

2012 Kansas Statutes

9-508. Kansas money transmitter act; definitions. As used in this act:

- (a) "Agent" means an entity or person designated by the licensee, or by an exempt entity, to engage in the business of transmitting money on behalf of the licensee, or an exempt entity, at one or more physical locations throughout the state or through the internet;
- (b) "commissioner" means the state bank commissioner;
- (c) "electronic instrument" means a card or other tangible object for the transmission or payment of money, including a stored value card or device which contains a microprocessor chip, magnetic stripe or other means for the storage of information, that is prefunded and for which the value is decremented upon each use, but does not include a card or other tangible object that is redeemable by the issuer in goods or services;
- (d) "monetary value" means a medium of exchange, whether or not redeemable in money;
- (e) "money transmission" means to engage in the business of the sale or issuance of payment instruments or of receiving money or monetary value for transmission to a location within or outside the United States by wire, facsimile, electronic means or any other means;
- (f) "outstanding payment instrument" means any payment instrument issued by the licensee which has been sold in the United States directly by the licensee or any money order or instrument issued by the licensee which has been sold by an agent of the licensee in the United States, which has been reported to the licensee as having been sold and which has not yet been paid by or for the licensee;
- (g) "payment instrument" means any electronic or written check, draft, money order, travelers check or other electronic or written instrument or order for the transmission or payment of money, sold or issued to one or more persons, whether or not such instrument is negotiable. The term "payment instrument" does not include any credit card voucher, any letter of credit or any instrument which is redeemable by the issuer in goods or services;
- (h) "permissible investments" means:
 - (1) Cash;
 - (2) deposits in a demand or interest bearing account with a domestic federally insured depository institution, including certificates of deposit;
 - (3) debt obligations of a domestic federally insured depository institution;
 - (4) any investment bearing a rating of one of the three highest grades as defined by a nationally recognized organization that rates such securities;
 - (5) investment grade bonds and other legally created general obligations of a state, an agency or political subdivision of a state, the United States or an instrumentality of the United States;
 - (6) obligations that a state, an agency or political subdivision of a state, the United States or an instrumentality of the United States has unconditionally agreed to purchase, insure or guarantee and that bear a rating of one of the three highest grades as defined by a nationally recognized organization that rates securities;
 - (7) shares in a money market mutual fund, interest-bearing bills or notes or bonds, debentures or stock traded on any national securities exchange or on a national over-the-counter market, or mutual funds primarily composed of such securities or a fund composed of one or more permissible investments as set forth herein;
 - (8) receivables which are due to a licensee from such licensee's agents pursuant to a contract, which are not past due or doubtful of collection and which do not exceed in the aggregate 20% of the total required permissible investments pursuant to K.S.A. 9-513b, and amendments thereto; or
 - (9) any other investment or security device approved by the commissioner;
- (i) "person" means any individual, partnership, association, joint-stock association, trust, corporation or any other form of business enterprise; and
- (j) "stored value" means monetary value that is evidenced by an electronic record.

History: L. 1967, ch. 73, § 1; L. 1995, ch. 18, § 1; L. 2006, ch. 113, § 5; L. 2012, ch. 161, § 4; May 31.