



HOUSE BILL 86: Virtual Currency Changes.

**This Bill Analysis
reflects the contents
of the bill as it was
presented in
committee.**

2017-2018 General Assembly

Committee:	Senate Commerce and Insurance. If favorable, re-refer to Rules and Operations of the Senate	Date:	June 12, 2018
Introduced by:	Reps. Hardister, Jordan, K. Hall, Goodman	Prepared by:	Amy Darden
Analysis of:	PCS to First Edition H86-CSBB-18		Staff Attorney

OVERVIEW: *The PCS to House Bill 86 makes changes to the Money Transmitters Act.*

BACKGROUND:

In 2016, the General Assembly passed The Money Transmitters Act (HB 289), which modernized existing law to reflect current business practices of both traditional and virtual currency money transmitters. The law had some unintended consequences that the PCS remedies.

CURRENT LAW and BILL ANALYSIS:

Section 1:

Currently, there is a brick and mortar requirement for delegates of money transmitter licensees. With money transmission occurring electronically, and with most licensees headquartered out-of-state, this requirement is not practical and is unduly burdensome. This section of the PCS removes the brick and mortar requirement from the definition of an "authorized delegate." This section also reduces the value of receivables due to the licensee from 90 days past due to 30 days and no longer requires the licensee to own the virtual considered under "permissible investments."

Section 2:

This section allows the Commissioner of Banks to require a licensee who possesses virtual currency as a permissible investment to provide proof to OCOB of all their virtual currency, including that stored offline.

EFFECTIVE DATE: The PCS becomes effective October 1, 2018.

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