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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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**HOUSE BILL**  
**No. 2561** Session of  
1994

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INTRODUCED BY LaGROTTA, LESCOVITZ AND ROBERTS, MARCH 7, 1994

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REFERRED TO COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT,  
MARCH 7, 1994

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AN ACT

1 Amending the act of September 2, 1965 (P.L.490, No.249),  
2 entitled "An act providing for the licensing and regulation  
3 of the business of transmitting money or credit for a fee or  
4 other consideration by the issuance of money orders, by the  
5 sale of checks or by other methods; conferring powers and  
6 duties upon the Department of Banking; and imposing  
7 penalties," further providing for exemptions, for  
8 qualifications for a license, for fee, financial statement  
9 and security and for authority of the Department of Banking.

10 The General Assembly of the Commonwealth of Pennsylvania  
11 hereby enacts as follows:

12 Section 1. Section 3(1) of the act of September 2, 1965  
13 (P.L.490, No.249), referred to as the Money Transmission  
14 Business Licensing Law, is amended to read:

15 Section 3. Exemptions.--No license shall be required  
16 hereunder of

17 (1) banks, bank and trust companies, savings banks and  
18 private banks organized under the laws of this Commonwealth;  
19 similar banking institutions organized under the laws of the  
20 United States or of any other state which are insured by the  
21 Federal Deposit Insurance Corporation; [and] savings and loan

1 associations and building and loan associations organized under  
2 the laws of this Commonwealth or of the United States; and  
3 credit unions organized under the laws of this Commonwealth of  
4 the United States;

5 \* \* \*

6 Section 2. Sections 4(1) and 6(a)(2) of the act, amended  
7 July 9, 1977 (P.L.70, No.25), are amended to read:

8 Section 4. Qualifications for a License.--To qualify for a  
9 license hereunder an applicant shall

10 (1) have a tangible net worth as determined by generally  
11 accepted accounting principles of at least five hundred thousand  
12 dollars (\$500,000);

13 \* \* \*

14 Section 6. Fee, Financial Statement and Security.--(a) Each  
15 application for a license shall be accompanied by

16 \* \* \*

17 (2) a financial statement showing a tangible net worth as  
18 determined by generally accepted accounting principles of at  
19 least five hundred thousand dollars (\$500,000);

20 \* \* \*

21 Section 3. Section 10 of the act is amended to read:

22 Section 10. Authority of the Department of Banking.--(a)  
23 The Department of Banking shall have the right to suspend or  
24 revoke the original or any renewed license granted under this  
25 act if

26 (1) the licensee's bond or securities become inadequate and  
27 the licensee after notice fails forthwith to furnish an adequate  
28 bond or securities in the amount required by this act; or

29 (2) the licensee shall violate any provision of the act or  
30 any rule or regulation issued by the Department of Banking under

1 authority of this act; or

2 (3) the licensee shall fail to comply with any demand, rule  
3 or regulation lawfully made by the Department of Banking under  
4 authority of this act; or

5 (4) the licensee shall refuse to permit the Department of  
6 Banking or its designated representative to make any examination  
7 authorized by this act; or

8 (5) if any fact or condition is discovered which, if it had  
9 been known at the time of the filing of the application for the  
10 license, would have warranted the Department of Banking in  
11 denying the application.

12 (b) Pursuant to a written agreement, the Department of  
13 Banking may exchange examination and other pertinent information  
14 and reports with money transmitter regulations in other states  
15 to facilitate cooperative examinations of money transmitters.

16 Section 4. This act shall take effect immediately.