

2020 Kansas Statutes

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

- (a) "Agent" means a person designated by a licensee to receive funds from a Kansas resident in order to forward such funds to the licensee to effectuate money transmission at one or more physical locations throughout the state or through the internet, regardless of whether such person would be exempt from the act by conducting money transmission on such person's own behalf;
- (b) "commissioner" means the state bank commissioner;
- (c) "control" means the power directly or indirectly to direct management or policies of a person engaged in money transmission or to vote 25% or more of any class of voting shares of a person engaged in money transmission;
- (d) "electronic instrument" means a card or other tangible object for the transmission or payment of money, including a prepaid access 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;
- (e) "licensee" means a person licensed under this act;
- (f) "nationwide multi-state licensing system and registry" means a licensing system developed and maintained by the conference of state bank supervisors, or its successors and assigns, for the licensing and reporting of those persons engaging in the money transmission;
- (g) "monetary value" means a medium of exchange, whether or not redeemable in money;
- (h) "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, except that money transmission does not include currency exchange where no transmission of money occurs;
- (i) "outstanding payment liability" means:
 - (1) With respect to a payment instrument, any payment instrument issued or sold by the licensee which has been sold in the United States directly by the licensee, or any payment instrument that 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; or
 - (2) with respect to the transmission of money or monetary value, any money or monetary value the licensee or an agent of the licensee has received from a customer in the United States for transmission which has not yet been delivered to the recipient or otherwise paid by the licensee;
- (j) "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;
- (k) "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 that are payable to a licensee, in the ordinary course of business, pursuant to contracts which are not past due and which do not exceed in the aggregate 40% of the total required permissible investments pursuant to K.S.A. 9-513b, and amendments thereto. A receivable is past due if not remitted to the licensee within 10 business days; or
- (9) any other investment or security device approved by the commissioner;
- (l) "person" means any individual, partnership, association, joint-stock association, trust, corporation or any other form of business enterprise;
- (m) "resident" means any natural person or business entity located in this state;
- (n) "service provider" means any person that provides services as described in K.S.A. 9-511(a)(2)(A), and amendments thereto, that are used by an exempt entity or its agent to provide money transmission services to the exempt entity's customers. A service provider does not contract with the customers of an exempt entity on its own or on behalf of an exempt entity or the exempt entity's agent; and
- (o) "tangible net worth" means the physical worth of a licensee, calculated by taking a licensee's assets and subtracting its liabilities and its intangible assets, such as copyrights, patents, intellectual property and goodwill.

History: L. 1967, ch. 73, § 1; L. 1995, ch. 18, § 1; L. 2006, ch. 113, § 5; L. 2012, ch. 161, § 4; L. 2013, ch. 45, § 1; L. 2014, ch. 120, § 2; L. 2015, ch. 33, § 1; L. 2017, ch. 52, § 5; July 1.