
DIGEST

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HB 1230 Original

2026 Regular Session

Deshotel

Abstract: Provides relative to the "Louisiana Money Transmission Act".

Present law provides for "The Sale of Checks and Money Transmission Act".

Present law provides for definitions.

Present law provides for licensing requirements to engage in the business of money transmission or selling checks as a service.

Present law provides for the exemptions from licensing for present law.

Present law provides for the qualifications for licensure.

Present law provides relative to applications for licensure pursuant to present law.

Present law provides for fees, which include \$800 plus an additions \$25 dollars for each location in the state, statements, and bonds that are required for applications and for licensees.

Present law provides for when a temporary license may be granted.

Present law provides for maintenance of the bond required by present law.

Present law provides for the annual renewal fee and a late fee for licensees.

Present law provides relative to agents and subagents.

Present law provides that each licensee shall be liable for the payment of all checks which he sells or money he is obligated to transmit.

Present law provides that the commissioner, or his employee, shall visit or examine each licensee or his agent on a recurring schedule.

Present law provides for hearings to deny or revoke a license.

Present law provides for penalties.

Present law provides for annual reports from the licensee to the commissioner.

Present law provides for what a licensee shall hold in trust.

Present law provides for a list provided by a licensee who has had their license suspended or revoked, to the commission with the institutions the licensee has worked at.

Present law provides for the surety bond retained by the commissioner.

Present law provides for the notification from the commissioner in the event of a suspended or revoked license.

Present law provides for verification before a financial institution opens an account for a seller of checks or a person who transmits money.

Present law provides for when a licensee shall report certain information to the commissioner.

Present law provides for the delivery of funds requirements for money transmitters.

Proposed law repeals present law in its entirety.

Proposed law provides for the "Louisiana Money Transmission Act".

Proposed law provides for purpose.

Proposed law defines "acting in concert", "authorized agent", "average daily money transmission liability", "Bank Secrecy Act", "commissioner", "closed loop stored value", "control", "eligible rating", "eligible rating service", "federally insured depository financial institution", "in this state", "individual", "key individual", "licensee", "material litigation", "money", "monetary value", "money transmission", "MSB accredited state", "multistate licensing process", "NMLS", "office", "outstanding money transmission obligations", "passive investor", "payment instrument", "payroll processing service provider", "person", "receipt", "receiving money for transmission" or "money received for transmission", "resident", "stored value", and "tangible net worth".

Proposed law provides for exemptions for licensure pursuant to proposed law and provides that the commissioner may require documentation to verify the exemption.

Proposed law provides for the powers and duties of the commissioner pursuant to proposed law.

Proposed law provides that commissioner shall have the broad administrative authority to administer, interpret, and enforce the provisions of proposed law, and to promulgate rules or regulations for the implementation of proposed law, and to recover the cost of administering and enforcing proposed law by imposing and collecting proportionate and equitable fees and costs associated with applications, examinations, investigations, and other actions required to achieve the purpose of proposed law.

Proposed law provides for the supervision of a license.

Proposed law provides that each person required to be licensed and his authorized agent shall maintain in his office the books, records, and accounts of its money transmission activities as the commissioner may reasonably require in order to determine whether the person is complying with the provisions of proposed law.

Proposed law provides that to efficiently and effectively administer and enforce proposed law and to minimize regulatory burden, the commissioner is authorized to participate in multistate supervisory processes established between states and coordinated through the Conference of State Bank Supervisors, the Money Transmitter Regulators Association, and affiliates and successors thereof, for all licensees that hold licenses in this state and other states.

Proposed law provides that a person may not engage in the business of money transmission or advertise, solicit, or hold itself out as providing money transmission unless the person is licensed pursuant to proposed law.

Proposed law provides that in order to fulfill the purposes of proposed law, the commissioner may establish relationships or contracts with NMLS or other entities designated by NMLS.

Proposed law provides for what the commissioner may do to establish licensing between this state and other states.

Proposed law provides that applicants for a license shall apply in a form and medium prescribed by the commissioner.

Proposed law provides for what shall be included in the application process for licensure.

Proposed law provides for the application process for if an applicant is a corporation, limited liability company, partnership, or other legal entity.

Proposed law provides that a \$1500 fee shall accompany the application. Proposed law further provides that the fee shall be adjusted yearly in accordance with the Consumer Price Index.

Proposed law provides for what any individual in control of a licensee or applicant, any individual who seeks to acquire control of a licensee, and each key individual shall furnish to the commissioner through NMLS.

Proposed law provides for the process if an individual has resided outside the U.S. at any time in the last 10 years.

Proposed law provides for the process by which the commissioner shall issue a license or the process by which the commissioner issues a notice of denial.

Proposed law provides for the appeal process if an applicant is denied.

Proposed law provides that each person licensed as a money transmitter in accordance with proposed law shall submit an annual license renewal application and a nonrefundable fee in the amount of \$800, plus \$100 for each location in excess of one in La. through which the licensee plans to conduct money transmission during the license year.

Proposed law provides relative to the requirements of the annual renewal application.

Proposed law provides for a renewal fee.

Proposed law provides for when a license shall expire or under what circumstances it shall not be reinstated.

Proposed law provides that if a licensee does not continue to meet the qualifications or satisfy the requirements that apply to an applicant for a new money transmission license, the commissioner may suspend or revoke the licensee's license in accordance with the procedures established by proposed law or other applicable state law for such suspension or revocation.

Proposed law provides for the process by which any person, or group of persons acting in concert, is seeking to acquire control of a licensee.

Proposed law provides for application requirements and determination by the commissioner.

Proposed law provides for what a licensee shall do if they are replacing any key individual.

Proposed law provides that each licensee shall submit a report of condition, which shall be known as a Call Report, within 45 days of the end of the calendar quarter, or within any extended time as the commissioner may prescribe.

Proposed law provides for what the report of condition shall include.

Proposed law provides for what shall be filed with the commissioner by a licensee within 90 days after the end of each fiscal year, or within any extended time as the commissioner may prescribe.

Proposed law provides relative to audited financial statements filed with the commissioner.

Proposed law provides that each licensee shall submit a report of the authorized agent within 45 days of the end of the calendar quarter and proposed law provides for what shall be in the report.

Proposed law provides for a list of events that shall require a licensee to file a report with the commissioner.

Proposed law provides for what records the licensee shall maintain.

Proposed law provides for what a licensee shall do before a licensee is authorized to conduct business through an authorized agent or allows a person to act as the licensee's authorized agent.

Proposed law provides that a person shall not engage in the business of money transmission on behalf of a person not licensed or exempt pursuant to proposed law. A person who engages in such activity provides money transmission to the same extent as if the person were a licensee, and shall be jointly and severally liable with the unlicensed or nonexempt person.

Proposed law provides that a person shall not engage in money transmission under proposed law if the transmission of money, or its equivalent, is undertaken for the purpose of debt adjusting.

Proposed law provides relative to the timeline to transmit the monetary equivalent of all money or equivalent value received from a consumer for transmission.

Proposed law provides for enforcement of the timeline.

Proposed law provides that every licensee shall refund to the sender within 10 days of receipt of the sender's written request for a refund of any and all money received for transmission unless for any reason outlined in proposed law.

Proposed law provides that every licensee or its authorized agent shall provide the sender a receipt for money received for transmission.

Proposed law provides that a licensee pursuant to proposed law shall maintain at all times a tangible net worth of the greater of \$100 thousand or 3% of total assets for the first \$100 million, 2% of additional assets for \$100 million to \$1 billion, and ½% of additional assets for over \$1 billion.

Proposed law provides relative to the requirements of the bond.

Proposed law provides that a licensee shall maintain at all times permissible investments that have a market value computed in accordance with U.S. Generally Accepted Accounting Principles of not less than the aggregate amount of all of its outstanding money transmission obligations in all states.

Proposed law provides for what investments are permissible under proposed law.

Proposed law provides relative to the use of letters of credit.

Proposed law provides for circumstances when the commissioner suspended or revokes a license or order a licensee to revoke the designation of an authorized agent.

Proposed law provides the instances in which the office may implement an enforcement action against a licensee or person who is not a licensee but is engaging in money transmission activities with, or on behalf of, a resident.

Proposed law provides for the instances for when the commissioner may, upon discovery, order an immediate suspension of the license of any person licensed pursuant to proposed law.

Proposed law provides for when the commissioner may issue a cease and desist.

Proposed law provides that the commissioner may report apparent violations to other appropriate state and federal regulators, the NMLS, federal law enforcement agencies, the attorney general, or the district attorney of the appropriate parish, who may institute any proceeding as he considers appropriate.

Proposed law provides that any licensee whose license was issued pursuant to proposed law and has been revoked for any reason may not reapply for a license until at least five years have elapsed from the date of the order of revocation, unless the commissioner, in his sole discretion, prescribes an earlier or later date.

Proposed law provides for the circumstances under which the commissioner may issue an order suspending or revoking the designation of an authorized agent.

Proposed law provides relative to the notice and hearing process relating to the revocation of a license.

Proposed law provides that the commissioner may at any time revoke a license on any ground on which he might refuse to grant a license, or for failure to pay an annual fee, or for violation of any provision of proposed law, and any such revocation shall be implemented in accordance with the provisions of proposed law.

Proposed law provides that the commissioner may enter into a consent order at any time with a person to resolve a matter arising pursuant to proposed law or a rule or regulation adopted or order issued relative to proposed law.

Proposed law provides relative to the criminal penalties for persons in violation of proposed law.

Proposed law provides that the commissioner may assess a civil money penalty against a person that violates any provision of proposed law or a rule or regulation adopted or an order issued relative to proposed law in an amount not to exceed \$1000 per day for each day the violation is outstanding, plus this state's costs and expenses for the investigation and prosecution of the matter, including reasonable attorney's fees.

Proposed law provides relative to what the commissioner may do in regards to persons violating proposed law.

Proposed law provides relative to the investigation process of possible violations of proposed law.

Proposed law provides that a person licensed in this state to engage in the business of money transmission shall not be subject to the provisions of this Act, to the extent that they conflict with or establish new requirements not imposed under law as it existed immediately prior to the effective date of this Act, until such time as the licensee renews its current license or for twelve months after the effective date of this Act, whichever is later.

Proposed law provides that a licensee shall only be required to amend its authorized agent contracts

for contracts entered into or amended after the effective date or the completion of any transition period. Nothing herein shall be construed as limiting an authorized agent's obligations to operate in full compliance with this Act as required by proposed law.

Proposed law provides that in applying and construing the provisions of proposed law established in this Act, consideration may be given to the need to promote uniformity of the law with respect to its subject matter among states.

Proposed law provides for severability.

Proposed law provides that the La. State Law Institute is hereby authorized and directed to recodify the provisions of present and proposed law, to designate the newly enacted proposed law with any non-substantive, technical changes that may be necessary.

Effective July 1, 2026.

(Amends R.S. 6:1031-1072)