

THE GENERAL ASSEMBLY OF PENNSYLVANIA

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

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

AS REPORTED FROM COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT,
HOUSE OF REPRESENTATIVES, AS AMENDED, MARCH 9, 1994

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~~ GENERALLY ACCEPTED ACCOUNTING <—
12 PRINCIPLES of at least five hundred thousand 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~~ GENERALLY <—
19 ACCEPTED ACCOUNTING PRINCIPLES of at least five hundred thousand
20 dollars (\$500,000);

21 * * *

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

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

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

30 (2) the licensee shall violate any provision of the act or

1 any rule or regulation issued by the Department of Banking under
2 authority of this act; or

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

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

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

13 (b) Pursuant to a written agreement, the THE Department of <—
14 Banking may exchange examination REPORTS and other pertinent <—
15 information and reports with money transmitter regulations <—
16 REGULATORS in other states to facilitate cooperative <—
17 examinations of money transmitters PURSUANT TO A WRITTEN <—
18 AGREEMENT TO EXCHANGE COPIES OF EXAMINATION REPORTS PERFORMED BY
19 THE APPROPRIATE MONEY TRANSMITTER REGULATOR.

20 Section 4. This act shall take effect immediately.