

## State Corporation Commission 2009 Fiscal Impact Statement

**1. Bill Number:** HB1886

House of Origin    ☐ Introduced    ☒ Substitute    ☒ Engrossed  
Second House      ☐ In Committee    ☐ Substitute    ☐ Enrolled

**2. Patron:** Nixon

**3. Committee:** Passed House

**4. Title:** Money order sales and transmission services; expands existing authority of SCC to regulate.

**5. Summary:** Money order sales and money transmission services. Expands the existing authority of the State Corporation Commission to regulate money order sellers and money transmitters. The measure includes provisions that, among other things, mandate examinations of licensees every three years; increase the license application fee from \$500 to \$1,000; require annual renewal of licenses with a \$750 license renewal fee and an assessment to defray examination and supervision costs; increase minimum net worth requirements from \$100,000 to \$200,000; establish procedures for license revocation; authorize the Commission to issue cease and desist orders; establish requirements for agreements between a licensee and its authorized delegates; provide that licensees are responsible for implementing and maintaining a reasonable risk-based supervision program to monitor their authorized delegates; increase the maximum penalty that the Commission may assess for violations from \$1,000 to \$2,500; establish record retention requirements; establish additional reporting requirements; and require licensees to maintain permissible investments that have a market value of not less than the aggregate dollar amount of all of its outstanding money orders and money transmission transactions.

**6. Fiscal Impact Estimates:** Are Preliminary. See Item # 8.

**7. Budget Amendment Necessary:** No.

**8. Fiscal Implications:** Based on the current number of licensees regulated by the Bureau of Financial Institutions, determining licensee compliance with the new requirements of House Bill 1886 will require the addition of five new employees, ranging from a Senior Financial Analyst to Principal Office Technician. It is estimated that there will be a moderate fiscal impact on the Bureau (new employee salary, benefits, training, etc.). These expenses will be recovered from the licensed industry as prescribed in proposed § 6.1-373 B and C of the Code of Virginia.

**9. Specific Agency or Political Subdivisions Affected:** State Corporation Commission and its Bureau of Financial Institutions

**10. Technical Amendment Necessary:** No.

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**11. Other Comments:** This bill was introduced at the request of the State Corporation Commission's Bureau of Financial Institutions.

Date: 2/6/2009 E. J. Face, Jr.

cc: Secretary of Commerce and Trade