

SUBJECT: Regulating currency exchange businesses

COMMITTEE: Financial Institutions — favorable, without amendment

VOTE: 6 ayes — Marchant, Carona, Elkins, Giddings, Gutierrez, Patterson
0 nays
3 absent — Grusendorf, Hudson, Romo

SENATE VOTE: On final passage, February 23 — 29-0

WITNESSES: For — Mickey Moore, Texas Retailers Association
Against — None

DIGEST: SB 451 would require a business that accepts foreign currency as a routine part of business and meets the qualifications to be exempted from regulation to notify the Texas banking department rather than file with the department each year and pay a nonrefundable application fee. The business would be required to notify the banking commissioner in writing that it qualifies for the exemption and certify that the foreign currency exchange performed at the business is eligible under the exemption.

The bill would no longer require the banking department to grant an exemption to a business that claims an exemption or to recover the cost of processing exemption applications.

The bill would take effect immediately if approved by two-thirds of the membership of each house.

SUPPORTERS SAY: Since 1991, the state has regulated currency exchange businesses under the money laundering act. Businesses that exchange small amounts of foreign currency as a routine part of their operations are exempted, but must file with the banking department and pay nonrefundable application each year. The banking department is required to recoup the cost of processing the application and has been charging \$100 for the service.

SB 451
House Research Organization
page 2

SB 451 would allow businesses that are eligible for exemption to notify and certify to the banking department that they are eligible without having to pay \$100 a year. Most of these businesses are small, and a \$100 annual fee can be burdensome.

OPPONENTS
SAY:

No apparent opposition