

1.1 Senator moves to amend S.F. No. 2810 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. [53B.31] IMPLEMENTATION.

1.4 Subdivision 1. General authority. In order to carry out the purposes of this chapter, the
1.5 commissioner may, subject to section 53B.32, paragraphs (a) and (b):

1.6 (1) enter into agreements or relationships with other government officials or federal and
1.7 state regulatory agencies and regulatory associations in order to (i) improve efficiencies
1.8 and reduce regulatory burden by standardizing methods or procedures, and (ii) share
1.9 resources, records, or related information obtained under this chapter;

1.10 (2) use, hire, contract, or employ analytical systems, methods, or software to examine
1.11 or investigate any person subject to this chapter;

1.12 (3) accept, from other state or federal government agencies or officials, licensing,
1.13 examination, or investigation reports made by such other state or federal government agencies
1.14 or officials; and

1.15 (4) accept audit reports made by an independent certified public accountant or other
1.16 qualified third-party auditor for an applicant or licensee and incorporate the audit report in
1.17 any report of examination or investigation.

1.18 Subd. 2. Administrative authority. The commissioner is granted broad administrative
1.19 authority to: (1) administer, interpret, and enforce this chapter; (2) adopt regulations to
1.20 implement this chapter; and (3) recover the costs incurred to administer and enforce this
1.21 chapter by imposing and collecting proportionate and equitable fees and costs associated
1.22 with applications, examinations, investigations, and other actions required to achieve the
1.23 purpose of this chapter.

1.24 Sec. 2. [53B.32] CONFIDENTIALITY.

1.25 (a) All information or reports obtained by the commissioner contained in or related to
1.26 an examination that is prepared by, on behalf of, or for the use of the commissioner are
1.27 confidential and are not subject to disclosure under section 46.07.

1.28 (b) The commissioner may disclose information not otherwise subject to disclosure
1.29 under paragraph (a) to representatives of state or federal agencies pursuant to section 53B.31,
1.30 subdivision 1.

2.1 (c) This section does not prohibit the commissioner from disclosing to the public a list
2.2 of all licensees or the aggregated financial or transactional data concerning those licensees.

2.3 **Sec. 3. [53B.51] RELATIONSHIP BETWEEN LICENSEE AND AUTHORIZED**
2.4 **DELEGATE.**

2.5 (a) For purposes of this section, "remit" means to make direct payments of money to (1)
2.6 a licensee, or (2) a licensee's representative authorized to receive money or to deposit money
2.7 in a bank in an account specified by the licensee.

2.8 (b) Before a licensee is authorized to conduct business through an authorized delegate
2.9 or allows a person to act as the licensee's authorized delegate, the licensee must:

2.10 (1) adopt, and update as necessary, written policies and procedures reasonably designed
2.11 to ensure that the licensee's authorized delegates comply with applicable state and federal
2.12 law;

2.13 (2) enter into a written contract that complies with paragraph (d); and

2.14 (3) conduct a reasonable risk-based background investigation sufficient for the licensee
2.15 to determine whether the authorized delegate has complied and will likely comply with
2.16 applicable state and federal law.

2.17 (c) An authorized delegate must operate in full compliance with this chapter.

2.18 (d) The written contract required by paragraph (b) must be signed by the licensee and
2.19 the authorized delegate. The written contract must, at a minimum:

2.20 (1) appoint the person signing the contract as the licensee's authorized delegate with the
2.21 authority to conduct money transmission on behalf of the licensee;

2.22 (2) set forth the nature and scope of the relationship between the licensee and the
2.23 authorized delegate and the respective rights and responsibilities of the parties;

2.24 (3) require the authorized delegate to agree to fully comply with all applicable state and
2.25 federal laws, rules, and regulations pertaining to money transmission, including this chapter
2.26 and regulations implementing this chapter, relevant provisions of the Bank Secrecy Act and
2.27 the USA PATRIOT Act, Public Law 107-56;

2.28 (4) require the authorized delegate to remit and handle money and monetary value in
2.29 accordance with the terms of the contract between the licensee and the authorized delegate;

2.30 (5) impose a trust on money and monetary value net of fees received for money
2.31 transmission for the benefit of the licensee;

3.1 (6) require the authorized delegate to prepare and maintain records as required by this
3.2 chapter or administrative rules implementing this chapter, or as reasonably requested by
3.3 the commissioner;

3.4 (7) acknowledge that the authorized delegate consents to examination or investigation
3.5 by the commissioner;

3.6 (8) state that the licensee is subject to regulation by the commissioner and that as part
3.7 of that regulation the commissioner may (1) suspend or revoke an authorized delegate
3.8 designation, or (2) require the licensee to terminate an authorized delegate designation; and

3.9 (9) acknowledge receipt of the written policies and procedures required under paragraph
3.10 (b), clause (1).

3.11 (e) If the licensee's license is suspended, revoked, surrendered, or expired, within five
3.12 business days the licensee must provide documentation to the commissioner that the licensee
3.13 has notified all applicable authorized delegates of the licensee whose names are in a record
3.14 filed with the commissioner of the suspension, revocation, surrender, or expiration of a
3.15 license. Upon suspension, revocation, surrender, or expiration of a license, applicable
3.16 authorized delegates must immediately cease to provide money transmission as an authorized
3.17 delegate of the licensee.

3.18 (f) An authorized delegate of a licensee holds in trust for the benefit of the licensee all
3.19 money net of fees received from money transmission. If an authorized delegate commingles
3.20 any funds received from money transmission with other funds or property owned or
3.21 controlled by the authorized delegate, all commingled funds and other property are considered
3.22 held in trust in favor of the licensee in an amount equal to the amount of money net of fees
3.23 received from money transmission.

3.24 (g) An authorized delegate is prohibited from using a subdelegate to conduct money
3.25 transmission on behalf of a licensee.

3.26 **Sec. 4. [53B.53] PROHIBITED AUTHORIZED DELEGATES.**

3.27 (a) The district court in an action brought by a licensee has jurisdiction to grant
3.28 appropriate equitable or legal relief, including without limitation prohibiting the authorized
3.29 delegate from directly or indirectly acting as an authorized delegate for any licensee in
3.30 Minnesota and the payment of restitution, damages, or other monetary relief, if the district
3.31 court finds that an authorized delegate failed to remit money in accordance with the written
3.32 contract required by section 53B.51, paragraph (b), or as otherwise directed by the licensee
3.33 or required by law.

4.1 (b) If the district court issues an order prohibiting a person from acting as an authorized
4.2 delegate for any licensee under paragraph (a), the licensee that brought the action must
4.3 report the order to the commissioner within 30 days of the date of the order and must report
4.4 the order through NMLS within 90 days of the date of the order.

4.5 Sec. 5. [53B.66] CRIMINAL PENALTIES.

4.6 (a) A person who intentionally makes a false statement, misrepresentation, or false
4.7 certification in a record filed or required to be maintained under this chapter or that
4.8 intentionally makes a false entry or omits a material entry in a record filed or required to
4.9 be maintained under this chapter is guilty of a felony.

4.10 (b) A person who knowingly engages in an activity for which a license is required under
4.11 this chapter without being licensed under this chapter, and who receives more than \$1,000
4.12 in compensation within a 30-day period from the activity, is guilty of a felony.

4.13 (c) A person who knowingly engages in an activity for which a license is required under
4.14 this chapter without being licensed under this chapter, and who receives more than \$500
4.15 but less than \$1,000 in compensation within a 30-day period from the activity, is guilty of
4.16 a gross misdemeanor.

4.17 (d) A person who knowingly engages in an activity for which a license is required under
4.18 this chapter without being licensed under this chapter, and who receives no more than \$500
4.19 in compensation within a 30-day period from the activity, is guilty of a misdemeanor."

4.20 Amend the title accordingly