

# HB585 INTRODUCED



1 HB585  
2 JPET4NF-1  
3 By Representatives Fidler, Robbins, Brown, Kiel, Ross  
4 RFD: Financial Services  
5 First Read: 05-Mar-26



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SYNOPSIS:

Under existing law, money transmission businesses, which include businesses that conduct electronic wire transfers, must be licensed by the Alabama Securities Commission.

This bill would require money transmission businesses to report to the commission certain large or suspicious cash transactions.

This bill would provide criminal penalties for knowingly attempting to evade the reporting requirements and authorize the commission to assess civil penalties against violators of the reporting requirements.

This bill would require money transmission businesses to collect a fee on outgoing international electronic wire transfers equal to 1.5 percent of the total amount of the wire transfer and would require that the fees collected be transmitted to the Alabama Securities Commission.

This bill would create the Wire Transfer Fee Fund within the Alabama Securities Commission to hold all wire transfer fees.

This bill would require the commission to periodically transfer wire transfer fees from the Wire Transfer Fee Fund to the Office of Prosecution



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29 Services.

30 This bill would require the Office of  
31 Prosecution Services to distribute the fee proceeds to  
32 all sheriffs in the state to be used to offset costs  
33 relating to enforcement of immigration laws.

34 This bill would authorize an income tax credit  
35 equal to the amount of wire transfer fees paid by  
36 taxpayers.

37 This bill would require the Department of  
38 Revenue to establish a notice to customers who initiate  
39 international electronic wire transfers of the ability  
40 to be granted a tax credit for wire transfer fees paid  
41 by a taxpayer.

42 This bill would authorize the Alabama Securities  
43 Commission and the Alabama Department of Revenue to  
44 administer this act.

45 This bill would establish a legislative study  
46 commission to ensure that wire transfer fee proceeds  
47 are meeting the needs of affected communities and to  
48 recommend legislative changes.

49 This bill would also repeal the provisions  
50 relating the wire transfer fee and income tax credit on  
51 December 31, 2030.

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A BILL

55

TO BE ENTITLED

56

AN ACT



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57  
58 Relating to money transmissions; to amend Section  
59 8-7A-13, Code of Alabama 1975; to require certain money  
60 transmission businesses to report and keep records on certain  
61 cash transactions; to provide civil and criminal penalties for  
62 violations and authorize the Alabama Securities Commission to  
63 enforce the reporting requirements; to require money  
64 transmission businesses to collect a fee on outgoing  
65 international wire transfers and transfer the fees to the  
66 Alabama Securities Commission; to create the Wire Transfer Fee  
67 Fund within the commission to hold wire transfer fees; to  
68 require the commission to distribute the fees to the Office of  
69 Prosecution Services for distribution to sheriffs to offset  
70 costs relating to enforcing immigration laws; to authorize an  
71 income tax credit equal to the amount of fees paid by  
72 taxpayers for outgoing international wire transfers; to  
73 authorize the Alabama Securities Commission and the Alabama  
74 Department of Revenue to administer this act; to establish a  
75 legislative study commission to review the disbursement of  
76 wire transfer fees; and to provide for the repeal of the  
77 provisions of this act relating to the wire transfer fee and  
78 income tax credit.

79 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

82 "§8-7A-13

83 (a) A licensee shall file a report to the commission  
84 within 15 business days ~~of~~after any material change in



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85 information provided in a licensee's application.

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

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

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

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

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

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

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

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

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



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

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

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

134 (e) (1) In addition to the requirements in 31 C.F.R. §  
135 103.125, all licensees must provide notification to the  
136 commission and maintain records of all of the following:

137 a. Suspicious cash transactions of aggregate funds of  
138 two thousand dollars (\$2,000) or more within 30 days of  
139 becoming aware of the activity. This reportable activity  
140 includes, but is not limited to, any cash transaction that



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141 appears intended to evade the reporting requirements specified  
142 in this section. Records associated with these notifications  
143 must be maintained for five years from the date of notifying  
144 the commission.

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

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

153 (2) All cash transactions of one thousand dollars  
154 (\$1,000) or more must be recorded and maintained for five  
155 years from the date of the transaction. Records of these  
156 transactions for each year shall be transmitted to the  
157 commission at the time of license renewal.

158 (3) In every transaction of three thousand dollars  
159 (\$3,000) or more, licensees shall comply with the requirements  
160 of 31 C.F.R. § 1010.415.

161 (4)a. Any person that knowingly attempts to evade the  
162 reporting requirements specified in this subsection shall be  
163 guilty of a Class C felony upon a first offense. Any  
164 subsequent violation is a Class B felony.

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



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169           (5) Any penalties assessed for violations of this  
170 subsection, less the investigative costs incurred by the  
171 commission pursuant to Section 8-7A-19(b), shall be remitted  
172 to the Wire Transfer Fee Fund."

173           Section 2. For the purpose of Sections 2 through 7, the  
174 following terms have the following meanings:

175           (1) COMMISSION. The Alabama Securities Commission.

176           (2) ELECTRONIC WIRE TRANSFER. An electronic transfer of  
177 money via a network.

178           (3) MONEY TRANSMISSION BUSINESS. Any person required to  
179 obtain a license pursuant to Chapter 7A of Title 8, Code of  
180 Alabama 1975.

181           (4) PAYMENT PROCESSOR. An operator of a payment system  
182 acting in a third-party capacity, to the extent that the  
183 operator provides processing, clearing, settlement, or other  
184 similar services between individuals and businesses for a  
185 traceable debt of a good or service in connection with wire  
186 transfers, credit card transactions, debit card transactions,  
187 stored value transactions, automated clearinghouse transfers,  
188 or other similar funds transfers or transactions.

189           Section 3. For the purpose of Sections 2 through 7, the  
190 following entities or transactions are exempt from Section 4:

191           (1) Any transaction by the requester where the money  
192 debited is from an account held by, or for the benefit of, the  
193 requester at a banking institution or credit union authorized  
194 to do business in this state.

195           (2) Any business entity authorized by law to do  
196 business in this state other than a money transmission



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197 business.

198 (3) Payment processors lawfully registered or licensed  
199 to conduct business in Alabama.

200 (4) Credit card or debit card transfers conducted via  
201 the Internet or telephone, including transfers by means of  
202 credit cards, debit cards, or ACH.

203 (5) Entities exempt or excluded from the license  
204 requirements pursuant to Chapter 7A of Title 8, Code of  
205 Alabama 1975.

206 (6) The sale of money orders.

207 (7) Check cashing transactions.

208 Section 4. (a) (1) On and after January 1, 2027, each  
209 money transmission business shall collect a transaction fee on  
210 every outgoing international electronic wire transfer equal to  
211 1.5 percent of the amount of the international electronic wire  
212 transfer.

213 (2) A money transmission business shall provide to each  
214 customer a receipt for each international electronic wire  
215 transfer originating from this state which clearly delineates  
216 the fee incurred pursuant to this subsection.

217 (b) There is created within the Alabama Securities  
218 Commission the Wire Transfer Fee Fund. Amounts deposited into  
219 the fund shall be budgeted and allotted in accordance with  
220 Sections 41-4-80 through 41-4-96, Code of Alabama 1975.

221 (c) Not later than the 30 days following the close of  
222 each calendar quarter, a money transmission business shall do  
223 both of the following:

224 (1) Remit the fees collected under subsection (a) to



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225 the commission for deposit into the fund by means established  
226 by rule or order of the commission.

227 (2) Provide to the commission a detailed listing of  
228 each individual international electronic wire transfer  
229 associated with the fees remitted to the commission, including  
230 the date and the amount of the international electronic wire  
231 transfer and amount of the fee charged and collected, the  
232 country of destination, the address from where the  
233 international electronic wire transfer originated, and any  
234 additional information required by the commission. The address  
235 shall include the street number, street name, municipality,  
236 county, and zip code. The commission shall establish by rule  
237 or order the means by which the fees and detailed information  
238 shall be transmitted to the commission.

239 (d)(1) Not later than 45 days following the close of  
240 each calendar quarter, the commission shall transfer all fees  
241 deposited into the fund to the Office of Prosecution Services  
242 to be distributed pursuant to Section 5.

243 (2) In addition, the commission shall forward the  
244 detailed information received by the commission from money  
245 transmission businesses pursuant to subdivision (c)(2) to the  
246 Office of Prosecution Services on the same date the fees are  
247 transferred under subdivision (1).

248 (d) Each money transmission business shall post the  
249 notice established pursuant to Section 6(e) in an area  
250 accessed by the public where international electronic wire  
251 transfers are conducted.

252 (e) Except as provided in this act, Chapter 7A of Title



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253 8, Code of Alabama 1975, shall apply.

254 (f) The commission shall adopt rules or issue orders to  
255 administer this section.

256 Section 5. (a) The Office of Prosecution Services  
257 shall remit the funds received under Section 4 on a quarterly  
258 basis to the Sheriffs' Advancement in Education, Technology,  
259 and Training Fund. The Alabama Securities Commission shall  
260 report to the Sheriff's Association the pro rata share of  
261 transaction fees collected within each county. Based on this  
262 report, the Sheriff's Association shall distribute each  
263 county's portion of the remitted funds to the appropriate  
264 county sheriffs. Funds shall be expended by county sheriffs to  
265 offset any costs and expenses incurred by the office of the  
266 sheriff on or after January 1, 2027, which are related to the  
267 enforcement or assistance with the enforcement of federal or  
268 state immigration laws, including the care and housing in the  
269 county jail of individuals charged with any suspected  
270 violation of federal or state immigration laws.

271 (b) The Office of Prosecution Services may retain from  
272 the funds received those monies necessary to cover the costs  
273 to administer this section but in no event more than two  
274 percent of the total funds received.

275 (c) Funds received by the Office of Prosecution  
276 Services under Section 4 shall be subject to audit by the  
277 Department of Examiners of Public Accounts in the same manner  
278 as other funds expended to the Office of Prosecution Services.

279 (d) Not later than February 1, 2028, and annually  
280 thereafter, the Office of Prosecution Services shall submit a



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281 report to the legislative review committee established under  
282 Section 7 specifying the amount of funds distributed per  
283 quarter to each county sheriff under this section.

284 Section 6. (a) (1) For tax years beginning on and after  
285 January 1, 2027 and ending December 31, 2030, a credit is  
286 allowed against income taxes imposed by Chapter 18 of Title  
287 40, Code of Alabama 1975, in the amount of all international  
288 electronic wire transfer fees paid by any taxpayer under  
289 Section 4 or five thousand dollars (\$5,000), whichever is  
290 less. The credit must be claimed on the tax return that  
291 corresponds with the tax year during which the fees were paid.

292 (2) To qualify for the income tax credit, a taxpayer  
293 shall submit to the Alabama Department of Revenue in a manner  
294 prescribed by the department, by rule, the receipts received  
295 under Section 4(a) (2).

296 (b) The tax credit shall not be allowed to decrease a  
297 taxpayer's liability to less than zero. The credit is not  
298 refundable and may not be carried forward. The credit shall be  
299 available on a pro-rata basis to entities taxed under 26  
300 U.S.C. Subtitle A, Chapter 1, Subchapter S or Subchapter K.

301 (c) The Alabama Department of Revenue shall not be  
302 required under this section to disclose confidential  
303 information subject to Section 40-2A-10, Code of Alabama 1975.  
304 However, the department may share information with the  
305 commission upon written request in order to aid or assist with  
306 any investigation or other action authorized by Chapter 7A of  
307 Title 8, Code of Alabama 1975. Additionally, the commission  
308 may share information with the department to enforce this act.



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309 The information shared shall be limited to what is necessary  
310 to administer this act and shall not be considered public  
311 records for purposes of Article 3 of Chapter 12 of Title 36,  
312 Code of Alabama 1975. Upon receipt of information from the  
313 department, Section 40-2A-10, Code of Alabama 1975, shall  
314 apply to the commission and its employees with respect to the  
315 use, dissemination, or other handling of the information. The  
316 department shall comply with Section 8-7A-21(b), Code of  
317 Alabama 1975, as to any information shared by the commission.

318 (d) The Alabama Department of Revenue, by rule, may  
319 require a money transmission business to provide certifying  
320 documents and other information necessary to determine or  
321 confirm the tax credit amounts referenced in this section.

322 (e) The Alabama Department of Revenue shall establish a  
323 standard form to be posted by money transmission businesses  
324 which notifies customers that upon filing an Alabama income  
325 tax return with either a valid Social Security number or a  
326 valid taxpayer identification number, the customer may be  
327 entitled to an income tax credit equal to the amount of the  
328 electronic wire transfer fees paid by the customer for the  
329 international electronic wire transfer.

330 (f) The Alabama Department of Revenue shall adopt rules  
331 to implement this section.

332 Section 7. (a) There is established a legislative  
333 review committee to review the expenditures of international  
334 electronic wire transfer fee proceeds under Section 5, as  
335 contained in audits conducted by the Department of Examiners  
336 of Public Accounts. The committee shall examine how proceeds



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337 are being used and, at any time, may make recommendations to  
338 the Legislature to redistribute the international electronic  
339 wire transfer fee proceeds to better serve the counties or to  
340 otherwise amend this act.

341 (b) The study committee shall consist of the following  
342 members:

343 (1) The primary House sponsor and primary Senate  
344 sponsor of the legislation establishing this study committee  
345 who shall serve as cochairs.

346 (2) Three members appointed by the Speaker of the House  
347 of Representatives and three members appointed by the  
348 President Pro Tempore of the Senate.

349 (c) Members shall be entitled to their legislative  
350 compensation, per diem, and travel expenses for each day they  
351 attend a meeting of the committee in accordance with Section  
352 49 of the Constitution of Alabama of 2022.

353 (d) Pursuant to Section 36-14-17.1, Code of Alabama  
354 1975, the committee shall provide to the Secretary of State a  
355 notice of all meetings, the name of each member of the  
356 committee, and a copy of its findings and other documents  
357 produced throughout the duration of the committee.

358 Section 8. Sections 2 through 7 of this act are  
359 repealed December 31, 2030.

360 Section 9. This act shall become effective on July 1,  
361 2026.