



SYNOPSIS:

Federal regulations require businesses that conduct money transmissions to report and maintain records of certain money transfers that would be considered suspicious such as large cash transactions.

The Alabama Securities Commission is responsible for licensing money transmission businesses and enforcing violations.

This bill would require money transmission businesses to report and maintain records relating to additional activity involving cash transactions beyond what is required by federal regulation and would provide civil and criminal penalties for violations.

A BILL

TO BE ENTITLED

AN ACT

Relating to certain cash transactions; to amend Section 8-7A-13, Code of Alabama 1975; to require certain money transmission businesses to report and keep records on certain cash transactions; to provide civil and criminal penalties for violations; and to authorize the Alabama Securities Commission to enforce the provisions.



BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 8-7A-13, Code of Alabama 1975, is amended to read as follows:

"§8-7A-13

(a) A licensee shall file a report to the commission within 15 business days ~~of~~after any material change in information provided in a licensee's application.

(b) A licensee shall file a report with the commission within five business days after the licensee has reason to know of the occurrence of any of the following events:

(1) The filing of a petition by or against the licensee under the United States Bankruptcy Code for bankruptcy or reorganization.

(2) The filing of a petition by or against the licensee for receivership, the commencement of any other judicial or administrative proceeding for its dissolution or reorganization, or the making of a general assignment for the benefit of its creditors.

(3) The commencement of a proceeding to revoke or suspend its license in a state or country in which the licensee engages in business or is licensed.

(4) The cancellation or other impairment of the licensee's bond or other security.

(5) A charge or conviction of the licensee or of an executive officer, manager, commission, or other control person of the licensee for a felony.

(6) A charge or conviction of an authorized delegate of the licensee for a felony.



(7) The executive officers, managers, directors, an authorized delegate, or persons in control of the licensee are named in any material civil litigation or class action.

(c)(1) A licensee shall give notice of a proposed change of control within 15 days after learning of the proposed change in control.

(2) The commission shall approve a request for change of control if, after investigation, the commission determines that the person or group of persons requesting approval has the competence, experience, character, and general fitness to operate the licensee or person in control of the licensee in a lawful and proper manner and that the public interest will not be jeopardized by the change of control.

(3) The commission shall approve or deny a request for change of control within 120 days after the notice. If the request has not been approved or denied within 120 days, the request will be deemed to have been approved and will take effect on the first day after the expiration of the 120 days.

(d) A licensee and an authorized delegate shall maintain a file of all reports required by federal currency reporting, ~~record-keeping~~recordkeeping, and suspicious transaction reporting requirements as set forth in 31 U.S.C. ~~Section~~§ 5311 (1994), and other federal and state laws pertaining to money laundering. If an investigation or other inquiry is initiated by any regulatory authority, the licensee shall immediately notify the commission and forward all records associated with such investigation or inquiry.

(e)(1) In addition to the requirements in 31 C.F.R. §



103.125, all licensees must provide notification to the commission and maintain records of all of the following:

a. Suspicious cash transactions of aggregate funds of two thousand dollars (\$2,000) or more within 30 days of becoming aware of the activity. This reportable activity includes, but is not limited to, any cash transaction that appears intended to evade the reporting requirements specified in this section. Records associated with these notifications must be maintained for five years from the date of notifying the commission.

b. Cash transactions of ten thousand dollars (\$10,000) or more with the same customer, or on behalf of the same customer, during one business day within 15 days of the activity. Records associated with these notifications must be maintained for five years from the date of notifying the commission.

c. Any cash transaction that is suspicious as determined by the commission pursuant to regulation or order.

(2) All cash transactions of one thousand dollars (\$1,000) or more must be recorded and maintained for five years from the date of the transaction. Records of these transactions for each year shall be transmitted to the commission at the time of license renewal.

(3) In every transaction of three thousand dollars (\$3,000) or more, licensees shall comply with the requirements of 31 C.F.R. § 1010.415.

(4)a. Any person that knowingly attempts to evade the reporting requirements specified in this subsection shall be



113 guilty of a Class C felony upon a first offense. Any
114 subsequent violation is a Class B felony.

115 b. The commission may assess a civil penalty against
116 any person that violates this section in an amount not to
117 exceed five thousand dollars (\$5,000) for each day the
118 violation is outstanding for each individual transaction.

119 (5) Any penalties assessed for violations of this
120 subsection, less the investigative costs incurred by the
121 commission pursuant to Section 8-7A-19(b), shall be remitted
122 to the Sheriffs' Advancement in Education, Technology, and
123 Training Fund."

124 Section 2. This act shall become effective on October
125 1, 2025.