

HB3681



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3681

by Rep. Lou Lang

SYNOPSIS AS INTRODUCED:

205 ILCS 657/5

Amends the Transmitters of Money Act. Changes the definition of "transmitting money" to exclude providing payment services to a seller of goods or services, a payee, or a payment processor in connection with the sale of goods or services. Effective immediately.

LRB098 13680 MGM 48206 b

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Transmitters of Money Act is amended by
5 changing Section 5 as follows:

6 (205 ILCS 657/5)

7 Sec. 5. Definitions. As used in this Act, unless the
8 context otherwise requires, the words and phrases defined in
9 this Section have the meanings set forth in this Section.

10 "Authorized seller" means a person not an employee of a
11 licensee who engages in the business regulated by this Act on
12 behalf of a licensee under a contract between that person and
13 the licensee.

14 "Bill payment service" means the business of transmitting
15 money on behalf of an Illinois resident for the purpose of
16 paying the resident's bills.

17 "Controlling person" means a person owning or holding the
18 power to vote 25% or more of the outstanding voting securities
19 of a licensee or the power to vote the securities of another
20 controlling person of the licensee. For purposes of determining
21 the percentage of a licensee controlled by a controlling
22 person, the person's interest shall be combined with the
23 interest of any other person controlled, directly or

1 indirectly, by that person or by a spouse, parent, or child of
2 that person.

3 "Department" means the Department of Financial
4 Institutions.

5 "Director" means the Director of Financial Institutions.

6 "Licensee" means a person licensed under this Act.

7 "Location" means a place of business at which activity
8 regulated by this Act occurs.

9 "Material litigation" means any litigation that, according
10 to generally accepted accounting principles, is deemed
11 significant to a licensee's financial health and would be
12 required to be referenced in a licensee's annual audited
13 financial statements, reports to shareholders, or similar
14 documents.

15 "Money" means a medium of exchange that is authorized or
16 adopted by a domestic or foreign government as a part of its
17 currency and that is customarily used and accepted as a medium
18 of exchange in the country of issuance.

19 "Money transmitter" means a person who is located in or
20 doing business in this State and who directly or through
21 authorized sellers does any of the following in this State:

22 (1) Sells or issues payment instruments.

23 (2) Engages in the business of receiving money for
24 transmission or transmitting money.

25 (3) Engages in the business of exchanging, for
26 compensation, money of the United States Government or a

1 foreign government to or from money of another government.

2 "Outstanding payment instrument" means, unless otherwise
3 treated by or accounted for under generally accepted accounting
4 principles on the books of the licensee, a payment instrument
5 issued by the licensee that has been sold in the United States
6 directly by the licensee or has been sold in the United States
7 by an authorized seller of the licensee and reported to the
8 licensee as having been sold, but has not been paid by or for
9 the licensee.

10 "Payment instrument" means a check, draft, money order,
11 traveler's check, stored value card, or other instrument or
12 memorandum, written order or written receipt for the
13 transmission or payment of money sold or issued to one or more
14 persons whether or not that instrument or order is negotiable.
15 Payment instrument does not include an instrument that is
16 redeemable by the issuer in merchandise or service, a credit
17 card voucher, or a letter of credit. A written order for the
18 transmission or payment of money that results in the issuance
19 of a check, draft, money order, traveler's check, or other
20 instrument or memorandum is not a payment instrument.

21 "Person" means an individual, partnership, association,
22 joint stock association, corporation, or any other form of
23 business organization.

24 "Stored value card" means any magnetic stripe card or other
25 electronic payment instrument given in exchange for money and
26 other similar consideration, including but not limited to

1 checks, debit payments, money orders, drafts, credit payments,
2 and traveler's checks, where the card or other electronic
3 payment instrument represents a dollar value that the consumer
4 can either use or give to another individual.

5 "Transmitting money" means the transmission of money by any
6 means, including transmissions to or from locations within the
7 United States or to and from locations outside of the United
8 States by payment instrument, facsimile or electronic
9 transfer, or otherwise, and includes bill payment services.

10 "Transmitting money" does not include providing payment
11 services to a seller of goods or services, a payee, or a
12 payment processor in connection with the sale of goods or
13 services, including (1) providing payment processing services
14 and payment settlement services, (2) acting as an agent or
15 service provider of entities that engage in payment processing
16 or settlement services, or (3) receiving and disbursing
17 currency, funds, or other value as an agent of the payee.

18 (Source: P.A. 92-400, eff. 1-1-02; 93-535, eff. 1-1-04.)

19 Section 99. Effective date. This Act takes effect upon
20 becoming law.