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**SUBSTITUTE HOUSE BILL 2523**

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**State of Washington**

**63rd Legislature**

**2014 Regular Session**

**By** House Business & Financial Services (originally sponsored by Representatives Kirby, Vick, and Santos)

READ FIRST TIME 01/24/14.

1 AN ACT Relating to money transmitters; and amending RCW 19.230.330.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

3 **Sec. 1.** RCW 19.230.330 and 2010 c 73 s 12 are each amended to read  
4 as follows:

5 (1)(a) Every money transmitter licensee and its authorized  
6 delegates shall transmit the monetary equivalent of all money or  
7 equivalent value received from a customer for transmission, net of any  
8 fees, or issue instructions committing the money or its monetary  
9 equivalent, to the person designated by the customer within ten  
10 business days after receiving the money or equivalent value, unless  
11 otherwise ordered by the customer or when the transmission is for the  
12 payment of goods or services or unless the licensee or its authorized  
13 delegate has reason to believe that a crime has occurred, is occurring,  
14 or may occur as a result of transmitting the money. For purposes of  
15 this subsection, money is considered to have been transmitted when it  
16 is available to the person designated by the customer and a reasonable  
17 effort has been made to inform this designated person that the money is  
18 available, whether or not the designated person has taken possession of  
19 the money. As used in this subsection, "monetary equivalent," when

1 used in connection with a money transmission in which the customer  
2 provides the licensee or its authorized delegate with the money of one  
3 government, and the designated recipient is to receive the money of  
4 another government, means the amount of money, in the currency of the  
5 government that the designated recipient is to receive, as converted at  
6 the retail exchange rate offered by the licensee or its authorized  
7 delegate to the customer in connection with the transaction.

8 (b) A money transmitter licensee that accepts money or its  
9 equivalent from consumers purchasing goods or services from third-party  
10 merchants and transmits the money or its equivalent to those merchants  
11 selling the goods or services to the consumer must:

12 (i) Transmit the money or its equivalent to the merchant within the  
13 time frame agreed upon in the merchant's agreement with the money  
14 transmitter licensee; and

15 (ii) Conspicuously disclose to the merchant in the agreement the  
16 money transmitter licensee's authority to place a hold or delay in  
17 transmittal of consumer money or its equivalent for more than ten  
18 business days and the general circumstances under which the merchant  
19 may be subject to a hold or delay.

20 (2) Every money transmitter licensee and its authorized delegates  
21 shall provide a receipt to the customer that clearly states the amount  
22 of money presented for transmission and the total of any fees charged  
23 by the licensee. If the rate of exchange for a money transmission to  
24 be paid in the currency of another country is fixed by the licensee for  
25 that transaction at the time the money transmission is initiated, then  
26 the receipt provided to the customer shall disclose the rate of  
27 exchange for that transaction, and the duration, if any, for the  
28 payment to be made at the fixed rate of exchange so specified. If the  
29 rate of exchange for a money transmission to be paid in the currency of  
30 another country is not fixed at the time the money transmission is  
31 sent, the receipt provided to the customer shall disclose that the rate  
32 of exchange for that transaction will be set at the time the recipient  
33 of the money transmission picks up the funds in the foreign country.  
34 The receipt shall also contain the licensee name, address, and phone  
35 number. As used in this section, "fees" does not include revenue that  
36 a licensee or its authorized delegate generates, in connection with a  
37 money transmission, in the conversion of the money of one government  
38 into the money of another government.

1           (3) Every money transmitter licensee and its authorized delegates  
2 shall refund to the customer all moneys received for transmittal within  
3 ten days of receipt of a written request for a refund unless any of the  
4 following occurs:

5           (a) The moneys have been transmitted and delivered to the person  
6 designated by the customer prior to receipt of the written request for  
7 a refund;

8           (b) Instructions have been given committing an equivalent amount of  
9 money to the person designated by the customer prior to receipt of a  
10 written request for a refund;

11           (c) The licensee or its authorized delegate has reason to believe  
12 that a crime has occurred, is occurring, or may potentially occur as a  
13 result of transmitting the money as requested by the customer or  
14 refunding the money as requested by the customer; or

15           (d) The licensee is otherwise barred by law from making a refund.

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