



HOUSE BILL 86: Virtual Currency Changes.

2017-2018 General Assembly

Committee:		Date:	August 7, 2018
Introduced by:		Prepared by:	Amy Darden Staff Attorney
Analysis of:	S.L. 2018-23		

OVERVIEW: *S.L. 2018-23 makes changes to the Money Transmitters Act.*

This act became effective June 22, 2018.

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 this act remedies.

CURRENT LAW and 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 act 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 of the act 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 act became effective June 22, 2018.

Karen Cochrane-Brown
Director



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Legislative Analysis
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