

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2015

Legislative Fiscal Note

BILL NUMBER: Senate Bill 680 (First Edition)
SHORT TITLE: NC Money Transmitters Act.-AB
SPONSOR(S): Senator Gunn

FISCAL IMPACT					
(\$ in millions)					
<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> No Estimate Available					
State Impact	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
General Fund Revenues:					
General Fund Expenditures:					
State Positions:					
NET STATE IMPACT	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: North Carolina Commissioner of Banks					
EFFECTIVE DATE: This act becomes effective October 1, 2015.					
TECHNICAL CONSIDERATIONS: None					

BILL SUMMARY:

Senate Bill 680 would replace the current statutory article with a new one, incorporating much of the existing law, and would modernize and clarify various features as requested by the Office of the North Carolina Commissioner of Banks. The main changes are as follows:

- It would specifically address the transmission of virtual currency, such as Bitcoin. These payment systems are currently subject to the act, but industry has requested clarification of the law to take into account the changes that have occurred since the law was written.
- It would exclude certain business-to-business money transmission activity.
- It would revise the cost structure by replacing the examination fee and the annual renewal fee with an annual assessment based on North Carolina transmission volume.
- It would convert the annual license into a perpetual license.

ASSUMPTIONS AND METHODOLOGY:

Senate Bill 680 would revise the current fee structure by replacing the examination fee and the annual renewal fee with an annual assessment based on North Carolina’s transmission volume.

Each application for initial licensure would include a nonrefundable filing fee of \$1,500. Each licensee would pay an annual assessment consisting of a base amount of \$5,000 for volumes of no

more than \$1,000,000 plus an additional sum, calculated on the transmission dollar volume reported by the licensee pursuant to G.S. 53-208.53 for the previous calendar year. The cumulative assessment shall be calculated as follows:

Transmission in U.S. Dollar Volume	Per U.S. Dollar
\$1,000,001 to \$5,000,000	\$0.0008
\$5,000,001 to \$10,000,000	\$0.0006
\$10,000,001 to \$50,000,000	\$0.00004
More Than \$50,000,000	\$0.0000006

The office of the North Carolina Commissioner of Banks reports that this change from a fee system to an assessment is intended to be revenue neutral and to meet the cost of regulation.

SOURCES OF DATA: North Carolina Commissioner of Banks; Committee Counsel Bill Summary

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Brian Slivka

APPROVED BY:

Mark Trogdon, Director
Fiscal Research Division

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