



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 1056 (Substitute S-1 as reported by the Committee of the Whole)

Sponsor: Senator Margaret E. O'Brien

Committee: Banking and Financial Institutions

CONTENT

The bill would amend the Money Transmission Services Act to specify that the Act would not apply to an agent of certain depository or related entities that are currently excluded from the Act.

Generally, the Act prohibits a person from providing money transmission services without a license issued under the Act, or a class I license issued under the Consumer Financial Services Act. "Money transmission services" means selling or issuing payment instruments or stored value devices or receiving money or monetary value for transmission. The term does not include the provision solely of delivery, online, or telecommunications services or network access.

The Act does not apply to certain entities, including a depository financial institution, office of an international banking corporation, or branch of a foreign bank; a bank holding company or subsidiary, as those terms are defined in the Federal Bank Holding Company Act; a bank service company organized under the Bank Service Company Act; a subsidiary or affiliate of a depository financial institution, or a subsidiary or affiliate of a holding company of a depository financial institution, if the depository financial institution maintains its main office or a branch office in this State; a credit union service organization; or a corporation organized under the Federal Edge Act.

Under the bill, the Money Transmission Services Act also would not apply to a person acting as an agent for an entity described above to the extent that the person's actions were within the scope of that agency relationship.

MCL 487.1004

Legislative Analyst: Jeff Mann

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 12-1-16

Fiscal Analyst: Michael Siracuse