GENERAL ASSEMBLY
COMMONWEALTH OF KENTUCKY

2016 REGULAR SESSION

SENATE BILL NO. 118
CORRECTED COPY

WEDNESDAY, FEBRUARY 10, 2016

The following bill was reported to the House from the Senate and ordered to be printed.

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DATE April 9, 2016
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ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY K. Adler

1 AN ACT relating to money transmitters.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 286.11-007 is amended to read as follows:

4 This subtitle does not apply to:

5 (1) The United States or any department, agency, or instrumentality thereof;

6 (2) The United States Post Office or a contractor acting on behalf of the United States

7 Post Office;

8 (3) A state or any agency, department, or political subdivision of a state;

9 (4) A financial institution or its subsidiaries, affiliates, and service corporations, or any

10 office of an international banking corporation, branch of a foreign bank, or

11 corporation organized pursuant to the Bank Service Corporation Act, 12 U.S.C.

12 secs. 181 to 1867, or a corporation organized under the Edge Act, 12 U.S.C. secs.

13 611 to 633;~~[or]~~

14 (5) ***A service provider that:***

15 ***(a) Pursuant to a written agreement, acts on behalf of an entity exempt from***

16 ***licensure as set forth in subsection (4) of this section; and***

17 ***(b) Allows the state or federal regulators with regulatory jurisdiction over the***

18 ***exempt entity to examine and inspect the service provider's applicable***

19 ***records, books, and transactions;***

20 ***(6) A service provider that receives money or monetary value on behalf of an entity***

21 ***selling goods or services other than money transmission services if:***

22 ***(a) The entity, upon receipt of funds by the service provider, immediately either:***

23 ***1. Provides the purchased goods or services to the purchaser; or***

24 ***2. Credits the purchaser for the full amount of money or monetary value***

25 ***received by the service provider, which credit is not revocable by the***

26 ***entity, and evidences this credit in writing; and***

27 ***(b) The entity is obligated to provide the purchased goods or services to the***

1 ***purchaser regardless of whether or not the service provider transmits the***
2 ***money or monetary value to the entity; or***
3 *(7)* The provision of electronic transfer of government benefits for any federal, state, or
4 county governmental agency as defined in Federal Reserve Board Regulation E, by
5 a contractor for and on behalf of the United States or any department, agency, or
6 instrumentality thereof, or any state or any political subdivisions thereof.

President of Senate

Speaker-House of Representatives

Attest: Chief Clerk of Senate

Approved Governor

Date 9 APRIL 2016