THE STATE of ALASKA
GOVERNOR BILL WALKER

Department of Commerce, Community, and Economic Development

OFFICE OF THE COMMISSIONER

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ALASKA DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

Delegation of Authority

In accordance with AS 44.17.010, the authority and responsibility for adopting regulations, outside of the Division of Corporations, Business and Professional Licensing (CBPL), but for the Department of Commerce, Community, and Economic Development (DCCED), under the Alaska Administrative Procedure Act, is hereby delegated to:

Micaela Fowler
Legislative Liaison
Office of the Commissioner
DCCED
P.O. Box 110800
Juneau, AK 99811-0800
907-465-2503
micaela.fowler@alaska.gov

In accordance with AS 44.17.010, the authority and responsibility for adopting regulations of the Division of Corporations, Business and Professional Licensing, under the Alaska Administrative Procedure Act, is hereby delegated to:

Janey Hovenden
Director
CBPL
DCCED
P.O. Box 110806
Juneau, AK 99811-0806
907-465-2538
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This Delegation of Authority will remain in effect until modified or revoked by a subsequent delegation. This Delegation supersedes and revokes all delegations preceding it.

Dated the 16th day of March, 2015

Chris Hladick
Commissioner
Department of Commerce, Community,
and Economic Development

3 AAC 13.010 is repealed and readopted to read:

3 AAC 13.010. Money transmission and currency exchange license applications. (a) A person applying for a money transmission or currency exchange license under AS 06.55.101 or 06.55.201 must submit an application that complies with AS 06.55.102 or 06.55.202 to the department through the registry. In addition to the information required by AS 06.55.102 or 06.55.202, the application must contain

(1) a full description of the screening process used by the applicant in selecting an authorized delegate, including a sample of any forms used, and the method used to screen for criminal history;

(2) satisfactory proof that, if applying for a money transmission license, the person has obtained the security required by AS 06.55.104 and that the security is in force, including the amount and type of any excess coverage provided; and

(3) personal history and experience in a form prescribed by the registry and authorization for the registry and the department to obtain

(A) an independent credit report from a consumer reporting agency; and

(B) information related to administrative, civil, or criminal findings by a governmental jurisdiction.

(b) For the purposes of this section, the department may use the registry as an agent for requesting information from and distributing information to the United States Department of Justice, another governmental agency, or another source directed by the department.

(c) As part of the investigation of an application for a license under this chapter, the department will, under (a)(3) of this section, including through the registry, obtain an

independent credit report and other information related to administrative, civil, or criminal findings regarding the applicant and each control person of the applicant. (Eff. 7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority: AS 06.55.102 **AS 06.55.202** AS 44.33.020

AS 06.55.104

3 AAC 13.020(a) is amended to read:

(a) A person seeking approval to engage in money transmission or currency exchange activities under AS 06.55.103 without obtaining a license **under AS 06.55.101** from the department must submit to the department

(1) the items described in AS 06.55.103(a)(2) **and 3 AAC 13.010(a)**;

(2) satisfactory proof that the person holds a license in good standing to engage in money transmissions in at least one other state that has either adopted the Uniform Money Services Act or has money transmission laws that are substantially similar to those of this state;

(3) satisfactory proof that the person has obtained the security required by AS 06.55.104 and that the security is in force, including the amount and type of any excess coverage provided; [AND]

(4) a signed release of information that allows the department to obtain information from licensing agencies of other states necessary to verify the person's eligibility to engage in money transmission or currency exchange under AS 06.55.103**; and**

(5) any other information that the department reasonably requires with respect to the applicant.

3 AAC 13.020(b)(1) is amended to read:

(1) the person fails to comply with **3 AAC 13.010(a), (a) of** this section, or AS 06.55.103;

3 AAC 13.020 is amended by adding a new subsection to read:

(c) An application for approval under AS 06.55.103 must be made to the department through the registry. (Eff. 7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority: AS 06.55.103 AS 44.33.020

3 AAC 13.030 is repealed and readopted to read:

3 AAC 13.030. Security requirement. (a) An applicant for a money transmission license or for approval under AS 06.55.103 must provide, and must maintain at all times, security that satisfies the requirements of AS 06.55.104. The security must secure the faithful performance of the obligations of the money transmission licensee, including its principals, responsible individuals, employees, and authorized delegates, with respect to money transmission. For purposes of this subsection, the obligations of the money transmission licensee are

(1) its legal obligations to its customers;

(2) its obligation to comply with AS 06.55, with this chapter, with any order issued under AS 06.55 or this chapter, and with any other applicable law; and

(3) for a money transmission licensee that engages in currency exchange or advertises, solicits, or holds itself out as providing currency exchange under AS 06.55.201(a)(2)

or (3), obligations listed in (1) and (2) of this subsection and related to currency exchange.

(b) If a surety bond is used to satisfy AS 06.55.104, it must be in a form acceptable to the department, issued by a surety company authorized to engage in business in this state and acceptable to the department with an assignment in favor of the department. The surety bond must cover claims for the entire period that the person who is licensed under AS 06.55.105 or is offering services under AS 06.55.103 provides money transmission services in this state and for at least five years after the person ceases to provide those services. The department may require that the surety bond be kept in place for more than five years after the services are no longer provided in the state if the department determines that the surety bond will be needed to satisfy claims against the person after expiration of the five-year period.

(c) Not later than 14 days after the money transmission licensee receives notice of an action against the money transmission licensee that could result in recovery against the bond, a money transmission licensee shall provide written or electronic notice to the department of the action.

(d) The bond must provide that, not later than 14 days after the surety receives notice of an action against the bond or a final order of a court under (c) of this section, the surety shall provide written or electronic notice of the action or final order to the department.

(e) The bond must provide that immediately upon a payment by the surety under the bond, the surety shall provide written or electronic notice of the payment to the department.

(f) If a letter of credit is used to satisfy the security requirement of AS 06.55.104, it must be

(1) in a form acceptable to the department;

(2) clean and unconditional;

(3) irrevocable for a period not less than five years after the person obtaining the letter of credit ceases to provide services in the state; and

(4) issued or confirmed by, and payable and presentable at, a financial institution whose deposits are insured by the federal government.

(g) The security remains in effect until canceled. Cancellation may occur only after at least 30 days' written or electronic notice to the department. Nothing in this subsection affects any liability incurred or accrued during the period covered by the security. Cancellation of a security used to satisfy the requirements of AS 06.55.104 constitutes grounds for suspension or revocation of a license issued under AS 06.55 or the department's approval to offer services in the state under AS 06.55.103.

(h) If the department at any time reasonably determines that the required security is insecure, deficient in amount, or exhausted in whole or in part, the department will require the money transmission licensee to provide new or additional security to comply with AS 06.55.104 and this section. The department may increase the amount of security required, to a maximum of $500,000, if the financial condition of a money transmission licensee requires the increase. In determining whether to require new, additional, or increased security, the department may consider one or more of the following criteria:

(1) significant reduction of net worth;

(2) financial losses

(3) potential losses resulting from violations of AS 06.55 or this chapter;

(4) the licensee filing for bankruptcy;

(5) a judicial or administrative finding against the licensee in any state or foreign country based on the conduct of a money services business;

(6) a licensee, executive officer, board director, person in control, responsible individual, principal, or authorized delegate being convicted of a felony;

(7) any unsafe or unsound practice;

(8) other events and circumstances that the department considers to impair the ability of the licensee to meet its obligations to its customers. (Eff. 7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority: AS 06.55.104 AS 44.33.020

The introductory language of 3 AAC 13.040(a) is amended to read:

(a) Subject to (b) and (c) of this section, the department will deny a money services license application [, OTHER THAN AN APPLICATION FOR APPROVAL UNDER AS 06.55.103,] if the department determines that

. . .

(Eff. 7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority: AS 06.55.103 AS 06.55.105 AS 06.55.203
AS 06.55.104 AS 06.55.107 AS 44.33.020

3 AAC 13.050 is amended by adding a new subsection to read:

(d) A request to renew a money transmission license must be made to the department through the registry. (Eff. 7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority: AS 06.55.103 AS 06.55.990 AS 44.33.020
AS 06.55.106

3 AAC 13.060 is amended by adding a new subsection to read:

(d) A request to renew a currency exchange license must be made to the department through the registry. (Eff. 7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority: AS 06.55.204 AS 44.33.020

3 AAC 13 is amended by adding a new section to Article 1 to read:

3 AAC 13.070. Abandoned applications. (a) An application is considered abandoned if the department does not receive any response from the applicant or licensee for 60 days after the department assigns a notice of deficiency to the record of the applicant or licensee in the registry.

(b) An abandoned application is denied without prejudice and all fees are forfeited. (Eff. 11/22/2017, Register 224)

Authority: AS 06.55.850 AS 44.33.020

3 AAC 13.120(a) is amended to read:

(a) A request for approval of change of control required by AS 06.55.404 must include a comprehensive description of the proposed change **and be submitted to the department through the registry**. The description must set out

(1) the identity of each person acquiring control under the proposed change;

(2) the ownership interest and managerial authority of each person in control

under the proposed change; and

(3) for each new person in control under the proposed change, [BIOGRAPHICAL] information **about personal history and experience as described in 3 AAC 13.010(a)(3)**, including employment history for the immediate previous **10** [FIVE] years.

(Eff. 7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority: AS 06.55.404 AS 44.33.020

The introductory language of 3 AAC 13.210(a) is amended to read:

(a) When the department conducts an on-site investigation under AS 06.55.105(a), **06.55.103(b),** or 06.55.203(a) or an examination under AS 06.55.401,

. . .

3 AAC 13.210(a)(3) is amended to read:

(3) the applicant, money services licensee, or authorized delegate shall pay the department **examination and investigation fees in accordance with AS 06.01.010** [THE HOURLY FEE SET OUT IN 3 AAC 13.840] and any expenses required to be paid under 3 AAC 13.850 for each representative of the department who is reasonably necessary to conduct the investigation or examination.

3 AAC 13.210(b)(3) is amended to read:

(3) the licensee provides **written or electronic** [PRIOR] notice **through the registry** [IN WRITING] that the licensee is having the audit prepared instead of the investigation

or examination required by the department; and

3 AAC 13.210(b)(4) is amended to read:

(4) the department has given prior written **or electronic** approval for the person to conduct the audit. (Eff. 7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority: **AS 06.01.010** AS 06.55.105 AS 06.55.401

AS 06.55.103 AS 06.55.203 AS 44.33.020

3 AAC 13.830 is amended to read:

3 AAC 13.830. Termination of operations. A money services licensee shall **provide electronic notice to** [NOTIFY] the department **through the registry** [IN WRITING] of its decision to cease operations as a money services licensee or the cessation of operations of any of its authorized delegates **not later than** [WITHIN] seven days after that decision or cessation. (Eff. 7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority: AS 44.33.020

3 AAC 13.840 is amended to read:

3 AAC 13.840. Fees. (a) The following nonrefundable fees are established for services provided under AS 06.55 or this chapter **and shall be paid to the department through the registry**:

(1) an application fee for a money transmission license **under AS 06.55.102, approval under AS 06.55.103, or currency exchange license under AS 06.55.202, $2,000**

[$500], plus **$200** [$100] for each additional location;

(2) [AN APPLICATION FEE FOR APPROVAL UNDER AS 06.55.103 TO ENGAGE IN MONEY TRANSMISSION, CURRENCY EXCHANGE, OR BOTH MONEY TRANSMISSION AND CURRENCY EXCHANGE WHEN LICENSED IN ANOTHER STATE, $250;

(3)] an annual renewal fee for a money transmission license, including an approval under AS 06.55.103, **$1,000** [$500];

(3) [4] a biennial renewal fee for a currency exchange license under AS 06.55.204, **$2,000; the fee shall be paid through the registry in two annual installments of** $1,000 **each**;

(4) [(5)] a late fee for each day after suspension that the department does not receive the renewal report **or** [AND] the renewal fee under AS 06.55.106(c)(2), **$25** [$10];

(5) [(6) THE COST OF AN ON-SITE INVESTIGATION UNDER AS 06.55.105(a) OR 06.55.203(a) OR AN EXAMINATION UNDER AS 06.55.401, $75 PER HOUR FOR EACH REPRESENTATIVE OF THE DEPARTMENT WHO IS REASONABLY NECESSARY TO CONDUCT THE INVESTIGATION OR EXAMINATION;

(7)] a request for approval of a change in control of a money services licensee **under AS 06.55.404(a), $750;**

(6) a request for a change in mailing address, $50;

(7) a request for a change in name, $100 [$500].

(b) The following fees**, paid to the department through the registry,** are refundable if the application is denied, are nonrefundable if the application is withdrawn **or abandoned**, and

are established for [THE FOLLOWING] services **provided under AS 06.55 or this chapter**:

(1) license fee for a license under AS 06.55.102 or 06.55.202, **$1,000** [$500] for the initial location**, $200** [AND $50] for each additional **physical** location**, and $1,000 for each additional Internet-based location** where the applicant or its authorized delegate will provide services;

(2) a fee for the first year of operating with the approval given under AS 06.55.103, **$1,000 for the initial location, $200 for each additional physical location, and $1,000 for each additional Internet-based location where the applicant or its authorized delegate will provide services** [$500].

3 AAC 13.840 is amended by adding a new subsection to read:

(c) Nothing in this section relieves an applicant from the obligation to pay processing or other fees that the registry sets for services that the registry provides. (Eff. 7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority: AS 06.55.103 AS 06.55.203 AS 06.55.990
AS 06.55.105 AS 06.55.401 AS 44.33.020
AS 06.55.106 AS 06.55.404

3 AAC 13.850 is amended to read:

3 AAC 13.850. Reimbursement of expenses. When the department conducts an [ON-SITE] investigation under **AS 06.55.103(b),** [AS] 06.55.105(a)**,** or 06.55.203(a) or an examination under AS 06.55.401, the applicant, money services licensee, or authorized delegate

shall pay the actual expenses of required travel, including transportation, lodging, and per diem expense not to exceed the per diem allowance for employees of the state under AS 39.20.110.

(Eff. 7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority: **AS 06.55.103** AS 06.55.203 AS 44.33.020

AS 06.55.105 AS 06.55.401

3 AAC 13.910(a) is amended to read:

(a) An application for department action under AS 06.55 and this chapter will be considered filed or submitted [AS OF THE POSTMARK DATE OF THE DOCUMENT. IF THE DOCUMENT IS SUBMITTED BY A METHOD THAT DOES NOT PROVIDE A POSTMARK DATE, THE DOCUMENT WILL BE CONSIDERED FILED OR SUBMITTED AS OF THE DATE STAMPED OR OTHERWISE MARKED ON THE DOCUMENT WHEN IT IS RECEIVED AT THE DEPARTMENT'S JUNEAU OFFICE. AN ELECTRONIC FILING OR SUBMISSION, IF ALLOWED, WILL BE CONSIDERED FILED OR SUBMITTED] at the time the filing or submission is received in electronic form by the department **through the registry**.

3 AAC 13.910(b) is repealed:

(b) Repealed 11/22/2017. (Eff. 7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority: AS 44.33.020

[EDITOR'S NOTE: FOR DELIVERY BY UNITED STATES MAIL, THE ADDRESS OF THE DEPARTMENT'S JUNEAU OFFICE IS: DIVISION OF CORPORATIONS, BUSINESS, AND PROFESSIONAL LICENSING, DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT, P.O. BOX 110806, JUNEAU AK 99811-10806. FOR HAND DELIVERY OR DELIVERY BY DOMESTIC COURIER SERVICE, THE ADDRESS OF THE DEPARTMENT'S JUNEAU OFFICE IS: DIVISION OF CORPORATIONS, BUSINESS, AND PROFESSIONAL LICENSING, DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT, 333 W. WILLOUGHBY AVE., 9TH FLOOR, JUNEAU, AK 99801.]

3 AAC 13.920(a) is amended to read:

(a) A money services licensee shall maintain a current, valid, mailing address **and electronic mail address** on file with the department **through the registry** at all times. **An applicant or licensee shall monitor its record in the registry and its electronic mail address filed with the registry for communications from the department and information regarding its license or registration.** The department will use the latest mailing address **submitted to the registry** [ON FILE WITH THE DEPARTMENT] for official communications, notifications, and service of legal process.

3 AAC 13.920(b) is amended to read:

(b) **A person required to be licensed under AS 06.55 shall file an application to amend its record with** [A MONEY SERVICES LICENSEE SHALL NOTIFY] the department

through the registry 30 days before [, IN WRITING, OF] a change of **a** mailing address **and immediately upon change of an electronic mail address. A money services licensee shall submit the required fee to the department through the registry with an application to amend its record because of a change of a mailing address. A change of the mailing address of a licensee in the registry is effective when approved by the department in the registry**.

3 AAC 13.920(c) is repealed and readopted to read:

(c) If a money services licensee seeks to change its name, the licensee must submit an application to amend its Form MU1 and the required fee to the department through the registry. Not later than seven days after filing the application to amend the Form MU1 for a change of name, a licensee must submit directly to the department

(1) organizational documents filed with the domestic state under AS 06.55.102 with the changed name and, if the licensee is organized outside this state, documentation of authority to conduct business in this state with the changed name; and

(2) a copy of the name registration form with the changed name, stamped "received" by the regulatory agency overseeing corporations.

3 AAC 13.920(d) is repealed:

(d) Repealed 11/22/2017.

3 AAC 13.920 is amended by adding a new subsection to read:

(e) A name change takes effect in the registry upon the approval of the department. (Eff.

7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority: AS 06.55.102 AS 06.55.106 AS 44.33.020
AS 06.55.103 AS 06.55.202

3 AAC 13.990 is amended by adding new paragraphs to read:

(3) "Form MU1" means the uniform money services license application developed and used by the registry;

(4) "registry" means the Nationwide Multistate Licensing System and Registry; in this paragraph, "Nationwide Multistate Licensing System and Registry" means a licensing system developed by the Conference of State Bank Supervisors and the American Association of Residential Registry, LLC, or a successor or an affiliated entity, for the licensing and registration of persons in the mortgage and other financial services industries. (Eff. 7/12/2008, Register 187; am 11/22/2017, Register 224)

Authority: AS 06.55.102 AS 06.55.203 AS 06.55.405
AS 06.55.103 AS 06.55.204 AS 06.55.820
AS 06.55.105 AS 06.55.403 AS 44.33.020
AS 06.55.106 AS 06.55.404