

State Corporation Commission 2024 Session Fiscal Impact Statement

1. Bill Number: HB343

House of Origin Introduced Substitute Engrossed
Second House In Committee Substitute Enrolled

2. Patron: Cole

3. Committee: Labor and Commerce

4. Title: Financial institutions; regulation of money transmitters; penalty.

5. Summary: Replaces existing state law regulating money transmitters with comprehensive provisions aimed at standardizing the regulation of money transmitters across the 50 states. The bill includes provisions for the licensure of money transmitters, supervision and implementation by the State Corporation Commission (SCC), acquisition of control of a licensee, mandatory disclosures, reporting and records requirements, authorized delegates, mandatory disclosures, prudential standards, and enforcement.

The legislation expands the scope of activities subject to licensure and regulation by the SCC to include payroll processing services and money transmission services performed on behalf of corporate entities located in the Commonwealth. The legislation requires money transmitters and money order sellers to be licensed separately under Chapter 19 of Title 6.2 of the Code of Virginia (Chapter 19). Under current law, a license issued under Chapter 19 authorizes both activities.

6. Budget Amendment Necessary: No

7. Fiscal Impact Estimates: Indeterminate (see Item 8)

8. Fiscal Implications: As introduced, the SCC may need to hire additional staff to process license applications, perform examinations, receive complaints, oversee enforcement, and handle administrative support duties based on the expanded scope of Chapter 19, Title 6.2 of the Code of Virginia. However, the SCC does not have sufficient data to reliably estimate how many additional entities would ultimately be subject to SCC jurisdiction. The legislation provides the SCC broad authority to impose and collect the fees necessary to recover the costs of administering and enforcing the law.

The legislation provides that the SCC may impose a civil penalty of up to \$2,500 upon any person the SCC determines has violated any provisions of the proposed article or any other law or regulation applicable to the conduct of the person's business. Such revenue would be credited to the Literary Fund (Fund 0702). The SCC does not have sufficient data to reliably estimate the potential revenue from civil penalties.

9. Specific Agency or Political Subdivisions Affected: State Corporation Commission,
Bureau of Financial Institutions

10. Technical Amendment Necessary: No.

11. Other Comments: None.