

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 15, 2010
POSITION: Neutral

BILL NUMBER: AB 2789
AUTHOR: Assembly Banking and Finance

BILL SUMMARY: Money Transmission

Under existing law, the Department of Financial Institutions (DFI) is responsible for the licensure and regulation of money transmitters, issuers of travelers checks, and sellers of payment instruments. These entities are subject to three licensing acts, the Transmitters of Money Abroad Law, the Issuers of Payment Instruments Law, and the Issuers of Traveler's Checks Law.

This bill would repeal the aforementioned three laws, and replace them with the Money Transmission Act. The content of the new Act would be substantially the same as in the current three laws, with the notable exception that the new Act also would include licensing requirements for non-bank entities that transmit money domestically.

FISCAL SUMMARY

The DFI indicates its estimated costs to administer the bill would be minor and absorbable.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the April 12, 2010 version are minor and do not alter our position.

COMMENTS

Finance notes the following regarding this bill:

- The intent of this measure is to consolidate existing statute pertaining to these related functions while maintaining the existing fee/assessment structure. We understand the bill is the product of joint consultations between the DFI and the impacted industries.

Code/Department Agency or Revenue Type	SO LA CO RV	PROP 98	FC	(Fiscal Impact by Fiscal Year)			Fund Code
				2010-2011	2011-2012	2012-2013	
				FC	FC	FC	
2150/Finan Instit	SO	No		----- No/Minor Fiscal Impact -----			0298
<u>Fund Code</u>	<u>Title</u>						
0298	Financial Institutions Fund						

Analyst/Principal (0760) C. Hill	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)