



100TH GENERAL ASSEMBLY

State of Illinois

2017 and 2018

HB4805

by Rep. David S. Olsen

SYNOPSIS AS INTRODUCED:

205 ILCS 657/30

Amends the Transmitters of Money Act. Provides that a money transmitter applicant or a money transmitter licensee shall post a bond in the amount of \$50,000 or an amount equal to 1% of all Illinois-based activity, whichever is greater (rather than the greater of \$100,000 or an amount equal to the daily average of outstanding payment instruments for the preceding 12 months or operational history). Effective immediately.

LRB100 16045 SMS 31164 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Transmitters of Money Act is amended by
5 changing Section 30 as follows:

6 (205 ILCS 657/30)

7 Sec. 30. Surety bond.

8 (a) An applicant for a license shall post and a licensee
9 must maintain with the Director a bond or bonds issued by
10 corporations qualified to do business as surety companies in
11 this State.

12 (b) The applicant or licensee shall post a bond in the
13 amount of \$50,000 or an amount equal to 1% of all
14 Illinois-based activity, whichever is greater, ~~the greater of~~
15 ~~\$100,000 or an amount equal to the daily average of outstanding~~
16 ~~payment instruments for the preceding 12 months or operational~~
17 ~~history, whichever is shorter,~~ up to a maximum amount of
18 \$2,000,000. When the amount of the required bond exceeds
19 \$1,000,000, the applicant or licensee may, in the alternative,
20 post a bond in the amount of \$1,000,000 plus a dollar for
21 dollar increase in the net worth of the applicant or licensee
22 over and above the amount required in Section 20, up to a total
23 amount of \$2,000,000.

1 (c) The bond must be in a form satisfactory to the Director
2 and shall run to the State of Illinois for the benefit of any
3 claimant against the applicant or licensee with respect to the
4 receipt, handling, transmission, and payment of money by the
5 licensee or authorized seller in connection with the licensed
6 operations. A claimant damaged by a breach of the conditions of
7 a bond shall have a right to action upon the bond for damages
8 suffered thereby and may bring suit directly on the bond, or
9 the Director may bring suit on behalf of the claimant.

10 (d) (Blank).

11 (e) (Blank).

12 (f) After receiving a license, the licensee must maintain
13 the required bond plus net worth (if applicable) until 5 years
14 after it ceases to do business in this State unless all
15 outstanding payment instruments are eliminated or the
16 provisions under the Revised Uniform Unclaimed Property Act
17 have become operative and are adhered to by the licensee.
18 Notwithstanding this provision, however, the amount required
19 to be maintained may be reduced to the extent that the amount
20 of the licensee's payment instruments outstanding in this State
21 are reduced.

22 (g) If the Director at any time reasonably determines that
23 the required bond is insecure, deficient in amount, or
24 exhausted in whole or in part, he may in writing require the
25 filing of a new or supplemental bond in order to secure
26 compliance with this Act and may demand compliance with the

1 requirement within 30 days following service on the licensee.

2 (Source: P.A. 100-22, eff. 1-1-18.)

3 Section 99. Effective date. This Act takes effect upon

4 becoming law.