

STATE OF KANSAS



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TO: House Financial Institutions and Pensions Committee

FROM: Brock Roehler
Staff Attorney, Office of the State Bank Commissioner

DATE: March 5, 2018

RE: SB 284

The Office of the State Bank Commissioner (OSBC) appreciates the opportunity to submit testimony in support of SB 284 to update the Kansas Money Transmitter Act (KMTA). The bill will help the OSBC more efficiently regulate money transmission occurring with Kansas residents.

The first provision of the bill would permit the Bank Commissioner to designate staff within the agency to administer the KMTA. This was an item identified as part of the agency's review and reorganization efforts over the past year. This amendment will enable the Bank Commissioner to align agency staff and responsibilities to administer the money transmitter act in the most efficient and effective manner possible.

The second provision would permit the Bank Commissioner to enter into informal agreements with companies conducting money transmission to resolve violations or other matters under the KMTA, rules and regulations, or an order previously issued pursuant to this act. The informal agreement would be confidential, not subject to subpoena power, and could not be used as evidence in any private civil action. The provision is set to expire on July 1, 2023 unless the legislature reviews and reenacts the provision. The intent of this provision is to provide another option to bring companies into compliance with state law and regulation.

The OSBC appreciates the opportunity to provide background and share the agency's support for SB 284. We thank the committee for its consideration of the bill.