Effective 5/12/2015

Part 2
Licensing

7-25-201 Licensing required.

(1) Unless exempt under Section 7-25-202, a person may not engage in the business of money transmission without a license.
(2) A licensee may conduct its business in this state at one or more locations, directly or indirectly owned, or through one or more authorized agents, or both, pursuant to the single license granted to the licensee.

Enacted by Chapter 284, 2015 General Session

7-25-202 Exemptions.

This chapter does not apply to:
(1) the United States or a department or agency of the United States;
(2) the state or a political subdivision of the state; or
(3) a depository institution or a trust company organized under the laws of a state or the United States.

Enacted by Chapter 284, 2015 General Session

7-25-203 License qualifications.

(1) An applicant for a license shall:
  (a) demonstrate, and a licensee shall maintain, a net worth of not less than $1,000,000 as demonstrated by a financial statement for the most recent fiscal year that is prepared and certified by an independent auditor and is satisfactory to the commissioner; and
  (b) demonstrate experience, character, and general fitness to command the confidence of the public and warrant the belief that the business to be operated will be operated lawfully and fairly.
(2) A corporate applicant, at the time of filing of an application for a license under this chapter and at all times after a license is issued, shall be in good standing in the state of its incorporation. A noncorporate applicant shall, at the time of the filing of an application for a license under this chapter and at all times after a license is issued, be qualified to do business in the state.
(3) Subject to the commissioner's discretion, a person may not be licensed under this chapter to do business in the state:
  (a) if the person has been convicted of, or pled guilty or no contest to, a felony:
    (i) during the seven years preceding the day on which the individual files an application; or
    (ii) at any time, if the felony involves an act of:
      (A) fraud;
      (B) dishonesty;
      (C) breach of trust; or
      (D) money laundering; or
  (b) if an executive officer, key shareholder, or director of the person has been convicted of, or pled guilty or no contest to, a felony:
    (i) during the seven years preceding the day on which the individual files an application; or
    (ii) at any time, if the felony involves an act of:

(A) fraud;
(B) dishonesty;
(C) breach of trust; or
(D) money laundering.

(4) The applicant shall submit evidence satisfactory to the commissioner that the person is registered with the nationwide database.

(5) The commissioner may by rule, made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, provide for the transition of persons being licensed under this chapter.

Enacted by Chapter 284, 2015 General Session

7-25-204 License application -- Bond.

(1) To apply for a license under this chapter, a person shall:
(a) submit an application in writing;
(b) pay the original license fee required by Section 7-1-401; and
(c) submit a surety bond in accordance with Subsection (3).

(2) An application shall contain:
(a) the exact name of the applicant, the applicant's principal address, any fictitious or trade name used by the applicant in the conduct of its business, and the location of the applicant's business records;
(b) the history of the applicant's material litigation and criminal convictions for the seven-year period before the date the application is submitted;
(c) a description of the activities conducted by the applicant and a history of operations;
(d) a description of the business activities in which the applicant seeks to be engaged in the state;
(e) a list identifying the applicant's authorized agents in the state, if any, at the time of the filing of the license application;
(f) a sample authorized agent contract, if applicable;
(g) a sample form of payment instrument, if applicable;
(h) the one or more locations at which the applicant and its authorized agents, if any, propose to conduct the licensed activities in the state; and
(i) other information the commissioner requires by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(3)
(a) An applicant shall submit with an application filed under this chapter a surety bond satisfactory to the commissioner in the minimum sum of $50,000 to reimburse the state for expenses of any kind or nature that the department may incur in connection with an administrative or judicial proceeding against a licensee, former licensee, or seller relating to the issuance or sale of a payment instrument in the state.
(b) A licensee shall maintain a surety bond meeting the requirements of Subsection (3)(a) for three years after the licensee ceases money transmission operations in the state. Except that the commissioner may permit the surety bond to be reduced or eliminated before the end of the three-year period to the extent that the amount of the licensee's payment instruments outstanding in this state are reduced.
(c) A surety bond shall remain in effect until cancellation, which may occur only after 30 days' written notice to the commissioner. Cancellation may not affect liability incurred or accrued during that period.

Enacted by Chapter 284, 2015 General Session

7-25-205 Issuance of license.

(1) Upon the filing of a complete application, the commissioner shall investigate the financial condition and responsibility, financial and business experience, character, and general fitness of the applicant. The commissioner may conduct an on-site investigation of the applicant, the reasonable cost of which is to be borne by the applicant in accordance with Subsection 7-1-401(6).

(2) The commissioner shall issue a license to the applicant authorizing the applicant to engage in the licensed activities in this state if the commissioner finds that:

(a) the applicant's business will be conducted honestly, fairly, and in a manner commanding the confidence and trust of the community;

(b) the applicant has fulfilled the requirements imposed by this chapter; and

(c) the applicant has paid the required original license fee under Section 7-1-401.

Amended by Chapter 136, 2019 General Session

7-25-206 Renewal of license.

(1) A license issued or renewed pursuant to this chapter expires on December 31. A licensee may renew the license through the nationwide database for the ensuing 12-month period upon application by the license holder showing continued compliance with the requirements of Sections 7-25-201, 7-25-203, and 7-25-204, and the payment of the license renewal fee required by Section 7-1-401 to the commissioner.

(2) The licensee shall include in its renewal application:

(a) a copy of the licensee's most recent audited unconsolidated annual financial statement, including balance sheet, statement of income or loss, statement of changes in shareholder's equity, and statement of changes in financial position, except that a licensee may provide the most recent audited consolidated annual financial statement of the parent corporation if the statement separately includes the balance sheet, statement of income or loss, statement of changes in shareholder's equity, and statement of changes of financial position of the licensee;

(b) material changes to the information submitted by the licensee on its original application that have not previously been reported to the commissioner on any other report required to be filed under this chapter;

(c) a list of the locations within this state at which business regulated by this chapter is conducted by either the licensee or its authorized agent;

(d) notification of material litigation or litigation relating to money transmission; and

(e) other information the commissioner requires by rule made in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(3) Failure to pay the renewal fee or to submit a completed renewal application between November 1 and December 31 shall cause the license to expire at the close of business on December 31.

Enacted by Chapter 284, 2015 General Session