 and 6.2-1518, a licensee may use the services of one or more access partners, provided that all of the following conditions are met:

1. All loans made in connection with an access partner comply with the requirements of this chapter.

2. The licensee maintains a written agreement with each access partner. The written agreement shall (i) require the access partner to comply with this section and all rules adopted under this section regarding the activities of access partners; (ii) give the Commission access to the access partner's books and records pertaining to the access partner's operations under the agreement with the licensee in accordance with § 6.2-1533 and authority to examine the access partner pursuant to § 6.2-1531; (iii) prohibit the access partner from charging or accepting any fees or compensation in connection with a loan from any person, other than what the licensee pays to the access partner under the terms of the contract; and (iv) require the access partner to keep written records sufficient to ensure compliance with this chapter, including records of all loan disbursements and loan payments for at least three years.

3. A licensee shall conduct a due diligence review of all access partners. The due diligence shall include a review of the access partner's financial soundness and legal compliance and the criminal history of the access partner and its employees. A licensee shall be responsible for implementing and maintaining a reasonable risk-based supervision program to monitor its access partners. The licensee shall provide to the Commission any information relating to the access partners as the Commissioner prescribes. Such information shall be provided in a form and manner as prescribed by the Commissioner.

4. The services of an access partner shall be limited to (i) distributing written materials or providing written factual information about loans that has been prepared or authorized in writing by the licensee; (ii) explaining the loan application process to prospective borrowers or assisting applicants to complete a loan application according to procedures the licensee approves; (iii) processing credit applications provided by the licensee, which applications shall clearly state that the licensee is the lender and disclose the licensee's contact information and how to submit complaints to the Commission; (iv) communicating with the licensee or the applicant about the status of applications; (v) obtaining the borrower's signature on documents prepared

41 by the licensee and delivering final documents to the borrower; (vi) disbursing loan proceeds or receiving  
42 loan payments, provided the access partner provides a plain and complete written receipt at the time each  
43 disbursement or payment is made; and (vii) operating electronic access points through which a prospective  
44 borrower may directly access the website of the licensee to apply for a loan.

45 5. An access partner shall not (i) provide counseling or advice to a borrower or prospective borrower with  
46 respect to any loan term; (ii) provide loan-related marketing material that has not previously been approved  
47 by the licensee; (iii) negotiate a loan term between a licensee and a prospective borrower; (iv) offer  
48 information pertaining to a single prospective borrower to more than one licensee, except that if a licensee  
49 has declined to offer a loan to a prospective borrower in writing the access partner may offer information  
50 pertaining to that borrower to another licensee with whom it has an access partner agreement; or (v) offer  
51 information pertaining to any prospective borrower to any person or entity other than a licensee operating  
52 under this chapter, subject to clause (iv).

53 6. A licensee shall apply any payment a borrower makes to an access partner as of the date on which the  
54 payment is received by the access partner.

55 7. A licensee shall not (i) hold a borrower liable for a failure or delay by an access partner in transmitting  
56 a payment to the licensee; (ii) knowingly conduct business with an access partner that has solicited or  
57 accepted fees or compensation in connection with a licensee's loan other than what is specified in the written  
58 agreement described in subdivision 2; or (iii) directly or indirectly pass on to a borrower any fee or other  
59 compensation that a licensee pays to an access partner in connection with such borrower's loan.

60 B. A licensee shall be responsible for any act of its access partner if such act would violate any provision  
61 of this chapter.

62 C. The Commission may (i) bar a licensee that violates any part of this chapter from using the services of  
63 specified access partners, or access partners generally; (ii) subject a licensee to disciplinary action for any  
64 violation of this chapter committed by a contracted access partner; or (iii) bar any person who violates the  
65 requirements of this chapter from performing services pursuant to this chapter generally or at particular  
66 locations.

67 D. The Commission shall have the authority to conduct investigation and examination of access partners,  
68 provided the scope of any investigation or examination shall be limited to those books, accounts, records,  
69 documents, materials, and matters reasonably necessary to determine compliance with this chapter.

70 E. An access partner location shall not be considered an office for purposes of § 6.2-1508.1.

71 F. An access partner shall not be required to be licensed under ~~Chapter 19 (§ 6.2-1900 et seq.)~~ Chapter  
72 19.1 (§ 6.2-1922 et seq.) to provide the services of an access partner described in subdivision A 4.

73 CHAPTER 19.1.

74 MONEY TRANSMITTERS.

75 § 6.2-1922. *Definitions.*

76 *As used in this chapter, unless the context requires a different meaning:*

77 "Authorized delegate" means a person a licensee designates to engage in money transmission on behalf of  
78 the licensee.

79 "Average daily money transmission liability" means the amount of a person's outstanding money  
80 transmission obligations in the Commonwealth at the end of each day in a given period of time, added  
81 together, and divided by the total number of days in the given period of time. For purposes of calculating  
82 average daily money transmission liability under this chapter for any person required to do so, the given  
83 period of time shall be the quarters ending March 31, June 30, September 30, and December 31.

84 "Bank Secrecy Act" means the federal Bank Secrecy Act (31 U.S.C. § 5311 et seq.) and its implementing  
85 regulations.

86 "Closed loop stored value" means stored value that is redeemable by the issuer only for goods or services  
87 provided by the issuer or its affiliate or franchisees of the issuer or its affiliate, except to the extent required  
88 by applicable law to be redeemable in cash for its cash value;

89 "Control" means the power to (i) vote, directly or indirectly, at least 25 percent of the outstanding voting  
90 shares or voting interests of a licensee, applicant, or person in control of a licensee or applicant; (ii) elect or  
91 appoint a majority of key individuals or executive officers, managers, directors, trustees, or other persons  
92 exercising managerial authority of a person in control of a licensee or applicant; or (iii) exercise, directly or  
93 indirectly, a controlling influence over the management or policies of a licensee, applicant, or person in  
94 control of a licensee or applicant. A person shall be presumed to exercise a controlling influence when the  
95 person holds the power to vote, directly or indirectly, at least 10 percent of the outstanding voting shares or  
96 voting interests of a licensee, applicant, or person in control of a licensee or applicant. Such presumption is  
97 rebuttable if the person is a passive investor. For purposes of determining the percentage of a person  
98 controlled by any other person, the person's interest shall be aggregated with the interest of any other  
99 immediate family member, including the person's spouse, parents, children, siblings, mothers-in-law and  
100 fathers-in-law, sons-in-law and daughters-in-law, brothers-in-law and sisters-in-law, and any other person  
101 who shares such person's home.

102 "Eligible rating" means a credit rating of any of the three highest rating categories provided by an  
103 eligible rating service, whereby each category may include rating category modifiers such as "plus" or  
104 "minus" for S&P, or the equivalent for any other eligible rating service. Long-term credit ratings shall be  
105 deemed eligible if the rating is equal to A- or higher by S&P, or the equivalent from any other eligible rating  
106 service. Short-term credit ratings shall be deemed eligible if the rating is equal to or higher than A-2 or SP-2  
107 by S&P, or the equivalent from any other eligible rating service. In the event that ratings differ among  
108 eligible rating services, the highest rating shall apply when determining whether a security bears an eligible  
109 rating.

110 "Eligible rating service" means any Nationally Recognized Statistical Rating Organization (NRSRO), as  
111 defined by the U.S. Securities and Exchange Commission, and any other organization designated by the  
112 Commission by regulation or order.

113 "Federally insured depository financial institution" means a bank, credit union, savings and loan  
114 association, trust company, savings association, savings bank, industrial bank, or industrial loan company  
115 organized under the laws of the United States or any state of the United States, when such bank, credit union,  
116 savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial  
117 loan company has federally insured deposits.

118 "Group of persons acting in concert" means two or more persons knowingly acting together with a  
119 common goal of jointly acquiring control of a licensee whether or not pursuant to an express agreement.

120 "In the Commonwealth" means at a physical location within the Commonwealth for a transaction  
121 requested in person. For a transaction requested electronically or by phone, the provider of money  
122 transmission shall determine if the person requesting the transaction is in the Commonwealth by relying on  
123 other information provided by the person regarding the location of the individual's residential address or a  
124 business entity's principal place of business or other physical address location, and any records associated  
125 with the person that the provider of money transmission may have that indicate such location, including an  
126 address associated with an account.

127 "Individual" means a natural person.

128 "Key individual" means any individual ultimately responsible for establishing or directing policies and  
129 procedures of the licensee or applicant, such as an executive officer, manager, director, or trustee.

130 "Licensee" means a person licensed under this chapter.

131 "Material litigation" means litigation that, according to generally accepted accounting principles, is

132 significant to a person's financial health and would be required to be disclosed in the person's annual audited  
133 financial statements, report to shareholders, or similar records.

134 "Monetary value" means a medium of exchange, whether or not redeemable in money.

135 "Money" means a medium of exchange that is authorized or adopted by the United States or a foreign  
136 government. The term includes a monetary unit of account established by an intergovernmental organization  
137 or by agreement between two or more governments. Notwithstanding the foregoing, "money" does not  
138 include virtual currency.

139 "Money transmission" means (i) selling or issuing payment instruments to a person located in the  
140 Commonwealth, (ii) selling or issuing stored value to a person located in the Commonwealth, or (iii)  
141 receiving money for transmission from a person located in the Commonwealth. "Money transmission"  
142 includes payroll processing services and does not include the provision solely of online or  
143 telecommunications services or network access.

144 "MSB-accredited state" means a state agency or a division, department, or instrumentality thereof that is  
145 accredited by the Conference of State Bank Supervisors and Money Transmitter Regulators Association for  
146 money transmission licensing and supervision.

147 "Multistate licensing process" means any agreement entered into by and among state regulators relating  
148 to coordinated processing of applications for money transmission licenses, applications for the acquisition of  
149 control of a licensee, control determinations, or notice and information requirements for a change of key  
150 individuals.

151 "Nationwide Multistate Licensing System and Registry" or "NMLS" means the licensing and registration  
152 system operated by the State Regulatory Registry LLC.

153 "Outstanding money transmission obligations" means (i) any payment instrument or stored value issued  
154 or sold by the licensee to a person located in the United States or reported as sold by an authorized delegate  
155 of the licensee to a person that is located in the United States that has not yet been paid or refunded by or for  
156 the licensee, or escheated in accordance with applicable abandoned property laws or (ii) any money received  
157 for transmission by the licensee or an authorized delegate in the United States from a person located in any  
158 state that has not been received by the payee or refunded to the sender, or escheated in accordance with  
159 applicable abandoned property laws.

160 "Passive investor" means a person that (i) does not have the power to elect a majority of key individuals  
161 or executive officers, managers, directors, trustees, or other persons exercising managerial authority of a  
162 person in control of a licensee; (ii) is not employed by and does not have any managerial duties of the  
163 licensee or person in control of a licensee; (iii) does not have the power to exercise, directly or indirectly, a  
164 controlling influence over the management or policies of a licensee or person in control of a licensee; and  
165 (iv) attests to clauses (i), (ii), and (iii) in a form and in a medium prescribed by the Commission or commits  
166 to the passivity characteristics of (i), (ii), and (iii) in a written document.

167 "Payment instrument" means a written or electronic check, draft, money order, traveler's check, or other  
168 written or electronic instrument for the transmission or payment of money or monetary value, whether or not  
169 negotiable. "Payment instrument" does not include stored value or any instrument that (i) is redeemable by  
170 the issuer only for goods or services provided by the issuer or its affiliate or franchisees of the issuer or its  
171 affiliate, except to the extent required by applicable law to be redeemable in cash for its cash value or (ii) is  
172 not sold to the public but issued and distributed as part of a loyalty, rewards, or promotional program.

173 "Payroll processing services" means receiving money for transmission pursuant to a contract with a  
174 person to deliver wages or salaries, make payment of payroll taxes to state and federal agencies, make  
175 payments relating to employee benefit plans, or make distributions of other authorized deductions from  
176 wages or salaries. "Payroll processing services" does not include an employer performing payroll processing  
177 services on its own behalf or on behalf of its affiliate, or a professional employment organization subject to  
178 regulation under other applicable state law.

179 "Person" means any individual, general partnership, limited partnership, limited liability company,  
180 corporation, trust, association, joint stock corporation, or other corporate entity identified by the  
181 Commission.

182 "Receiving money for transmission" or "money received for transmission" means receiving money or  
183 monetary value in the United States for transmission within or outside the United States by electronic or  
184 other means.

185 "Stored value" means monetary value representing a claim against the issuer evidenced by an electronic  
186 or digital record, and that is intended and accepted for use as a means of redemption for money or monetary  
187 value, or payment for goods or services. "Stored value" includes prepaid access, as that term is defined by 31  
188 C.F.R. § 1010.100. Notwithstanding the foregoing, the term "stored value" does not include a payment  
189 instrument or closed loop stored value, or stored value not sold to the public but issued and distributed as  
190 part of a loyalty, rewards, or promotional program.

191 "Tangible net worth" means the aggregate assets of a licensee excluding all intangible assets, less  
192 liabilities, as determined in accordance with generally accepted accounting principles.

193 "Virtual currency" means a digital representation of value that is (i) used as a medium of exchange, unit

194 of account, or store of value and (ii) not money, whether or not denominated in money. Notwithstanding the  
195 foregoing, "virtual currency" does not include (a) a transaction in which a merchant grants, as part of an  
196 affinity or rewards program, value that cannot be taken from or exchanged with the merchant for money,  
197 bank credit, or virtual currency or (b) a digital representation of value issued by or on behalf of a publisher  
198 and used solely within an online game, game platform, or family of games sold by the same publisher or  
199 offered on the same game platform.

200 **§ 6.2-1923. Exemptions.**

201 The provisions of this chapter shall not apply to:

202 1. An operator of a payment system, to the extent that it provides processing, clearing, or settlement  
203 services between or among persons exempted by this section, or licensees, in connection with wire transfers,  
204 credit card transactions, debit card transactions, stored-value transactions, automated clearing house  
205 transfers, or similar funds transfers.

206 2. A person appointed as an agent of a payee to collect and process a payment from a payor to the payee  
207 for goods or services, other than money transmission itself, provided to the payor by the payee, provided that  
208 (i) there exists a written agreement between the payee and the agent directing the agent to collect and  
209 process payments from payors on the payee's behalf; (ii) the payee holds the agent out to the public as  
210 accepting payments for goods or services on the payee's behalf; and (iii) payment for the goods and services  
211 is treated as received by the payee upon receipt by the agent so that the payor's obligation is extinguished  
212 and there is no risk of loss to the payor if the agent fails to remit the funds to the payee.

213 3. A person that acts as an intermediary by processing payments between an entity that has directly  
214 incurred an outstanding money transmission obligation to a sender and the sender's designated recipient,  
215 provided that the entity (i) is properly licensed or exempt from licensing requirements under this chapter; (ii)  
216 provides a receipt, electronic record, or other written confirmation to the sender identifying the entity as the  
217 provider of money transmission in the transaction; and (iii) bears sole responsibility to satisfy the  
218 outstanding money transmission obligation to the sender, including the obligation to make the sender whole  
219 in connection with any failure to transmit the funds to the sender's designated recipient.

220 4. The United States or any department, agency, or instrumentality thereof, or its agent.

221 5. Money transmission by the United States Postal Service or by an agent of the United States Postal  
222 Service.

223 6. A state, county, city, or any other governmental agency or governmental subdivision or instrumentality  
224 of a state, or its agent.

225 7. A federally insured depository financial institution, bank holding company, office of an international  
226 banking corporation, foreign bank that establishes a federal branch pursuant to the federal International  
227 Bank Act (12 U.S.C. § 3102 et seq.), corporation organized pursuant to the federal Bank Service Company  
228 Act (12 U.S.C. § 1861 et seq.), or corporation organized under the federal Edge Act (12 U.S.C. § 611 et seq.).

229 8. An electronic funds transfer of governmental benefits for a federal, state, county, or governmental  
230 agency by a contractor on behalf of the United States or a department, agency, or instrumentality thereof, or  
231 on behalf of a state, county, or governmental subdivision, agency, or instrumentality thereof.

232 9. A board of trade designated as a contract market under the federal Commodity Exchange Act (7 U.S.C.  
233 § 1 et seq.) or a person that, in the ordinary course of business, provides clearance and settlement services  
234 for a board of trade to the extent of its operation as or for such a board.

235 10. A registered futures commission merchant under the federal commodities laws to the extent of its  
236 operation as such a merchant.

237 11. A person registered as a securities broker-dealer under federal or state securities laws to the extent of  
238 its operation as such a broker-dealer.

239 12. An individual employed by a licensee, authorized delegate, or any person exempted from the licensing  
240 requirements of this chapter when acting within the scope of employment and under the supervision of the  
241 licensee, authorized delegate, or exempted person as an employee and not as an independent contractor.

242 13. A person expressly appointed as a third-party service provider to or agent of an entity exempt under  
243 subdivision 7 solely to the extent that (i) such service provider or agent is engaging in money transmission on  
244 behalf of and pursuant to a written agreement with the exempt entity that sets forth the specific functions that  
245 the service provider or agent is to perform and (ii) the exempt entity assumes all risk of loss and all legal  
246 responsibility for satisfying the outstanding money transmission obligations owed to purchasers and holders  
247 of the outstanding money transmission obligations upon receipt of the purchaser's or holder's money or  
248 monetary value by the service provider or agent.

249 14. Any private security services business, licensed under § 9.1-139, that transports or offers to transport  
250 money.

251 15. A person appointed as an agent of a payor for purposes of providing payroll processing services for  
252 which the agent would otherwise need to be licensed, provided that (i) there is a written agreement between  
253 the payor and the agent that directs the agent to provide payroll processing services on the payor's behalf;  
254 (ii) the payor holds the agent out to employees and other payees as providing payroll processing services on  
255 the payor's behalf; and (iii) the payor's obligation to a payee, including an employee or any other party

256 entitled to receive funds via the payroll processing services provided by the agent, shall not be extinguished if  
257 the agent fails to remit the funds to the payee.

258 **§ 6.2-1924. Implementation.**

259 A. In order to carry out the purposes of this chapter, the Commission may:

260 1. Enter into agreements or relationships with other government officials or federal and state regulatory  
261 agencies and regulatory associations in order to improve efficiencies and reduce regulatory burden by  
262 standardizing methods or procedures, and sharing resources, records, or related information obtained under  
263 this chapter;

264 2. Use, hire, contract, or employ analytical systems, methods, or software to examine or investigate any  
265 person subject to this chapter;

266 3. Accept, from other state or federal government agencies or officials, licensing, examination, or  
267 investigation reports made by such other state or federal government agencies or officials; and

268 4. Accept audit reports made by an independent certified public accountant or other qualified third-party  
269 auditor for an applicant or licensee and incorporate the audit report in any report of examination or  
270 investigation.

271 B. In addition to the authority provided elsewhere in this chapter, the Commission shall have the broad  
272 administrative authority to administer, interpret, and enforce this chapter and to recover the cost of  
273 administering and enforcing this chapter by imposing and collecting proportionate and equitable fees and  
274 costs associated with applications, examinations, investigations, and other actions required to achieve the  
275 purpose of this chapter.

276 **§ 6.2-1925. Regulations.**

277 The Commission shall adopt such regulations as it deems appropriate to effect the purposes of this  
278 chapter. Before adopting any such regulation, the Commission shall give reasonable notice of its content and  
279 shall afford interested parties an opportunity to be heard, in accordance with the Commission's Rules.

280 **§ 6.2-1926. Supervision.**

281 A. The Commission may conduct an examination or investigation of a licensee or authorized delegate or  
282 otherwise take independent action authorized by this chapter or by a regulation adopted or order issued  
283 under this chapter as reasonably necessary or appropriate to administer and enforce this chapter,  
284 regulations implementing this chapter, and other applicable law, including the Bank Secrecy Act and the  
285 federal U.S.A. Patriot Act of 2001 (49 U.S.C. § 5103a et seq.). The Commission may:

286 1. Conduct an examination or investigation either on site or off site as the Commission may reasonably  
287 require;

288 2. Conduct an examination or investigation in conjunction with an examination or investigation  
289 conducted by representatives of other state agencies or agencies of another state or of the federal  
290 government;

291 3. Accept the examination or investigation report of an agency of another state or of the federal  
292 government, or a report prepared by an independent accounting firm, which on being accepted is considered  
293 for all purposes as an official report of the Commission; and

294 4. Examine or investigate under oath a key individual or employee of a licensee or authorized delegate  
295 and require the person to produce records regarding any matter related to the condition and business of the  
296 licensee or authorized delegate.

297 B. A licensee or authorized delegate shall provide, and the Commission shall have full and complete  
298 access to, all records the Commission may reasonably require to conduct a complete examination. The  
299 records shall be provided at the location and in the format specified by the Commission, provided that the  
300 Commission may utilize multistate record production standards and examination procedures when such  
301 standards and procedures will reasonably achieve the requirements of this section.

302 C. Unless otherwise directed by the Commission, a licensee shall pay all costs reasonably incurred in  
303 connection with an examination of the licensee or the licensee's authorized delegates.

304 **§ 6.2-1927. Networked supervision.**

305 A. To efficiently and effectively administer and enforce this chapter and to minimize regulatory burden,  
306 the Commission is authorized and encouraged to participate in multistate supervisory processes established  
307 between states and coordinated through the Conference of State Bank Supervisors, the Money Transmitter  
308 Regulators Association, and affiliates and successors thereof for all licensees that hold licenses in the  
309 Commonwealth and other states. As a participant in multistate supervision, the Commission may:

310 1. Cooperate, coordinate, and share information with other state and federal regulators;

311 2. Enter into written cooperation, coordination, or information-sharing contracts or agreements with  
312 organizations whose membership is made up of state or federal governmental agencies; and

313 3. Cooperate, coordinate, and share information with organizations whose membership is made up of  
314 state or federal governmental agencies, provided that the organizations agree in writing to maintain the  
315 confidentiality and security of the shared information.

316 B. The Commission shall not waive, and nothing in this section shall constitute a waiver of, the  
317 Commission's authority to conduct an examination or investigation or otherwise take independent action

318 authorized by this chapter or a regulation adopted or order issued under this chapter to enforce compliance  
319 with applicable state or federal law.

320 C. A joint examination or investigation, or acceptance of an examination or investigation report, shall not  
321 waive an examination assessment provided for in this chapter.

322 **§ 6.2-1928. Relationship to federal law.**

323 A. In the event state money transmission jurisdiction is conditioned on a federal law, any inconsistencies  
324 between a provision of this chapter and the federal law governing money transmission shall be governed by  
325 the applicable federal law to the extent of the inconsistency.

326 B. In the event of any inconsistencies between this chapter and a federal law that governs pursuant to  
327 subsection A, the Commission may provide interpretive guidance that identifies the inconsistency and  
328 identifies the appropriate means of compliance with federal law.

329 **§ 6.2-1929. License required.**

330 A. No person shall engage in the business of money transmission or advertise, solicit, or hold itself out as  
331 providing money transmission unless the person is licensed under this chapter.

332 B. No person that is an authorized delegate of a person licensed under this chapter acting within the  
333 scope of authority conferred by a written contract with the licensee shall be required to be licensed under this  
334 chapter.

335 C. A license issued under § 6.2-1933 is not transferable or assignable.

336 **§ 6.2-1930. Consistent state licensing.**

337 A. In order to establish consistent licensing between the Commonwealth and other states, the Commission  
338 may (i) implement all licensing provisions of this chapter in a manner that is consistent with other states that  
339 have adopted similar provisions or multistate licensing processes and (ii) participate in nationwide protocols  
340 for licensing cooperation and coordination among state regulators provided that such protocols are  
341 consistent with this chapter.

342 B. In order to fulfill the purposes of this chapter, the Commission may establish relationships or contracts  
343 with NMLS or other entities designated by NMLS to enable the Commission to (i) collect and maintain  
344 records, (ii) coordinate multistate licensing processes and supervision processes, (iii) collect and process  
345 fees, and (iv) facilitate communication between the Commonwealth and licensees or other persons subject to  
346 this chapter. In establishing such contracts, the Commission shall not be subject to the Virginia Public  
347 Procurement Act (§ 2.2-4300 et seq.).

348 C. The Commission may utilize NMLS for all aspects of this chapter, including license applications,  
349 applications for acquisitions of control, surety bonds, reporting, criminal history background checks, credit  
350 checks, fee processing, and examinations.

351 D. The Commission may utilize NMLS forms, processes, and functionalities in accordance with this  
352 chapter. In the event NMLS does not provide functionality, forms, or processes for a provision of this chapter,  
353 the Commission may strive to implement the requirements in a manner that facilitates uniformity with respect  
354 to licensing, supervision, reporting, and regulation of licensees that are licensed in multiple jurisdictions.

355 E. Every person required to be licensed under this chapter shall register with NMLS and be subject to  
356 such registration and renewal requirements as may be established by NMLS, in addition to any requirements  
357 of this chapter.

358 **§ 6.2-1931. Application for license.**

359 A. Applicants for a license, which shall be entities, shall apply in a form and in a medium as prescribed by  
360 the Commission. Each such form shall contain content as set forth in regulation, instruction, or procedure of  
361 the Commission and may be changed or updated by the Commission in accordance with applicable law in  
362 order to carry out the purposes of this chapter and maintain consistency with NMLS licensing standards and  
363 practices. The application shall include, as applicable:

364 1. The legal name and business address of the applicant and any fictitious or trade name used by the  
365 applicant in conducting its business;

366 2. A list of (i) any material litigation in which the applicant or any person in control of the applicant that  
367 is not an individual has been the subject of or involved in during the 10-year period preceding the submission  
368 of the application and (ii) criminal convictions of the applicant and each person in control of the applicant  
369 that is not an individual;

370 3. A description of any money transmission previously provided by the applicant and the money  
371 transmission that the applicant seeks to provide under this chapter;

372 4. A list of the applicant's proposed authorized delegates and the locations where the applicant and its  
373 authorized delegates propose to engage in money transmission;

374 5. A list of other states in which the applicant is licensed to engage in money transmission and any license  
375 revocations, suspensions, or other disciplinary action taken against the applicant in another state;

376 6. Information concerning any bankruptcy or receivership proceedings affecting the applicant or a person  
377 in control of the applicant;

378 7. A sample form of contract for authorized delegates;

379 8. A sample form of payment instrument or stored value;

380 9. The name and address of any federally insured depository financial institution through which the  
381 applicant plans to conduct money transmission;

382 10. The date of the applicant's incorporation or formation and jurisdiction of incorporation or formation;

383 11. A certificate of good standing from the jurisdiction in which the applicant is incorporated or formed,  
384 provided that such jurisdiction furnishes certificates of good standing;

385 12. A brief description of the structure or organization of the applicant, including any parents or  
386 subsidiaries of the applicant, and whether any parents or subsidiaries are publicly traded;

387 13. The legal name and any fictitious or trade name of each key individual and person in control of the  
388 applicant;

389 14. All business and residential addresses, and the employment history, as applicable, in the 10-year  
390 period preceding the submission of the application of each key individual and person in control of the  
391 applicant;

392 15. A copy of audited financial statements of the applicant for the most recent fiscal year and for the two-  
393 year period preceding the submission of the application;

394 16. A certified copy of unaudited financial statements of the applicant for the most recent fiscal quarter;

395 17. If the applicant is a publicly traded corporation, a copy of the most recent report filed with the U. S.  
396 Securities and Exchange Commission under § 13 of the federal Securities Exchange Act of 1934;

397 18. If the applicant is a wholly owned subsidiary of (i) a corporation publicly traded in the United States,  
398 a copy of audited financial statements for the parent corporation for the most recent fiscal year or a copy of  
399 the parent corporation's most recent report filed under § 13 of the federal Securities Exchange Act of 1934,  
400 or (ii) a corporation publicly traded outside the United States, a copy of similar documentation filed with the  
401 regulator of the parent corporation's domicile outside the United States;

402 19. The name and address of the applicant's registered agent in the Commonwealth; and

403 20. Any other information the Commission reasonably requires with respect to the applicant and all key  
404 individuals and persons in control of the applicant.

405 B. A nonrefundable application fee of \$1,000 shall accompany an application for a license under this  
406 section.

407 C. If any material information provided in connection with an application changes during the  
408 investigation period, the applicant shall immediately notify the Commission.

409 **§ 6.2-1932. Information required for certain individuals.**

410 A. Any individual in control of a licensee or applicant, any individual that seeks to acquire control of a  
411 licensee, and each key individual shall furnish to the Commission through NMLS the following items:

412 1. The individual's fingerprints for submission to the Federal Bureau of Investigation for purposes of a  
413 national criminal history background check unless the person currently resides outside of the United States  
414 and has resided outside of the United States for the last 10 years.

415 2. Personal history and experience in a form and in a medium prescribed by the Commission, including  
416 (i) information enabling the Commission to obtain an independent credit report from a consumer reporting  
417 agency unless the individual does not have a social security number, in which case this requirement shall be  
418 waived; (ii) information related to any criminal convictions or pending charges; and (iii) information related  
419 to any regulatory or administrative action and any civil litigation involving claims of fraud,  
420 misrepresentation, conversion, mismanagement of funds, breach of fiduciary duty, or breach of contract.

421 B. If an individual referenced in subsection A has resided outside of the United States at any time in the  
422 last 10 years, the individual shall also cause an investigative background report to be prepared by an  
423 independent search firm. The individual shall pay for the cost of such report, and the report shall be sent  
424 directly by the search firm to the Commission. At a minimum, the search firm shall (i) demonstrate that it has  
425 sufficient knowledge and resources and employs accepted and reasonable methodologies to conduct the  
426 research of the background report and (ii) not be affiliated with or have an interest with the individual it is  
427 researching. At a minimum, the investigative background report shall be written in the English language and  
428 shall contain the following: (a) if available in the individual's current jurisdiction of residency, a  
429 comprehensive credit report, or any equivalent information obtained or generated by the independent search  
430 firm to accomplish such report, including a search of the court data in the countries, provinces, states, cities,  
431 towns, and other areas where the individual resided and worked; (b) criminal records information for the  
432 past 10 years, including felonies, misdemeanors, or similar convictions for violations of law in the countries,  
433 provinces, states, cities, towns, and other areas where the individual resided and worked; (c) employment  
434 history; (d) media history, including an electronic search of national and local publications, wire services,  
435 and business applications; and (e) financial services-related regulatory history, including money  
436 transmission, securities, banking, insurance, and mortgage-related industries.

437 **§ 6.2-1933. Issuance of license.**

438 A. When the Commission determines that an application is complete, the Commission shall promptly  
439 notify the applicant in a record of the date on which the application is determined to be complete, and shall  
440 approve or deny the application within 120 days after the completion date. If the application is not approved  
441 or denied within 120 days after the completion date, the application shall be deemed approved and the



442 license shall take effect as of the first business day after expiration of the 120-day period. The Commission  
443 may for good cause extend the application period.

444 B. A determination by the Commission that an application is complete and is accepted for processing  
445 means only that the application, on its face, appears to include all of the items, including the criminal  
446 background check response from the Federal Bureau of Investigation, and address all of the matters that are  
447 required and is not an assessment of the substance of the application or of the sufficiency of the information  
448 provided.

449 C. When an application is filed and considered complete under this section, the Commission shall  
450 investigate the financial condition and responsibility, financial and business experience, competence,  
451 character, and general fitness of the applicant, each key individual, and each person in control of the  
452 applicant. The Commission may conduct an on-site investigation of the applicant, the reasonable cost of  
453 which the applicant shall pay. The Commission shall issue a license to an applicant if the Commission finds  
454 that (i) the applicant, each key individual, and each person in control of the applicant have complied with §§  
455 6.2-1931 and 6.2-1932; (ii) the applicant meets the requirements in §§ 6.2-1950, 6.2-1951, and 6.2-1952;  
456 and (iii) the financial condition and responsibility, financial and business experience, competence, character,  
457 and general fitness of the applicant and the competence, experience, character, and general fitness of the key  
458 individuals and persons in control of the applicant indicate that it is in the interest of the public to permit the  
459 applicant to engage in money transmission.

460 D. If an applicant avails itself or is otherwise subject to a multistate licensing process, (i) the Commission  
461 may accept the investigation results of a lead investigative state for the purpose of subsection C if the  
462 Commission finds that the lead investigative state has sufficient staffing, expertise, and minimum standards  
463 or (ii) if the Commonwealth is a lead investigative state, the Commission may investigate the applicant  
464 pursuant to subsection C and the timeframes established by agreement through the multistate licensing  
465 process, provided, however, that in no case shall such timeframe be noncompliant with the application period  
466 established in subsection A.

467 E. The Commission shall issue a formal written notice of the denial of a license application within 30 days  
468 of the decision to deny the application. The Commission shall set forth in the notice of denial the specific  
469 reasons for the denial of the application. An applicant whose application is denied by the Commission under  
470 this subsection may appeal in accordance with applicable law.

471 F. The initial license term shall begin on the day the application is approved. The license shall expire on  
472 December 31 of the year in which the license term began, unless the initial license date is between November  
473 1 and December 31, in which instance the initial license term shall run through December 31 of the following  
474 year.

475 **§ 6.2-1934. License renewal.**

476 A. A license issued under this chapter shall be renewed annually. An annual renewal fee of \$750 shall be  
477 paid no more than 60 days before the license expiration. The renewal term shall be for a period of one year  
478 and shall begin on January 1 of each year after the initial license term and shall expire on December 31 of  
479 the year the renewal term begins.

480 B. A licensee shall submit a renewal report with the renewal fee, in a form and in a medium prescribed by  
481 the Commission. The renewal report shall state or contain a description of each material change in  
482 information submitted by the licensee in its original license application that has not been reported to the  
483 Commission.

484 C. The Commission for good cause may grant an extension of the expiration date.

485 D. The Commission may utilize NMLS to process license renewals provided that such functionality is  
486 consistent with this section.

487 **§ 6.2-1935. Maintenance of license.**

488 If a licensee does not continue to meet the qualifications or satisfy the requirements that apply to an  
489 applicant for a new money transmission license, the Commission may suspend or revoke the licensee's license  
490 in accordance with the procedures established by this chapter or other applicable state law for such  
491 suspension or revocation.

492 **§ 6.2-1936. Acquisition of control.**

493 A. Any person, or group of persons acting in concert, seeking to acquire control of a licensee shall obtain  
494 the written approval of the Commission prior to acquiring control. An individual shall not be deemed to  
495 acquire control of a licensee and shall not be subject to the provisions of this section solely because that  
496 individual becomes a key individual.

497 B. A person, or group of persons acting in concert, seeking to acquire control of a licensee shall, in  
498 cooperation with the licensee, submit (i) an application in a form and in a medium prescribed by the  
499 Commission and (ii) a nonrefundable fee of \$1,000 with the request for approval.

500 C. Upon request, the Commission may permit a licensee or the person, or group of persons acting in  
501 concert, to submit some or all information required by the Commission without using NMLS.

502 D. The application required by subsection B shall include the items required by § 6.2-1932 for any new  
503 key individuals that have not previously completed the requirements of § 6.2-1932 for a licensee.

504 E. When the Commission determines that an application is complete, the Commission shall promptly  
505 notify the applicant in a record of the date on which the application was determined to be complete and shall  
506 approve or deny the application within 60 days after the completion date. If the application is not approved  
507 or denied within 60 days after the completion date, the application shall be deemed approved and the person,  
508 or group of persons acting in concert, may acquire control. The Commission may for good cause extend the  
509 application period.

510 F. A determination by the Commission that an application is complete and is accepted for processing  
511 means only that the application, on its face, appears to include all of the items and address all of the matters  
512 that are required and is not an assessment of the substance of the application or of the sufficiency of the  
513 information provided.

514 G. If any material information provided in connection with an application changes during the  
515 investigation period, the applicant shall immediately notify the Commission.

516 H. When an application is filed and considered complete under subsection E, the Commission shall  
517 investigate the financial condition and responsibility, financial and business experience, competence,  
518 character, and general fitness of (i) the person, or group of persons acting in concert, seeking to acquire  
519 control and (ii) each key individual and person in control of such person or group of persons acting in  
520 concert. The Commission shall approve an acquisition of control if the Commission finds that:

521 1. The requirements of subsections B and D have been met, as applicable; and

522 2. The financial condition and responsibility, financial and business experience, competence, character,  
523 and general fitness of the person, or group of persons acting in concert, seeking to acquire control, and the  
524 competence, experience, character, and general fitness of the proposed new key individuals and persons that  
525 would be in control of the licensee after the acquisition of control indicate that it is in the public interest to  
526 permit the person, or group of persons acting in concert, to control the licensee.

527 I. If an applicant invokes or is otherwise subject to a multistate licensing process, (i) the Commission may  
528 accept the investigation results of a lead investigative state for the purpose of subsection H if the Commission  
529 finds that the lead investigative state has sufficient staffing, expertise, and minimum standards or (ii) if the  
530 Commonwealth is a lead investigative state, the Commission may investigate the applicant pursuant to  
531 subsection H and the timeframes established by agreement through the multistate licensing process.

532 J. The Commission shall issue a formal written notice of the denial of an application to acquire control  
533 within 30 days of the decision to deny the application. The Commission shall set forth in the notice of denial  
534 the specific reasons for the denial of the application. An applicant whose application is denied by the  
535 Commission may appeal in accordance with applicable law.

536 K. The requirements of subsections A and B do not apply to any of the following:

537 1. A person that acts as a proxy for the sole purpose of voting at a designated meeting of the shareholders  
538 or holders of voting shares or voting interests of a licensee or a person in control of a licensee;

539 2. A person that acquires control of a licensee by devise or descent;

540 3. A person that acquires control of a licensee as (i) a personal representative, custodian, guardian,  
541 conservator, or trustee or (ii) an officer appointed by a court of competent jurisdiction or by operation of  
542 law;

543 4. A person that is exempt under subdivision A 7 of § 6.2-1923;

544 5. A person that the Commission determines is not subject to subsection A based on the public interest;

545 6. A public offering of securities of a licensee or a person in control of a licensee; or

546 7. An internal reorganization of a person in control of the licensee where the ultimate person in control of  
547 the licensee remains the same.

548 L. Persons described in subdivisions K 2, 3, 4, 6, and 7 shall notify the Commission within 15 days after  
549 the acquisition of control.

550 M. The requirements of subsections A and B do not apply to a person that has complied with and received  
551 approval to engage in money transmission under this chapter or was identified as a person in control in a  
552 prior application filed with and approved by the Commission under this chapter or by an MSB-accredited  
553 state pursuant to a multistate licensing process, provided that:

554 1. The person has not had a license revoked or suspended or controlled a licensee that has had a license  
555 revoked or suspended while the person was in control of the licensee in the previous five years;

556 2. If the person is a licensee, the Commission finds that the person is well-managed and has received at  
557 least a satisfactory rating for compliance at its most recent examination by an MSB-accredited state if such  
558 rating was given;

559 3. The licensee to be acquired is projected to meet the requirements of §§ 6.2-1950, 6.2-1951, and  
560 6.2-1952 beginning on the date the acquisition of control is completed, and if the person acquiring control is  
561 a licensee, that licensee is also projected to meet the requirements of §§ 6.2-1950, 6.2-1951, and 6.2-1952  
562 beginning on the date the acquisition of control is completed;

563 4. The licensee to be acquired will not implement any material changes to its business plan as a result of  
564 the acquisition of control, and if the person acquiring control is a licensee, that licensee also will not  
565 implement any material changes to its business plan as a result of the acquisition of control; and

566 5. The person notifies the Commission of the acquisition in cooperation with the licensee and attests to  
567 subdivisions 1 through 4 in a form and in a medium prescribed by the Commission.

568 If such notice is not disapproved within 30 days after the date on which the notice was determined to be  
569 complete, the notice shall be deemed approved.

570 N. Before filing an application for approval to acquire control of a licensee, a person may request in  
571 writing a determination from the Commission as to whether the person would be considered a person in  
572 control of a licensee upon consummation of a proposed transaction. If the Commission determines that the  
573 person would not be a person in control of a licensee, the person and transaction is not subject to the  
574 requirements of subsections A and B.

575 O. If a multistate licensing process includes a determination pursuant to subsection N or the equivalent  
576 law of another state and a person invokes or is otherwise subject to the multistate licensing process, (i) the  
577 Commission may accept the control determination of a lead investigative state if the Commission finds that  
578 the lead investigative state has sufficient staffing, expertise, and minimum standards or (ii) if the  
579 Commonwealth is a lead investigative state, the Commission may investigate the person using the timeframes  
580 established by agreement through the multistate licensing process.

581 P. If any person acquires an ownership interest in a licensee without obtaining prior approval from the  
582 Commission as required by this section, the Commission may for good cause shown order such person to  
583 divest himself or itself of such ownership interest.

584 Q. The Commission shall not enter an order requiring divestiture pursuant to subsection P until it has  
585 given the person 21 days' notice in writing of the reasons for the proposed divestiture and has given the  
586 person an opportunity to introduce evidence and be heard. The notice shall be sent by certified mail to such  
587 person and shall state with particularity the grounds for the contemplated action. Within 14 days of mailing  
588 the notice, the person named therein may file with the clerk of the Commission a written request for a  
589 hearing. If a hearing is requested, the Commission shall not require divestiture except based upon findings  
590 made at such hearing.

591 **§ 6.2-1937. Change of key individual; notice and required information.**

592 A. A licensee adding or replacing any key individual shall (i) provide notice in a manner prescribed by  
593 the Commission within 15 days after the effective date of the key individual's appointment and (ii) cause the  
594 new key individual to provide the items required by § 6.2-1932 within 45 days after the effective date.

595 B. Within 90 days after the date on which the notice provided pursuant to subsection A was determined by  
596 the Commission to be complete, the Commission may investigate the key individual and issue a notice of  
597 disapproval of a key individual if the competence, experience, character, or integrity of the individual is not  
598 in the best interests of the public or the customers of the licensee to permit the individual to be a key  
599 individual of such licensee.

600 C. A notice of disapproval shall contain a statement of the basis for disapproval and shall be sent to the  
601 licensee and the disapproved individual. A licensee may appeal a notice of disapproval in accordance with  
602 applicable law.

603 D. If the notice provided pursuant to subsection A is not disapproved within 90 days after the date on  
604 which the notice was determined to be complete, the key individual shall be deemed approved.

605 E. If a multistate licensing process includes a key individual notice review and disapproval process and  
606 the licensee avails itself or is otherwise subject to the multistate licensing process, (i) the Commission may  
607 accept the determination of a lead investigative state if the Commission finds that the lead investigative state  
608 has sufficient staffing, expertise, and minimum standards or (ii) if the Commonwealth is a lead investigative  
609 state, the Commission may investigate the key individual using the timeframes established by agreement  
610 through the multistate licensing process notwithstanding the timeframes prescribed in subsections B and D.

611 **§ 6.2-1938. Report of condition.**

612 A. Each licensee shall submit to the Commission a report of condition within 45 days after the end of  
613 every calendar quarter, or within any extended time as the Commission may prescribe.

614 B. The report of condition shall include:

615 1. Financial information at the licensee level;

616 2. Nationwide and state-specific money transmission transaction information for every jurisdiction in the  
617 United States where the licensee is licensed to engage in money transmission;

618 3. A permissible investments report;

619 4. Transaction destination country reporting for money received for transmission, if applicable; and

620 5. Any other information the Commission reasonably requires with respect to the licensee. The  
621 Commission is authorized and encouraged to allow or require licensees to utilize NMLS for the submission of  
622 the report required by this section.

623 C. The information required by subdivision B 4 shall only be included in a report of condition submitted  
624 within 45 days after the end of the fourth calendar quarter.

625 **§ 6.2-1939. Audited financials.**

626 A. Each licensee shall, within 90 days after the end of each fiscal year, or within any extended time as the  
627 Commission may prescribe, file with the Commission:

628 1. Its audited financial statements for the fiscal year prepared in accordance with generally accepted  
629 accounting principles; and

630 2. Any other information as the Commission may reasonably require.

631 B. The audited financial statements shall be prepared by an independent certified public accountant.

632 C. The audited financial statements shall include or be accompanied by a certificate of opinion of the  
633 independent certified public accountant or independent public accountant that is satisfactory in form and  
634 content to the Commission. If the certificate of opinion is qualified, the Commission may require the licensee  
635 to take any action as the Commission may find necessary to enable the independent certified public  
636 accountant or independent public accountant to remove the qualification.

637 **§ 6.2-1940. Authorized delegate reporting.**

638 Each licensee shall submit to the Commission a report of its authorized delegates within 45 days after the  
639 end of every calendar quarter. The report shall contain such information as may be prescribed by the  
640 Commission about all authorized delegates that were under contract with the licensee at any point during the  
641 calendar quarter. The Commission is authorized and encouraged to allow or require licensees to utilize  
642 NMLS for the submission of such reports provided that such functionality is consistent with the requirements  
643 of this section.

644 **§ 6.2-1941. Reports of certain events.**

645 A. A licensee shall file a report with the Commission within one business day after the licensee has reason  
646 to know of the occurrence of any of the following events:

647 1. The filing of a petition by or against the licensee under the United States Bankruptcy Code (11 U.S.C. §  
648 101 et seq.) for bankruptcy or reorganization;

649 2. The filing of a petition by or against the licensee for receivership, the commencement of any other  
650 judicial or administrative proceeding for its dissolution or reorganization, or the making of a general  
651 assignment for the benefit of its creditors;

652 3. The commencement of a proceeding to revoke or suspend its license or other authority to operate in  
653 another jurisdiction; or

654 4. Such other events as the Commission may prescribe by regulation.

655 B. A licensee shall file a report with the Commission within three business days after the licensee has  
656 reason to know of the occurrence of any of the following events:

657 1. An indictment, charge, or conviction of the licensee or of a key individual or person in control of the  
658 licensee for a felony;

659 2. An indictment, charge, or conviction of an authorized delegate for a felony; or

660 3. Such other events as the Commission may prescribe by regulation.

661 **§ 6.2-1942. Reports required by federal law.**

662 A licensee and its authorized delegates shall comply with all federal currency reporting, record keeping,  
663 and suspicious activity reporting requirements as set forth in the Bank Secrecy Act and other federal laws  
664 pertaining to money laundering. The timely filing of a complete and accurate report required by this section  
665 with the appropriate federal agency is deemed compliant with the requirements of this section.

666 **§ 6.2-1943. Records.**

667 A. A licensee shall maintain the following records for determining its compliance with this chapter for at  
668 least three years:

669 1. A record of each outstanding money transmission obligation sold;

670 2. A general ledger posted at least monthly containing all asset, liability, capital, income, and expense  
671 accounts;

672 3. Bank statements and bank reconciliation records;

673 4. Records of outstanding money transmission obligations;

674 5. Records of each money transmission obligation paid within the three-year period;

675 6. A list of the last known names and addresses of all of the licensee's authorized delegates; and

676 7. Any other records the Commission reasonably requires by regulation.

677 B. The items specified in subsection A shall be maintained in written or electronic form.

678 C. Records specified in subsection A may be maintained outside the Commonwealth if they are made  
679 accessible to the Commission on seven business days' written notice.

680 D. All records maintained by the licensee as required in this section are open to inspection by the  
681 Commission pursuant to § 6.2-1926.

682 E. Each licensee shall maintain policies and procedures sufficient for it to comply with this chapter and  
683 all other laws and regulations applicable to the conduct of its licensed business.

684 **§ 6.2-1944. Relationship between licensee and authorized delegate; prohibited activities.**

685 A. As used in this section, "remit" means (i) to make direct payments of money to a licensee or its  
686 representative authorized to receive money or (ii) to deposit money in a bank account specified by the  
687 licensee.

688 B. Before a licensee conducts business through an authorized delegate or allows a person to act as the  
689 licensee's authorized delegate, the licensee shall:

690 1. Adopt, and update as necessary, written policies and procedures reasonably designed to ensure that the  
691 licensee's authorized delegates comply with applicable state and federal law;

692 2. Enter into a written contract that complies with subsection D; and

693 3. Conduct a reasonable risk-based background investigation sufficient for the licensee to determine  
694 whether the authorized delegate has complied and will likely comply with applicable state and federal law.

695 C. The licensee's authorized delegates shall operate in full compliance with applicable state and federal  
696 law, and the licensee shall be responsible for implementing and maintaining a reasonable risk-based  
697 supervision program to monitor its authorized delegates.

698 D. The written contract required by subsection B shall be signed by the licensee and the authorized  
699 delegate and, at a minimum, shall:

700 1. Designate the person signing the contract as the licensee's authorized delegate with the authority to  
701 conduct money transmission on behalf of the licensee;

702 2. Set forth the nature and scope of the relationship between the licensee and the authorized delegate and  
703 the respective rights and responsibilities of the parties;

704 3. Require the authorized delegate to fully comply with all applicable state and federal laws and  
705 regulations;

706 4. Require the authorized delegate to remit and handle money in accordance with the terms of the  
707 contract between the licensee and the authorized delegate;

708 5. Impose a trust on money and monetary value net of fees received for money transmission for the benefit  
709 of the licensee;

710 6. Require the authorized delegate to prepare and maintain records as required by this chapter or  
711 regulations implementing this chapter, or as reasonably required by the Commission;

712 7. Acknowledge that the authorized delegate consents to examination or investigation by the Commission;

713 8. State that the licensee is subject to regulation by the Commission and that, as part of that regulation,  
714 the Commission may require the licensee to revoke an authorized delegate designation; and

715 9. Acknowledge receipt of the written policies and procedures required under subdivision B 1.

716 E. If the licensee's license is suspended, revoked, surrendered, or expired, the licensee shall, within five  
717 business days, provide documentation to the Commission that the licensee has notified all authorized  
718 delegates of the licensee whose names are in a record filed with the Commission of the suspension,  
719 revocation, surrender, or expiration of its license. Upon suspension, revocation, surrender, or expiration of  
720 the license, all authorized delegates shall immediately cease to provide money transmission on behalf of the  
721 licensee.

722 F. An authorized delegate of a licensee shall hold in trust for the benefit of the licensee all money net of  
723 fees received from money transmission. If any authorized delegate commingles any funds received from  
724 money transmission with any other funds or property owned or controlled by the authorized delegate, all  
725 commingled funds and other property shall be considered held in trust in favor of the licensee in an amount  
726 equal to the amount of money net of fees received from money transmission.

727 G. An authorized delegate shall not use a subdelegate or otherwise designate or appoint another person  
728 to conduct money transmission on behalf of a licensee.

729 H. No person shall engage in the business of money transmission on behalf of a person not licensed under  
730 this chapter or exempt pursuant to § 6.2-1923. A person that engages in such activity provides money  
731 transmission to the same extent as a person required to be licensed under this chapter and shall be jointly  
732 and severally liable with the unlicensed and nonexempt person.

733 **§ 6.2-1945. Timely transmission.**

734 A. Every licensee shall forward all money received for transmission in accordance with the terms of the  
735 agreement between the licensee and the sender unless the licensee has a reasonable belief or a reasonable  
736 basis to believe that the sender may be a victim of fraud or that a crime or violation of law or regulation has  
737 occurred, is occurring, or may occur.

738 B. If a licensee fails to forward money received for transmission in accordance with this section, the  
739 licensee shall respond to inquiries by the sender with the reason for the failure unless providing a response  
740 would violate a state or federal law or regulation.

741 **§ 6.2-1946. Refunds.**

742 A. Every licensee shall refund to the sender within 10 days of receipt of the sender's written request for a  
743 refund of any or all money received for transmission unless any of the following occurs:

744 1. The money has been forwarded within 10 days of the date on which the money was received for  
745 transmission;

746 2. Instructions have been given committing an equivalent amount of money to the person designated by  
747 the sender within 10 days of the date on which the money was received for transmission;

748 3. The agreement between the licensee and the sender instructs the licensee to forward the money at a  
749 time that is beyond 10 days of the date on which the money was received for transmission. If funds have not  
750 yet been forwarded in accordance with the terms of the agreement between the licensee and the sender, the  
751 licensee shall issue a refund in accordance with the other provisions of this section;

752 4. The refund is requested for a transaction that the licensee has not completed based on a reasonable  
753 belief or a reasonable basis to believe that a crime or violation of law or regulation has occurred, is  
754 occurring, or may occur; or

755 5. The refund request does not enable the licensee to identify (i) the sender's name and the sender's  
756 address or telephone number or (ii) the particular transaction to be refunded in the event the sender has  
757 multiple transactions outstanding.

758 B. The provisions of subsection A shall not apply to (i) money received for transmission subject to the  
759 federal Remittance Rule (12 C.F.R. Part 1005, Subpart B) or (ii) money received for transmission pursuant to  
760 a written agreement between the licensee and payee to process payments for goods or services provided by  
761 the payee.

762 **§ 6.2-1947. Receipts.**

763 A. As used in this section, "receipt" means a paper, electronic, or other written confirmation of money  
764 received for transmission.

765 B. Every licensee or its authorized delegate shall provide the sender a receipt for money received for  
766 transmission. The receipt shall contain, as applicable:

767 1. The name of the sender;

768 2. The name of the designated recipient;

769 3. The date of the transaction;

770 4. The unique transaction or identification number;

771 5. The name of the licensee, the licensee's NMLS Unique ID number, the licensee's business address, and  
772 the licensee's customer service telephone number;

773 6. The amount of money to be transmitted in United States dollars;

774 7. Any fee charged by the licensee to the sender for the transaction; and

775 8. Any taxes collected by the licensee from the sender for the transaction.

776 C. For a transaction conducted in person, the receipt may be provided electronically if the sender  
777 requests or agrees to receive an electronic receipt. For a transaction conducted electronically or by phone, a  
778 receipt shall be provided electronically. All electronic receipts shall be provided by email or in another  
779 retainable form. The receipt shall be in English and in the language principally used by the licensee or  
780 authorized delegate, if other than English, to advertise, solicit, or negotiate a transaction.

781 D. The provisions of this section shall not apply to (i) money received for transmission subject to the  
782 federal Remittance Rule (12 C.F.R. Part 1005, Subpart B); (ii) money received for transmission that is not  
783 primarily for personal, family, or household purposes; (iii) money received for transmission pursuant to a  
784 written agreement between the licensee and a payee to process payments for goods or services provided by  
785 the payee; or (iv) payroll processing services.

786 **§ 6.2-1948. Notice.**

787 Every licensee or authorized delegate shall include on a receipt or disclose on the licensee's website and  
788 mobile application the phone number and website of the Commission and a statement that the licensee's  
789 customers can contact the Commission with complaints about the licensee's money transmission services.

790 **§ 6.2-1949. Payroll processing services.**

791 A. A licensee that provides payroll processing services shall:

792 1. Issue reports to customers detailing customer payroll obligations in advance of the payroll funds being  
793 deducted from an account; and

794 2. Make available worker paystubs or equivalent statements to workers.

795 B. The provisions of subsection A shall not apply to a licensee providing payroll processing services  
796 where the licensee's customer designates the intended recipients to the licensee and is responsible for  
797 satisfying the requirement in subdivision A 2.

798 **§ 6.2-1950. Net worth.**

799 A. A licensee shall maintain at all times a tangible net worth in an amount not less than the following:

800 1. For a licensee with total assets in an amount not greater than \$100 million, the greater of \$100,000 or  
801 three percent of the value of the licensee's total assets.

802 2. For a licensee with total assets in an amount greater than \$100 million and not greater than \$1 billion,  
803 the sum of \$3 million and two percent of the additional assets in excess of \$100 million.

804 3. For a licensee with total assets in an amount greater than \$1 billion, the sum of \$21 million and 0.5  
805 percent of the additional assets in excess of \$1 billion.

806 B. Tangible net worth shall be demonstrated at initial application and thereafter in a manner prescribed  
807 by the Commission.

808 **§ 6.2-1951. Surety bond.**

809 A. An applicant for a money transmission license shall provide, and a licensee at all times shall maintain,  
810 security consisting of a surety bond, in a form satisfactory to the Commission, or, with the Commission's  
811 approval, a deposit instead of a bond in accordance with this section.

812 B. The minimum amount of the required security shall be:

813 1. The greater of \$100,000 or an amount equal to 100 percent of the applicant's or licensee's average

814 daily money transmission liability in the Commonwealth calculated for the most recent quarter, up to a  
815 maximum of \$1 million; or

816 2. \$100,000 in the event that the applicant's or licensee's tangible net worth exceeds 10 percent of total  
817 assets.

818 C. An applicant or licensee that maintains a bond of \$1 million pursuant to subdivision B 1 or \$100,000  
819 pursuant to subdivision B 2 shall not be required to calculate its average daily money transmission liability  
820 in the Commonwealth for purposes of this section.

821 D. An applicant or licensee may exceed the required security amount, including pursuant to subdivision A  
822 5 of § 6.2-1953.

823 E. The security device required by this section shall remain in place for five years after a licensee ceases  
824 money transmission activities. The Commission may permit the security device to be reduced or eliminated  
825 prior to that time to the extent the amount of such licensee's outstanding money transmission transactions are  
826 reduced. The Commission may also permit any licensee to substitute a letter of credit, or such other form of  
827 security device as may be acceptable to the Commission, for the security device in place at the time the  
828 licensee ceases money transmission activities.

829 F. A surety bond shall remain effective until cancellation, which may occur only after 90 days' written  
830 notice to the Commission. Cancellation does not affect the rights of any claimant for any liability incurred or  
831 accrued during the period for which the bond was in force.

832 **§ 6.2-1952. Maintenance of permissible investments.**

833 A. A licensee shall maintain at all times permissible investments that have a market value computed in  
834 accordance with generally accepted accounting principles of not less than the aggregate amount of all of its  
835 outstanding money transmission obligations in all states.

836 B. Except for permissible investments enumerated in subsection A of § 6.2-1953, the Commission, with  
837 respect to any licensee, may by regulation or order limit the extent to which a specific investment within a  
838 class of permissible investments may be considered a permissible investment if the specific investment  
839 represents undue risk to customers that is not reflected in the market value of the investment.

840 C. Permissible investments, even if commingled with other assets of the licensee, shall be deemed to be  
841 held in trust for the benefit of the purchasers and holders of the licensee's outstanding money transmission  
842 obligations in the event of insolvency, the filing of a petition by or against the licensee under the United  
843 States Bankruptcy Code (11 U.S.C. § 101 et seq.) for bankruptcy or reorganization, the filing of a petition by  
844 or against the licensee for receivership, the commencement of any other judicial or administrative  
845 proceeding for its dissolution or reorganization, or an action by a creditor against the licensee who is not a  
846 beneficiary of this statutory trust. No permissible investments impressed with a trust pursuant to this  
847 subsection shall be subject to attachment, levy of execution, or sequestration by order of any court, except  
848 when for a beneficiary of this statutory trust.

849 D. Upon the establishment of a statutory trust in accordance with subsection C or when any funds are  
850 drawn on a letter of credit pursuant to subdivision A 4 of § 6.2-1953, the Commission shall notify the  
851 applicable regulator of each state in which the licensee is licensed to engage in money transmission, if any,  
852 of the establishment of the trust or the funds drawn on the letter of credit, as applicable. Notice shall be  
853 deemed given if provided pursuant to a multistate agreement or through NMLS. Funds drawn on a letter of  
854 credit, and any other permissible investments held in trust for the benefit of the purchasers and holders of the  
855 licensee's outstanding money transmission obligations, shall be deemed to be held in trust for the benefit of  
856 such purchasers and holders on a pro rata and equitable basis in accordance with statutes pursuant to which  
857 permissible investments are required to be held in the Commonwealth and other states, as applicable. Any  
858 statutory trust established hereunder shall be terminated upon extinguishment of all of the licensee's  
859 outstanding money transmission obligations.

860 E. The Commission by regulation or by order may allow other types of investments that the Commission  
861 determines are of sufficient liquidity and quality to be a permissible investment. The Commission is  
862 authorized to participate in efforts with other state regulators to determine whether other types of investments  
863 are of sufficient liquidity and quality to be a permissible investment.

864 **§ 6.2-1953. Permissible investments.**

865 A. The following investments are permissible under § 6.2-1952:

866 1. Cash, including demand deposits, savings deposits, and funds in such accounts held for the benefit of  
867 the licensee's customers in a federally insured depository financial institution, and cash equivalents including  
868 ACH items in transit to the licensee and ACH items or international wires in transit to a payee, cash in  
869 transit via armored car, cash in smart safes, cash in licensee-owned locations, debit card-funded or credit  
870 card-funded transmission receivables owed by any bank, or money market mutual funds rated "AAA" by  
871 S&P, or the equivalent from any eligible rating service.

872 2. Certificates of deposit or senior debt obligations of an insured depository institution, as defined in the  
873 Federal Deposit Insurance Act (12 U.S.C. § 1811 et seq.) or as defined under the Federal Credit Union Act  
874 (12 U.S.C. § 1751 et seq.).

875 3. An obligation of the United States or a commission, agency, or instrumentality thereof; an obligation

876 *that is guaranteed fully as to principal and interest by the United States; or an obligation of a state or a*  
877 *governmental subdivision, agency, or instrumentality thereof.*

878 *4. The full drawable amount of an irrevocable standby letter of credit for which the stated beneficiary is*  
879 *the Commission that stipulates that the beneficiary need only draw a sight draft under the letter of credit and*  
880 *present it to obtain funds up to the letter of credit amount within seven days of presentation of the items*  
881 *required by subdivision c.*

882 *a. Such letter of credit shall:*

883 *(1) Be issued by a federally insured depository financial institution, a foreign bank that is authorized*  
884 *under federal law to maintain a federal agency or federal branch office in a state or states, or a foreign bank*  
885 *that is authorized under state law to maintain a branch in a state that:*

886 *(a) Bears an eligible rating or whose parent company bears an eligible rating; and*

887 *(b) Is regulated, supervised, and examined by United States federal or state authorities having regulatory*  
888 *authority over banks, credit unions, and trust companies;*

889 *(2) Be irrevocable, unconditional, and indicate that it is not subject to any condition or qualifications*  
890 *outside of the letter of credit;*

891 *(3) Not reference any other agreements, documents, or entities, or otherwise provide for any security*  
892 *interest in the licensee; and*

893 *(4) Contain an issue date and expiration date, and expressly provide for automatic extension, without a*  
894 *written amendment, for an additional period of one year from the initial expiration date and each successive*  
895 *expiration date, unless the issuer of the letter of credit notifies the Commission in writing by certified or*  
896 *registered mail or courier mail or other receipted means at least 60 days prior to any expiration date that the*  
897 *irrevocable letter of credit will not be extended.*

898 *b. In the event of any notice of expiration or nonextension of a letter of credit issued under subdivision a*  
899 *(4), the licensee shall be required to demonstrate to the satisfaction of the Commission, at least 15 days prior*  
900 *to expiration, that the licensee will maintain permissible investments in accordance with subsection A of §*  
901 *6.2-1952 upon the expiration of the letter of credit. If the licensee is not able to do so, the Commission may*  
902 *draw on the letter of credit in an amount up to the amount necessary for the licensee to comply with*  
903 *subsection A of § 6.2-1952. Any such draw shall be offset against the licensee's outstanding money*  
904 *transmission obligations. The drawn funds shall be held in trust by the Commission or the Commission's*  
905 *designated agent, to the extent authorized by law, as agent for the benefit of the purchasers and holders of the*  
906 *licensee's outstanding money transmission obligations.*

907 *c. The letter of credit shall provide that the issuer of the letter of credit will honor, at sight, a presentation*  
908 *made by the beneficiary to the issuer of the following documents on or prior to the expiration date of the*  
909 *letter of credit:*

910 *(1) The original letter of credit including any amendments; and*

911 *(2) A written statement from the beneficiary stating that any of the following events have occurred:*

912 *(a) The filing of a petition by or against the licensee under the United States Bankruptcy Code (11 U.S.C.*  
913 *§ 101 et seq.) for bankruptcy or reorganization;*

914 *(b) The filing of a petition by or against the licensee for receivership, or the commencement of any other*  
915 *judicial or administrative proceeding for its dissolution or reorganization;*

916 *(c) The seizure of assets of a licensee by any state pursuant to an emergency order issued in accordance*  
917 *with applicable law, on the basis of an action, violation, or condition that has caused or is likely to cause the*  
918 *insolvency of the licensee; or*

919 *(d) The beneficiary has received notice of expiration or nonextension of a letter of credit and the licensee*  
920 *failed to demonstrate to the satisfaction of the beneficiary that the licensee will maintain permissible*  
921 *investments in accordance with subsection A of § 6.2-1952 upon the expiration or nonextension of the letter*  
922 *of credit.*

923 *d. The Commission may designate an agent to serve on the Commission's behalf as beneficiary to a letter*  
924 *of credit so long as the agent and letter of credit meet any requirements established by the Commission. The*  
925 *Commission's agent may serve as agent for multiple licensing authorities for a single irrevocable letter of*  
926 *credit if the proceeds of the drawable amount for the purposes of this subdivision A 4 are assigned to the*  
927 *Commission.*

928 *e. The Commission may participate in multistate processes designed to facilitate the issuance and*  
929 *administration of letters of credit, including the use of services provided by the NMLS and State Regulatory*  
930 *Registry LLC.*

931 *5. The amount of the surety bond that exceeds the amount required by § 6.2-1951.*

932 *B. Unless permitted by the Commission by regulation or by order to exceed the limit as set forth herein,*  
933 *the following investments are permissible under § 6.2-1952 to the extent specified:*

934 *1. Receivables that are payable to a licensee from its authorized delegates in the ordinary course of*  
935 *business that are less than seven calendar days old, up to 50 percent of the aggregate value of the licensee's*  
936 *total permissible investments.*

937 *2. Of the receivables permissible under subdivision 1, receivables that are payable to a licensee from a*



938 single authorized delegate in the ordinary course of business shall not exceed 10 percent of the aggregate  
 939 value of the licensee's total permissible investments.

940 3. The following investments are permissible up to 20 percent per category and combined up to 50 percent  
 941 of the aggregate value of the licensee's total permissible investments:

942 a. A short-term, up to six months, investment bearing an eligible rating;

943 b. Commercial paper bearing an eligible rating;

944 c. A bill, note, bond, or debenture bearing an eligible rating;

945 d. United States tri-party repurchase agreements collateralized at 100 percent or more with United States  
 946 government or agency securities, municipal bonds, or other securities bearing an eligible rating;

947 e. Money market mutual funds rated less than "AAA" and equal to or higher than "A-" by S&P, or the  
 948 equivalent from any other eligible rating service; and

949 f. A mutual fund or other investment fund composed solely and exclusively of one or more permissible  
 950 investments listed in subdivisions A 1, 2, and 3.

951 4. Cash, including demand deposits, savings deposits, and funds in such accounts held for the benefit of  
 952 the licensee's customers, at foreign depository institutions are permissible up to 10 percent of the aggregate  
 953 value of the licensee's total permissible investments if the licensee has received a satisfactory rating in its  
 954 most recent examination and the foreign depository institution:

955 a. Has an eligible rating;

956 b. Is registered under the Foreign Account Tax Compliance Act;

957 c. Is not located in any country subject to sanctions from the Office of Foreign Asset Control; and

958 d. Is not located in a high-risk or noncooperative jurisdiction as designated by the Financial Action Task  
 959 Force.

960 **§ 6.2-1954. Suspension or revocation of license.**

961 A. The Commission may suspend or revoke a license issued under this chapter upon any of the following  
 962 grounds:

963 1. The licensee violates any provisions of this chapter or a regulation adopted or an order issued under  
 964 this chapter or violates any other law or regulation applicable to the conduct of the licensee's business;

965 2. The licensee does not cooperate with an examination or investigation by the Commission;

966 3. The licensee has engaged or is engaging in fraud, misrepresentation, deceit, or gross negligence;

967 4. An authorized delegate of the licensee (i) is convicted of a violation of a state or federal money  
 968 laundering statute, (ii) violates any provisions of this chapter or a regulation adopted or an order issued  
 969 under this chapter, or (iii) violates any other law or regulation applicable to the conduct of the licensee's  
 970 business;

971 5. Any ground for denial of a license under this chapter;

972 6. The licensee has engaged or is engaging in an unsafe or unsound practice;

973 7. The licensee is insolvent, suspends payment of its obligations, or makes a general assignment for the  
 974 benefit of its creditors;

975 8. The licensee does not remove an authorized delegate after the Commission issues and serves upon the  
 976 licensee a final order including a finding that the authorized delegate has violated this chapter;

977 9. The Commission reasonably determines that (i) the licensee may be unable to perform its obligations or  
 978 (ii) the licensee has willfully failed without reasonable cause to pay or provide for the payment of any of its  
 979 obligations;

980 10. Entry of a federal or state administrative order against the licensee for violation of any law or  
 981 regulation applicable to the conduct of its business;

982 11. Failure to pay any fee imposed by this chapter; or

983 12. Such other grounds as the Commission may prescribe by regulation.

984 B. In determining whether a licensee is engaging in an unsafe or unsound practice, the Commission may  
 985 consider the volume and condition of the licensee's money transmission business, the magnitude of any loss,  
 986 the gravity of any violation of this chapter, the previous conduct of the person involved, and any other factors  
 987 that the Commission deems relevant.

988 C. For the purposes of this section, acts of any key individual or person in control of a licensee shall be  
 989 deemed acts of the licensee.

990 D. The Commission shall not revoke or suspend a license issued under this chapter upon any of the  
 991 grounds set forth in this section until it has given the licensee 21 days' notice in writing of the reasons for the  
 992 proposed revocation or suspension and has given the licensee an opportunity to introduce evidence and be  
 993 heard. The notice shall be sent by certified mail to the principal place of business of such licensee or other  
 994 address authorized under § 12.1-19.1 and shall state with particularity the grounds for the contemplated  
 995 action. Within 14 days of mailing the notice, the person or persons named therein may file with the clerk of  
 996 the Commission a written request for a hearing. If a hearing is requested, the Commission shall not revoke or  
 997 suspend the license except based upon findings made at such hearing. The hearing shall be conducted in  
 998 accordance with the Commission's Rules.

999 **§ 6.2-1955. Civil penalties.**

1000 *The Commission may impose a civil penalty not exceeding \$2,500 upon any person licensed or required*  
1001 *to be licensed under this chapter who the Commission determines has violated any of the provisions of this*  
1002 *chapter or any other law or regulation applicable to the conduct of the person's business. For the purposes of*  
1003 *this section, each separate violation shall be subject to the civil penalty herein prescribed. In the case of a*  
1004 *violation of § 6.2-1929, each money transmission transaction shall constitute a separate violation.*

1005 **§ 6.2-1956. Cease and desist orders.**

1006 *A. If the Commission determines that (i) any person has violated any provision of this chapter or any*  
1007 *regulation adopted hereunder or (ii) a licensee is engaging in one or more unsafe or unsound practices, the*  
1008 *Commission may, upon 21 days' notice in writing, order such person to cease and desist from such practices*  
1009 *and to comply with the provisions of this chapter. The notice shall be sent by certified mail to the principal*  
1010 *place of business of such person or other address authorized under § 12.1-19.1 and shall state the grounds*  
1011 *for the contemplated action. Within 14 days of mailing the notice, the person or persons named therein may*  
1012 *file with the clerk of the Commission a written request for a hearing. The Commission may enforce*  
1013 *compliance with any such order issued under this section by imposition and collection of such fines and*  
1014 *penalties as may be prescribed by law.*

1015 *B. The Commission may, pursuant to the procedures set forth in subsection A, order a licensee to cease*  
1016 *and desist from allowing an authorized delegate to engage in money transmission on the licensee's behalf*  
1017 *upon any of the following grounds:*

1018 *1. The authorized delegate violated this chapter or a regulation adopted or an order issued under this*  
1019 *chapter or violated any other law or regulation applicable to the conduct of the licensee's business;*

1020 *2. The authorized delegate did not cooperate with an examination or investigation by the Commission;*

1021 *3. The authorized delegate engaged in fraud, misrepresentation, deceit, or gross negligence;*

1022 *4. The authorized delegate has been convicted of a violation of a state or federal money laundering*  
1023 *statute;*

1024 *5. The competence, experience, character, or general fitness of the authorized delegate indicates that it is*  
1025 *not in the public interest to permit the authorized delegate to engage in money transmission; or*

1026 *6. The authorized delegate is engaging in an unsafe or unsound practice. In determining whether the*  
1027 *authorized delegate is engaging in an unsafe or unsound practice, the Commission may consider the volume*  
1028 *and condition of the licensee's money transmission business, the magnitude of any loss, the gravity of any*  
1029 *violation of this chapter, the previous conduct of the person involved, and any other factors that the*  
1030 *Commission deems relevant.*

1031 *C. When, in the opinion of the Commission, immediate action is required to protect the public interest, a*  
1032 *cease and desist order may be issued immediately without a prior hearing. In such cases, the Commission*  
1033 *shall make a hearing available to the person on an expedited basis.*

1034 *D. If required to conserve the assets of a licensee or protect the public interest, the Commission may*  
1035 *order a licensee and its authorized delegates to cease and desist from selling or issuing payment instruments*  
1036 *or stored value or receiving additional money for transmission.*

1037 *E. The Commission shall have jurisdiction to enter and enforce a cease and desist order against any*  
1038 *person, regardless of whether such person is present in the Commonwealth, who directly or indirectly (i)*  
1039 *sells or issues payment instruments or stored value to any person located in the Commonwealth or (ii)*  
1040 *receives money from such persons.*

1041 **§ 6.2-1957. Criminal penalty.**

1042 *Any person required by this chapter to have a license who engages in the business of money transmission*  
1043 *without first being licensed as required by § 6.2-1929 is guilty of a Class 1 misdemeanor.*

1044 **§ 6.2-2001. License requirement; exceptions.**

1045 *A. No person shall engage in the business of providing or offering to provide a DMP to any consumer,*  
1046 *whether or not the person has an office, facility, agent, or other physical presence in the Commonwealth,*  
1047 *unless such person obtains from the Commission a license issued pursuant to this chapter. The provisions of*  
1048 *this chapter shall not apply to any bank, savings institution, or credit union, or to a person licensed to practice*  
1049 *law in the Commonwealth.*

1050 *B. This chapter shall be construed by the Commission to promote sound personal financial advice and*  
1051 *management, and protect against financial loss consumers who place money or control of their funds or credit*  
1052 *into the custody of an agency for transmission to such consumers' creditors.*

1053 C. A person licensed under this chapter is not required to be licensed as a money transmitter under  
1054 ~~Chapter 19 (§ 6.2-1900 et seq.)~~ *Chapter 19.1 (§ 6.2-1922 et seq.)*, if the person's money transmission  
1055 activities are limited to providing debt pooling and distribution services in accordance with this chapter.

1056 **§ 18.2-516. Prohibition of illegal money transmitting.**

1057 A. Any person who controls, manages, or owns all or part of an enterprise, engaged in money  
1058 transmission as defined in § ~~6.2-1900~~ 6.2-1922, and transmits money, which he knows or should have known  
1059 was derived from or traceable to racketeering activity, is guilty of a Class 6 felony.

1060 B. All property, real or personal, including money, used in substantial connection with, intended for use in  
1061 the course of, or traceable to, conduct in violation of any provision of subsection A is subject to civil  
1062 forfeiture to the Commonwealth. The forfeiture proceeding shall be conducted pursuant to the provisions of  
1063 Chapter 22.1 (§ 19.2-386.1 et seq.) of Title 19.2.

1064 **§ 19.2-10.1. Subpoena duces tecum for obtaining records concerning banking and credit cards.**

1065 A. A financial institution as defined in § 6.2-604, money transmitter as defined in § ~~6.2-1900~~ 6.2-1922, or  
1066 commercial businesses providing credit history or credit reports; or an issuer as defined in § 6.2-424 shall  
1067 disclose a record or other information pertaining to a customer, to a law-enforcement officer pursuant to a  
1068 subpoena duces tecum issued pursuant to this section.

1069 1. In order to obtain such records, the law-enforcement official shall provide a statement of the facts  
1070 documenting the reasons that the records or other information sought are relevant to a legitimate law-  
1071 enforcement inquiry, relating to a named person or persons, to the attorney for the Commonwealth. A court  
1072 shall issue a subpoena duces tecum upon motion of the Commonwealth only if the court finds that there is  
1073 probable cause to believe that a crime has been committed and to believe the records sought or other  
1074 information sought, including electronic data and electronic communications, are relevant to a legitimate law-  
1075 enforcement inquiry into that offense. The court may issue a subpoena duces tecum under this section  
1076 regardless of whether any criminal charges have been filed.

1077 2. A court issuing an order pursuant to this section, on a motion made promptly by the financial institution  
1078 or credit card issuer, or enterprise may quash or modify the subpoena duces tecum, if the information or  
1079 records requested are unusually voluminous in nature or compliance with such subpoena duces tecum would  
1080 otherwise cause an undue burden on such provider.

1081 B. No cause of action shall lie in any court against a financial institution or credit card issuer, or  
1082 enterprise, its officers, employees, agents, or other specified persons for providing information, facilities, or  
1083 assistance in accordance with the terms of a subpoena duces tecum under this section.

1084 C. Upon issuance of a subpoena duces tecum under this section, the statement shall be temporarily sealed  
1085 by the court upon application of the attorney for the Commonwealth for good cause shown in an ex parte  
1086 proceeding. Any individual arrested and claiming to be aggrieved by the order may move the court for the  
1087 unsealing of the statement, and the burden of proof with respect to continued sealing shall be upon the  
1088 Commonwealth.

1089 D. Any and all records received by law enforcement pursuant to this section shall be utilized only for a

1090 reasonable amount of time and only for a legitimate law-enforcement purpose. Upon the completion of the  
1091 investigation the records shall be submitted to the court by the attorney for the Commonwealth along with a  
1092 proposed order requiring the records to be sealed. Upon entry of such order, the court shall seal the records in  
1093 accordance with the requirements contained in subsection C.

1094 **§ 19.2-56. To whom search warrant directed; what it shall command; warrant to show date and**  
1095 **time of issuance; copy of affidavit to be part of warrant and served therewith; warrants not executed**  
1096 **within 15 days.**

1097 A. The judge, magistrate, or other official authorized to issue criminal warrants shall issue a search  
1098 warrant only if he finds from the facts or circumstances recited in the affidavit that there is probable cause for  
1099 the issuance thereof.

1100 Every search warrant shall be directed (i) to the sheriff, sergeant, or any policeman of the county, city, or  
1101 town in which the place to be searched is located; (ii) to any law-enforcement officer or agent employed by  
1102 the Commonwealth and vested with the powers of sheriffs and police; or (iii) jointly to any such sheriff,  
1103 sergeant, policeman, or law-enforcement officer or agent and an agent, special agent, or officer of the Federal  
1104 Bureau of Investigation, the Bureau of Alcohol, Tobacco, Firearms and Explosives of the U.S. Department of  
1105 Justice, the United States Naval Criminal Investigative Service, the United States Army Criminal  
1106 Investigation Division, the United States Air Force Office of Special Investigations, or the U.S. Department  
1107 of Homeland Security or any inspector, law-enforcement official, or police personnel of the United States  
1108 Postal Service or the U.S. Drug Enforcement Administration. The warrant shall (a) name the affiant, (b)  
1109 recite the offense or the identity of the person to be arrested for whom a warrant or process for arrest has been  
1110 issued in relation to which the search is to be made, (c) name or describe the place to be searched, (d)  
1111 describe the property or person to be searched for, and (e) recite that the magistrate has found probable cause  
1112 to believe that the property or person constitutes evidence of a crime (identified in the warrant) or tends to  
1113 show that a person (named or described therein) has committed or is committing a crime or that the person to  
1114 be arrested for whom a warrant or process for arrest has been issued is located at the place to be searched.

1115 The warrant shall command that the place be forthwith searched and that the objects or persons described  
1116 in the warrant, if found there, be seized. An inventory shall be produced before a court having jurisdiction of  
1117 the offense or over the person to be arrested for whom a warrant or process for arrest has been issued in  
1118 relation to which the warrant was issued as provided in § 19.2-57.

1119 Any such warrant as provided in this section shall be executed by the policeman or other law-enforcement  
1120 officer or agent into whose hands it shall come or be delivered. If the warrant is directed jointly to a sheriff,  
1121 sergeant, policeman, or law-enforcement officer or agent of the Commonwealth and a federal agent or officer  
1122 as otherwise provided in this section, the warrant may be executed jointly or by the policeman, law-

1123 enforcement officer, or agent into whose hands it is delivered. No other person may be permitted to be  
1124 present during or participate in the execution of a warrant to search a place except (1) the owners and  
1125 occupants of the place to be searched when permitted to be present by the officer in charge of the conduct of  
1126 the search and (2) persons designated by the officer in charge of the conduct of the search to assist or provide  
1127 expertise in the conduct of the search.

1128 Any search warrant for records or other information pertaining to a subscriber to, or customer of, an  
1129 electronic communication service or remote computing service, whether a domestic corporation or foreign  
1130 corporation, that is transacting or has transacted any business in the Commonwealth, to be executed upon  
1131 such service provider may be executed within or outside the Commonwealth by hand, United States mail,  
1132 commercial delivery service, facsimile, or other electronic means upon the service provider. Notwithstanding  
1133 the provisions of § 19.2-57, the officer executing a warrant pursuant to this paragraph shall endorse the date  
1134 of execution thereon and shall file the warrant, with the inventory attached (or a notation that no property was  
1135 seized) and the accompanying affidavit, unless such affidavit was made by voice or videotape recording,  
1136 within three days after the materials ordered to be produced are received by the officer from the service  
1137 provider. The return shall be made in the circuit court clerk's office for the jurisdiction wherein the warrant  
1138 was (A) executed, if executed within the Commonwealth, and a copy of the return shall also be delivered to  
1139 the clerk of the circuit court of the county or city where the warrant was issued or (B) issued, if executed  
1140 outside the Commonwealth. Saturdays, Sundays, or any federal or state legal holiday shall not be used in  
1141 computing the three-day filing period.

1142 Electronic communication service or remote computing service providers, whether a foreign or domestic  
1143 corporation, shall also provide the contents of electronic communications pursuant to a search warrant issued  
1144 under this section and § 19.2-70.3 using the same process described in the preceding paragraph.

1145 Notwithstanding the provisions of § 19.2-57, any search warrant for records or other information  
1146 pertaining to a customer of a financial institution as defined in § 6.2-604, money transmitter as defined in §  
1147 ~~6.2-1900~~ 6.2-1922, commercial business providing credit history or credit reports, or issuer as defined in §  
1148 6.2-424 may be executed within the Commonwealth by hand, United States mail, commercial delivery  
1149 service, facsimile, or other electronic means upon the financial institution, money transmitter, commercial  
1150 business providing credit history or credit reports, or issuer. The officer executing such warrant shall endorse  
1151 the date of execution thereon and shall file the warrant, with the inventory attached (or a notation that no  
1152 property was seized) and the accompanying affidavit, unless such affidavit was made by voice or videotape  
1153 recording, within three days after the materials ordered to be produced are received by the officer from the  
1154 financial institution, money transmitter, commercial business providing credit history or credit reports, or  
1155 issuer. The return shall be made in the circuit court clerk's office for the jurisdiction wherein the warrant was  
1156 executed. Saturdays, Sundays, or any federal or state legal holiday shall not be used in computing the  
1157 three-day filing period. For the purposes of this section, the warrant will be considered executed in the  
1158 jurisdiction where the entity on which the warrant is served is located.

1159 Every search warrant shall contain the date and time it was issued. However, the failure of any such  
1160 search warrant to contain the date and time it was issued shall not render the warrant void, provided that the  
1161 date and time of issuing of said warrant is established by competent evidence.

1162 The judge, magistrate, or other official authorized to issue criminal warrants shall attach a copy of the  
1163 affidavit required by § 19.2-54, which shall become a part of the search warrant and served therewith.  
1164 However, this provision shall not be applicable in any case in which the affidavit is made by means of a voice  
1165 or videotape recording or where the affidavit has been sealed pursuant to § 19.2-54.

1166 Any search warrant not executed within 15 days after issuance thereof shall be returned to, and voided by,  
1167 the officer who issued such search warrant.

1168 B. No law-enforcement officer shall seek, execute, or participate in the execution of a no-knock search  
1169 warrant. A search warrant for any place of abode authorized under this section shall require that a law-

1170 enforcement officer be recognizable and identifiable as a uniformed law-enforcement officer and provide  
1171 audible notice of his authority and purpose reasonably designed to be heard by the occupants of such place to  
1172 be searched prior to the execution of such search warrant.

1173 After entering and securing the place to be searched and prior to undertaking any search or seizure  
1174 pursuant to the search warrant, the executing law-enforcement officer shall give a copy of the search warrant  
1175 and affidavit to the person to be searched or the owner of the place to be searched or, if the owner is not  
1176 present, to at least one adult occupant of the place to be searched. If the place to be searched is unoccupied by  
1177 an adult, the executing law-enforcement officer shall leave a copy of the search warrant and affidavit in a  
1178 conspicuous place within or affixed to the place to be searched.

1179 Search warrants authorized under this section for the search of any place of abode shall be executed by  
1180 initial entry of the abode only in the daytime hours between 8:00 a.m. and 5:00 p.m. unless (i) a judge or a  
1181 magistrate, if a judge is not available, authorizes the execution of such search warrant at another time for  
1182 good cause shown by particularized facts in an affidavit or (ii) prior to the issuance of the search warrant,  
1183 law-enforcement officers lawfully entered and secured the place to be searched and remained at such place  
1184 continuously.

1185 A law-enforcement officer shall make reasonable efforts to locate a judge before seeking authorization to  
1186 execute the warrant at another time, unless circumstances require the issuance of the warrant after 5:00 p.m.,  
1187 pursuant to the provisions of this subsection, in which case the law-enforcement officer may seek such  
1188 authorization from a magistrate without first making reasonable efforts to locate a judge. Such reasonable  
1189 efforts shall be documented in an affidavit and submitted to a magistrate when seeking such authorization.

1190 Any evidence obtained from a search warrant executed in violation of this subsection shall not be  
1191 admitted into evidence for the Commonwealth in any prosecution.

1192 C. For the purposes of this section:

1193 "Foreign corporation" means any corporation or other entity, whose primary place of business is located  
1194 outside of the boundaries of the Commonwealth, that makes a contract or engages in a terms of service  
1195 agreement with a resident of the Commonwealth to be performed in whole or in part by either party in the  
1196 Commonwealth, or a corporation that has been issued a certificate of authority pursuant to § 13.1-759 to  
1197 transact business in the Commonwealth. The making of the contract or terms of service agreement or the  
1198 issuance of a certificate of authority shall be considered to be the agreement of the foreign corporation or  
1199 entity that a search warrant or subpoena, which has been properly served on it, has the same legal force and  
1200 effect as if served personally within the Commonwealth.

1201 "Properly served" means delivery of a search warrant or subpoena by hand, by United States mail, by  
1202 commercial delivery service, by facsimile or by any other manner to any officer of a corporation or its  
1203 general manager in the Commonwealth, to any natural person designated by it as agent for the service of  
1204 process, or if such corporation has designated a corporate agent, to any person named in the latest annual

1205 report filed pursuant to § 13.1-775.

1206 § 19.2-389. Dissemination of criminal history record information.

1207 A. Criminal history record information shall be disseminated, whether directly or through an intermediary,

1208 only to:

1209 1. Authorized officers or employees of criminal justice agencies, as defined by § 9.1-101, for purposes of  
1210 the administration of criminal justice and the screening of an employment application or review of  
1211 employment by a criminal justice agency with respect to its own employees or applicants, and dissemination  
1212 to the Virginia Parole Board, pursuant to this subdivision, of such information on all state-responsible  
1213 inmates for the purpose of making parole determinations pursuant to subdivisions 1, 2, 3, 4, and 6 of §  
1214 53.1-136 shall include collective dissemination by electronic means every 30 days. For purposes of this  
1215 subdivision, criminal history record information includes information sent to the Central Criminal Records  
1216 Exchange pursuant to §§ 37.2-819 and 64.2-2014 when disseminated to any full-time or part-time employee  
1217 of the State Police, a police department or sheriff's office that is a part of or administered by the  
1218 Commonwealth or any political subdivision thereof, and who is responsible for the prevention and detection  
1219 of crime and the enforcement of the penal, traffic or highway laws of the Commonwealth for the purposes of  
1220 the administration of criminal justice;

1221 2. Such other individuals and agencies that require criminal history record information to implement a  
1222 state or federal statute or executive order of the President of the United States or Governor that expressly  
1223 refers to criminal conduct and contains requirements or exclusions expressly based upon such conduct, except  
1224 that information concerning the arrest of an individual may not be disseminated to a noncriminal justice  
1225 agency or individual if an interval of one year has elapsed from the date of the arrest and no disposition of the  
1226 charge has been recorded and no active prosecution of the charge is pending;

1227 3. Individuals and agencies pursuant to a specific agreement with a criminal justice agency to provide  
1228 services required for the administration of criminal justice pursuant to that agreement which shall specifically  
1229 authorize access to data, limit the use of data to purposes for which given, and ensure the security and  
1230 confidentiality of the data;

1231 4. Individuals and agencies for the express purpose of research, evaluative, or statistical activities pursuant  
1232 to an agreement with a criminal justice agency that shall specifically authorize access to data, limit the use of  
1233 data to research, evaluative, or statistical purposes, and ensure the confidentiality and security of the data;

1234 5. Agencies of state or federal government that are authorized by state or federal statute or executive order  
1235 of the President of the United States or Governor to conduct investigations determining employment  
1236 suitability or eligibility for security clearances allowing access to classified information;

1237 6. Individuals and agencies where authorized by court order or court rule;

1238 7. Agencies of any political subdivision of the Commonwealth, public transportation companies owned,  
1239 operated or controlled by any political subdivision, and any public service corporation that operates a public  
1240 transit system owned by a local government for the conduct of investigations of applicants for employment,

1241 permit, or license whenever, in the interest of public welfare or safety, it is necessary to determine under a  
1242 duly enacted ordinance if the past criminal conduct of a person with a conviction record would be compatible  
1243 with the nature of the employment, permit, or license under consideration;

1244 7a. Commissions created pursuant to the Transportation District Act of 1964 (§ 33.2-1900 et seq.) of Title  
1245 33.2 and their contractors, for the conduct of investigations of individuals who have been offered a position  
1246 of employment whenever, in the interest of public welfare or safety and as authorized in the Transportation  
1247 District Act of 1964, it is necessary to determine if the past criminal conduct of a person with a conviction  
1248 record would be compatible with the nature of the employment under consideration;

1249 8. Public or private agencies when authorized or required by federal or state law or interstate compact to  
1250 investigate (i) applicants for foster or adoptive parenthood or (ii) any individual, and the adult members of  
1251 that individual's household, with whom the agency is considering placing a child or from whom the agency is  
1252 considering removing a child due to abuse or neglect, on an emergency, temporary, or permanent basis  
1253 pursuant to §§ 63.2-901.1 and 63.2-1505, subject to the restriction that the data shall not be further  
1254 disseminated to any party other than a federal or state authority or court as may be required to comply with an  
1255 express requirement of law;

1256 9. To the extent permitted by federal law or regulation, public service companies as defined in § 56-1, for  
1257 the conduct of investigations of applicants for employment when such employment involves personal contact  
1258 with the public or when past criminal conduct of an applicant would be incompatible with the nature of the  
1259 employment under consideration;

1260 10. The appropriate authority for purposes of granting citizenship and for purposes of international travel,  
1261 including, but not limited to, issuing visas and passports;

1262 11. A person requesting a copy of his own criminal history record information as defined in § 9.1-101 at  
1263 his cost, except that criminal history record information shall be supplied at no charge to a person who has  
1264 applied to be a volunteer with (i) a Virginia affiliate of Big Brothers/Big Sisters of America; (ii) a volunteer  
1265 fire company; (iii) the Volunteer Emergency Families for Children; (iv) any affiliate of Prevent Child Abuse,  
1266 Virginia; (v) any Virginia affiliate of Compeer; or (vi) any board member or any individual who has been  
1267 offered membership on the board of a Crime Stoppers, Crime Solvers or Crime Line program as defined in §  
1268 15.2-1713.1;

1269 12. Administrators and board presidents of and applicants for licensure or registration as a child welfare  
1270 agency as defined in § 63.2-100 for dissemination to the Commissioner of Social Services' representative  
1271 pursuant to § 63.2-1702 for the conduct of investigations with respect to employees of and volunteers at such  
1272 facilities, caretakers, and foster and adoptive parent applicants of private child-placing agencies, pursuant to  
1273 §§ 63.2-1719, 63.2-1720, and 63.2-1721, subject to the restriction that the data shall not be further  
1274 disseminated by the facility or agency to any party other than the data subject, the Commissioner of Social  
1275 Services' representative or a federal or state authority or court as may be required to comply with an express  
1276 requirement of law for such further dissemination; however, nothing in this subdivision shall be construed to  
1277 prohibit the Commissioner of Social Services' representative from issuing written certifications regarding the  
1278 results of a background check that was conducted before July 1, 2021, in accordance with subsection J of §  
1279 22.1-289.035 or § 22.1-289.039;

1280 13. The Department of Social Services for the purpose of screening individuals as a condition of licensure,  
1281 employment, volunteering, or providing services on a regular basis in a licensed child welfare agency  
1282 pursuant to §§ 63.2-1721 and 63.2-1726 or foster or adoptive home approved by a child-placing agency  
1283 pursuant to § 63.2-901.1;

1284 14. The school boards of the Commonwealth for the purpose of screening individuals who are offered or  
1285 who accept public school employment and those current school board employees for whom a report of arrest  
1286 has been made pursuant to § 19.2-83.1;

1287 15. The Virginia Lottery for the conduct of investigations as set forth in the Virginia Lottery Law (§  
1288 58.1-4000 et seq.) and casino gaming as set forth in Chapter 41 (§ 58.1-4100 et seq.) of Title 58.1, and the  
1289 Department of Agriculture and Consumer Services for the conduct of investigations as set forth in Article  
1290 1.1:1 (§ 18.2-340.15 et seq.) of Chapter 8 of Title 18.2;

1291 16. Licensed nursing homes, hospitals and home care organizations for the conduct of investigations of  
1292 applicants for compensated employment in licensed nursing homes pursuant to § 32.1-126.01, hospital  
1293 pharmacies pursuant to § 32.1-126.02, and home care organizations pursuant to § 32.1-162.9:1, subject to the  
1294 limitations set out in subsection E;

1295 17. Licensed assisted living facilities and licensed adult day centers for the conduct of investigations of  
1296 applicants for compensated employment in licensed assisted living facilities and licensed adult day centers



- 1297 pursuant to § 63.2-1720, subject to the limitations set out in subsection F;  
1298 18. The Virginia Alcoholic Beverage Control Authority for the conduct of investigations as set forth in §  
1299 4.1-103.1;
- 1300 19. The State Board of Elections and authorized officers and employees thereof and general registrars  
1301 appointed pursuant to § 24.2-110 in the course of conducting necessary investigations with respect to voter  
1302 registration, limited to any record of felony convictions;
- 1303 20. The Commissioner of Behavioral Health and Developmental Services (the Commissioner) or his  
1304 designees for individuals who are committed to the custody of or being evaluated by the Commissioner  
1305 pursuant to §§ 19.2-168.1, 19.2-169.1, 19.2-169.2, 19.2-169.5, 19.2-169.6, 19.2-182.2, 19.2-182.3,  
1306 19.2-182.8, and 19.2-182.9 where such information may be beneficial for the purpose of placement,  
1307 evaluation, treatment, or discharge planning;
- 1308 21. Any alcohol safety action program certified by the Commission on the Virginia Alcohol Safety Action  
1309 Program for (i) interventions with first offenders under § 18.2-251 or (ii) services to offenders under §  
1310 18.2-51.4, 18.2-266, or 18.2-266.1;
- 1311 22. Residential facilities for juveniles regulated or operated by the Department of Social Services, the  
1312 Department of Education, or the Department of Behavioral Health and Developmental Services for the  
1313 purpose of determining applicants' fitness for employment or for providing volunteer or contractual services;
- 1314 23. The Department of Behavioral Health and Developmental Services and facilities operated by the  
1315 Department for the purpose of determining an individual's fitness for employment pursuant to departmental  
1316 instructions;
- 1317 24. Pursuant to § 22.1-296.3, the governing boards or administrators of private elementary or secondary  
1318 schools which are accredited pursuant to § 22.1-19 or a private organization coordinating such records  
1319 information on behalf of such governing boards or administrators pursuant to a written agreement with the  
1320 Department of State Police;
- 1321 25. Public institutions of higher education and nonprofit private institutions of higher education for the  
1322 purpose of screening individuals who are offered or accept employment;
- 1323 26. Members of a threat assessment team established by a local school board pursuant to § 22.1-79.4, by a  
1324 public institution of higher education pursuant to § 23.1-805, or by a private nonprofit institution of higher  
1325 education, for the purpose of assessing or intervening with an individual whose behavior may present a threat  
1326 to safety; however, no member of a threat assessment team shall redisclose any criminal history record  
1327 information obtained pursuant to this section or otherwise use any record of an individual beyond the purpose  
1328 that such disclosure was made to the threat assessment team;
- 1329 27. Executive directors of community services boards or the personnel director serving the community  
1330 services board for the purpose of determining an individual's fitness for employment, approval as a sponsored  
1331 residential service provider, permission to enter into a shared living arrangement with a person receiving  
1332 medical assistance services pursuant to a waiver, or permission for any person under contract with the  
1333 community services board to serve in a direct care position on behalf of the community services board  
1334 pursuant to §§ 37.2-506, 37.2-506.1, and 37.2-607;
- 1335 28. Executive directors of behavioral health authorities as defined in § 37.2-600 for the purpose of  
1336 determining an individual's fitness for employment, approval as a sponsored residential service provider,  
1337 permission to enter into a shared living arrangement with a person receiving medical assistance services  
1338 pursuant to a waiver, or permission for any person under contract with the behavioral health authority to  
1339 serve in a direct care position on behalf of the behavioral health authority pursuant to §§ 37.2-506,  
1340 37.2-506.1, and 37.2-607;
- 1341 29. The Commissioner of Social Services for the purpose of locating persons who owe child support or  
1342 who are alleged in a pending paternity proceeding to be a putative father, provided that only the name,  
1343 address, demographics and social security number of the data subject shall be released;
- 1344 30. Authorized officers or directors of agencies licensed pursuant to Article 2 (§ 37.2-403 et seq.) of  
1345 Chapter 4 of Title 37.2 by the Department of Behavioral Health and Developmental Services for the purpose

1346 of determining if any applicant who accepts employment in any direct care position or requests approval as a  
1347 sponsored residential service provider, permission to enter into a shared living arrangement with a person  
1348 receiving medical assistance services pursuant to a waiver, or permission for any person under contract with  
1349 the provider to serve in a direct care position has been convicted of a crime that affects his fitness to have  
1350 responsibility for the safety and well-being of individuals with mental illness, intellectual disability, or  
1351 substance abuse pursuant to §§ 37.2-416, 37.2-416.1, 37.2-506, 37.2-506.1, and 37.2-607;

1352 31. The Commissioner of the Department of Motor Vehicles, for the purpose of evaluating applicants for  
1353 and holders of a motor carrier certificate or license subject to the provisions of Chapters 20 (§ 46.2-2000 et  
1354 seq.) and 21 (§ 46.2-2100 et seq.) of Title 46.2;

1355 32. The Chairman of the Senate Committee for Courts of Justice or the Chairman of the House Committee  
1356 for Courts of Justice for the purpose of determining if any person being considered for election to any  
1357 judgeship has been convicted of a crime;

1358 33. Heads of state agencies in which positions have been identified as sensitive for the purpose of  
1359 determining an individual's fitness for employment in positions designated as sensitive under Department of  
1360 Human Resource Management policies developed pursuant to § 2.2-1201.1;

1361 34. The Office of the Attorney General, for all criminal justice activities otherwise permitted under  
1362 subdivision A 1 and for purposes of performing duties required by the Civil Commitment of Sexually Violent  
1363 Predators Act (§ 37.2-900 et seq.);

1364 35. Shipyards, to the extent permitted by federal law or regulation, engaged in the design, construction,  
1365 overhaul, or repair of nuclear vessels for the United States Navy, including their subsidiary companies, for  
1366 the conduct of investigations of applications for employment or for access to facilities, by contractors, leased  
1367 laborers, and other visitors;

1368 36. Any employer of individuals whose employment requires that they enter the homes of others, for the  
1369 purpose of screening individuals who apply for, are offered, or have accepted such employment;

1370 37. Public agencies when and as required by federal or state law to investigate (i) applicants as providers  
1371 of adult foster care and home-based services or (ii) any individual with whom the agency is considering  
1372 placing an adult on an emergency, temporary, or permanent basis pursuant to § 63.2-1601.1, subject to the  
1373 restriction that the data shall not be further disseminated by the agency to any party other than a federal or  
1374 state authority or court as may be required to comply with an express requirement of law for such further  
1375 dissemination, subject to limitations set out in subsection G;

1376 38. The Department of Medical Assistance Services, or its designee, for the purpose of screening  
1377 individuals who, through contracts, subcontracts, or direct employment, volunteer, apply for, are offered, or  
1378 have accepted a position related to the provision of transportation services to enrollees in the Medicaid  
1379 Program or the Family Access to Medical Insurance Security (FAMIS) Program, or any other program  
1380 administered by the Department of Medical Assistance Services;

1381 39. The State Corporation Commission for the purpose of investigating individuals who are current or  
1382 proposed members, senior officers, directors, and principals of an applicant or person licensed under Chapter  
1383 16 (§ 6.2-1600 et seq.), Chapter ~~19~~ (~~§ 6.2-1900 et seq.~~) *19.1* (§ 6.2-1922 et seq.), or Chapter 26 (§ 6.2-2600 et  
1384 seq.) of Title 6.2. Notwithstanding any other provision of law, if an application is denied based in whole or in  
1385 part on information obtained from the Central Criminal Records Exchange pursuant to Chapter 16, 19, or 26  
1386 of Title 6.2, the Commissioner of Financial Institutions or his designee may disclose such information to the  
1387 applicant or its designee;

1388 40. The Department of Professional and Occupational Regulation for the purpose of investigating  
1389 individuals for initial licensure pursuant to § 54.1-2106.1;

1390 41. The Department for Aging and Rehabilitative Services and the Department for the Blind and Vision  
1391 Impaired for the purpose of evaluating an individual's fitness for various types of employment and for the

1392 purpose of delivering comprehensive vocational rehabilitation services pursuant to Article 11 (§ 51.5-170 et  
1393 seq.) of Chapter 14 of Title 51.5 that will assist the individual in obtaining employment;

1394 42. Bail bondsmen, in accordance with the provisions of § 19.2-120;

1395 43. The State Treasurer for the purpose of determining whether a person receiving compensation for  
1396 wrongful incarceration meets the conditions for continued compensation under § 8.01-195.12;

1397 44. The Department of Education or its agents or designees for the purpose of screening individuals  
1398 seeking to enter into a contract with the Department of Education or its agents or designees for the provision  
1399 of child care services for which child care subsidy payments may be provided;

1400 45. The Department of Juvenile Justice to investigate any parent, guardian, or other adult members of a  
1401 juvenile's household when completing a predispositional or postdispositional report required by § 16.1-273 or  
1402 a Board of Juvenile Justice regulation promulgated pursuant to § 16.1-233;

1403 46. The State Corporation Commission, for the purpose of screening applicants for insurance licensure  
1404 under Chapter 18 (§ 38.2-1800 et seq.) of Title 38.2;

1405 47. Administrators and board presidents of and applicants for licensure or registration as a child day  
1406 program or family day system, as such terms are defined in § 22.1-289.02, for dissemination to the  
1407 Superintendent of Public Instruction's representative pursuant to § 22.1-289.013 for the conduct of  
1408 investigations with respect to employees of and volunteers at such facilities pursuant to §§ 22.1-289.034  
1409 through 22.1-289.037, subject to the restriction that the data shall not be further disseminated by the facility  
1410 or agency to any party other than the data subject, the Superintendent of Public Instruction's representative, or  
1411 a federal or state authority or court as may be required to comply with an express requirement of law for such  
1412 further dissemination; however, nothing in this subdivision shall be construed to prohibit the Superintendent  
1413 of Public Instruction's representative from issuing written certifications regarding the results of prior  
1414 background checks in accordance with subsection J of § 22.1-289.035 or § 22.1-289.039;

1415 48. The National Center for Missing and Exploited Children for the purpose of screening individuals who  
1416 are offered or accept employment or will be providing volunteer or contractual services with the National  
1417 Center for Missing and Exploited Children;

1418 49. The Executive Director or investigators of the Board of Accountancy for the purpose of the  
1419 enforcement of laws relating to the Board of Accountancy in accordance with § 54.1-4407; and

1420 50. Other entities as otherwise provided by law.

1421 Upon an ex parte motion of a defendant in a felony case and upon the showing that the records requested  
1422 may be relevant to such case, the court shall enter an order requiring the Central Criminal Records Exchange  
1423 to furnish the defendant, as soon as practicable, copies of any records of persons designated in the order on  
1424 whom a report has been made under the provisions of this chapter.

1425 Notwithstanding any other provision of this chapter to the contrary, upon a written request sworn to  
1426 before an officer authorized to take acknowledgments, the Central Criminal Records Exchange, or the  
1427 criminal justice agency in cases of offenses not required to be reported to the Exchange, shall furnish a copy  
1428 of conviction data covering the person named in the request to the person making the request; however, such  
1429 person on whom the data is being obtained shall consent in writing, under oath, to the making of such  
1430 request. A person receiving a copy of his own conviction data may utilize or further disseminate that data as  
1431 he deems appropriate. In the event no conviction data is maintained on the data subject, the person making  
1432 the request shall be furnished at his cost a certification to that effect.

1433 B. Use of criminal history record information disseminated to noncriminal justice agencies under this  
1434 section shall be limited to the purposes for which it was given and may not be disseminated further, except as  
1435 otherwise provided in subdivision A 47.

1436 C. No criminal justice agency or person shall confirm the existence or nonexistence of criminal history  
1437 record information for employment or licensing inquiries except as provided by law.

1438 D. Criminal justice agencies shall establish procedures to query the Central Criminal Records Exchange  
1439 prior to dissemination of any criminal history record information on offenses required to be reported to the  
1440 Central Criminal Records Exchange to ensure that the most up-to-date disposition data is being used.  
1441 Inquiries of the Exchange shall be made prior to any dissemination except in those cases where time is of the  
1442 essence and the normal response time of the Exchange would exceed the necessary time period. A criminal  
1443 justice agency to whom a request has been made for the dissemination of criminal history record information  
1444 that is required to be reported to the Central Criminal Records Exchange may direct the inquirer to the  
1445 Central Criminal Records Exchange for such dissemination. Dissemination of information regarding offenses  
1446 not required to be reported to the Exchange shall be made by the criminal justice agency maintaining the  
1447 record as required by § 15.2-1722.

1448 E. Criminal history information provided to licensed nursing homes, hospitals and to home care  
1449 organizations pursuant to subdivision A 16 shall be limited to the convictions on file with the Exchange for  
1450 any offense specified in §§ 32.1-126.01, 32.1-126.02, and 32.1-162.9:1.

1451 F. Criminal history information provided to licensed assisted living facilities and licensed adult day  
1452 centers pursuant to subdivision A 17 shall be limited to the convictions on file with the Exchange for any  
1453 offense specified in § 63.2-1720.

1454 G. Criminal history information provided to public agencies pursuant to subdivision A 37 shall be limited  
1455 to the convictions on file with the Exchange for any offense set forth in clause (i) of the definition of barrier  
1456 crime in § 19.2-392.02.

1457 H. Upon receipt of a written request from an employer or prospective employer, the Central Criminal  
1458 Records Exchange, or the criminal justice agency in cases of offenses not required to be reported to the  
1459 Exchange, shall furnish at the employer's cost a copy of conviction data covering the person named in the  
1460 request to the employer or prospective employer making the request, provided that the person on whom the  
1461 data is being obtained has consented in writing to the making of such request and has presented a photo-  
1462 identification to the employer or prospective employer. In the event no conviction data is maintained on the  
1463 person named in the request, the requesting employer or prospective employer shall be furnished at his cost a  
1464 certification to that effect. The criminal history record search shall be conducted on forms provided by the  
1465 Exchange.

1466 I. Nothing in this section shall preclude the dissemination of a person's criminal history record  
1467 information pursuant to the rules of court for obtaining discovery or for review by the court.

1468 **2. That Chapter 19 (§§ 6.2-1900 through 6.2-1921) of Title 6.2 of the Code of Virginia is repealed.**

1469 **3. That any person licensed under the provisions of Chapter 19 (§ 6.2-1900 et seq.) of Title 6.2 of the**  
1470 **Code of Virginia, as repealed by this act, on June 30, 2026, shall be deemed to be licensed under the**  
1471 **provisions of Chapter 19.1 (§ 6.2-1922 et seq.) of Title 6.2 of the Code of Virginia, as created by this act,**  
1472 **as of the effective date of this act. Such persons shall be subject to provisions of Chapter 19.1 (§**  
1473 **6.2-1922 et seq.) of Title 6.2 of the Code of Virginia, as created by this act.**

1474 **4. That any regulation adopted by the State Corporation Commission under Chapter 19 (§ 6.2-1900 et**  
1475 **seq.) of Title 6.2 of the Code of Virginia, as repealed by this act, that is in effect on June 30, 2026, shall**

1476 continue in effect under Chapter 19.1 (§ 6.2-1922 et seq.) of Title 6.2 of the Code of Virginia, as created  
1477 by this act, to the extent it is not in conflict with the provisions of this act and shall be deemed to be a  
1478 regulation adopted under Chapter 19.1 (§ 6.2-1922 et seq.) of Title 6.2 of the Code of Virginia, as  
1479 created by this act.

1480 5. That the repeal of Chapter 19 (§ 6.2-1900 et seq.) of Title 6.2 of the Code of Virginia shall not affect  
1481 the validity, enforceability, or legality of any agreement or any right established or accrued under any  
1482 such agreement that existed prior to such repeal.

1483 6. That any violation of Chapter 19 (§ 6.2-1900 et seq.) of Title 6.2 of the Code of Virginia, as repealed  
1484 by this act, or of any regulation adopted thereunder that occurred prior to July 1, 2026, by a person  
1485 licensed or required to be licensed under Chapter 19 (§ 6.2-1900 et seq.) of Title 6.2 of the Code of  
1486 Virginia, as repealed by this act, shall be deemed to be a violation of Chapter 19.1 (§ 6.2-1922 et seq.) of  
1487 Title 6.2, as created by this act, or a regulation adopted thereunder.

1488 7. That the repeal of Chapter 19 (§ 6.2-1900 et seq.) of Title 6.2 of the Code of Virginia shall not affect  
1489 any (i) act, omission, violation committed, order entered, penalty incurred, or right established or  
1490 accrued prior to July 1, 2026, or (ii) investigation, examination, proceeding, prosecution, or other  
1491 action that commenced prior to July 1, 2026.

1492 8. That the provisions of this act shall become effective on July 1, 2026.