

January 23, 2017

The Honorable Jeff Longbine, Chairperson
Senate Committee on Financial Institutions and Insurance
Statehouse, Room 341-E
Topeka, Kansas 66612

Dear Senator Longbine:

SUBJECT: Fiscal Note for SB 21 by Senate Committee on Financial Institutions and Insurance

In accordance with KSA 75-3715a, the following fiscal note concerning SB 21 is respectfully submitted to your committee.

SB 21 would amend the Money Transmitter Act. The bill defines “service provider” as any person that provides equipment or software that is used and solely controlled by an exempt entity or its agent to engage in the exempt entity’s own money transmission services. The bill would allow the Bank Commissioner to assess a late fee for renewal applications filed after the renewal deadline and for incomplete renewal applications. The Bank Commissioner would have the discretion to determine the completeness of an application and whether documentation is required to complete the application. If the applicant fails to complete the application within 60 days of written notice by the Bank Commissioner that the application is incomplete, then the application would be abandoned and the application fee would not be refunded. If the application is abandoned, the applicant has the option to reapply with complete information. The bill clarifies that if an applicant fails to file a complete application on or before December 31st of any year, the license would expire on December 31st of that year. Finally, the bill includes several technical amendments to the Money Transmitter Act.

The Office of the State Bank Commissioner indicates that the costs associated with implementing SB 21 would be negligible and could be absorbed within its existing budget. The Office indicates that the bill has the potential to increase revenues to the Bank Commissioner Fee Fund from late fees and from additional application fees from applicants whose original application has been abandoned. There were 47 renewal applications in 2016 that were either late or incomplete at the filing deadline. The Office estimates that there would be significantly

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Page 2—SB 21

fewer late and incomplete applications under the requirements of the bill; however, the additional revenues are estimated to be negligible.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Judi Stork, Banking