



HOUSE BILL 86: Virtual Currency Changes.

2017-2018 General Assembly

Committee:	Senate Rules and Operations of the Senate	Date:	June 13, 2018
Introduced by:	Reps. Hardister, Jordan, K. Hall, Goodman	Prepared by:	Amy Darden
Analysis of:	Second Edition		Staff Attorney

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

BACKGROUND:

In 2016, the General Assembly passed The Money Transmitters Act (S.L. 2016-81), 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 bill 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 bill removes the brick and mortar requirement from the definition of an "authorized delegate." It amends the definition of "permissible investments" by 1) reducing the value of receivables due to the licensee from no more than 90 days past due to no more than 30 days past due and 2) no longer requiring the licensee to own virtual currency.

Section 2:

This section allows the Office of 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 bill becomes effective when it becomes law.

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