



General Assembly

January Session, 2025

Substitute Bill No. 6991



AN ACT CONCERNING DEFINITIONS APPLICABLE TO THE MONEY TRANSMISSION STATUTES AND SOLICITATIONS AND ADVERTISEMENTS BY MONEY TRANSMISSION LICENSEES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 36a-596 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2025*):

3 As used in sections 36a-595 to 36a-614, inclusive, unless the context
4 otherwise requires:

5 (1) "Advertise" or "advertising" has the same meaning as provided in
6 section 36a-485.

7 (2) "Authorized delegate" means a person designated by a person
8 licensed pursuant to sections 36a-595 to 36a-612, inclusive, to provide
9 money transmission services on behalf of such licensed person.

10 (3) "Control" means (A) the power to vote, directly or indirectly, at
11 least twenty-five per cent of the outstanding voting shares or voting
12 interests of a licensee or person in control of a licensee, (B) the power to
13 elect or appoint a majority of key individuals or executive officers,
14 managers, directors, trustees or other persons exercising managerial
15 authority of a person in control of a licensee, or (C) the power to exercise,
16 directly or indirectly, a controlling influence over the management or
17 policies of a licensee or person in control of a licensee. For purposes of

18 this subdivision, (i) a person is presumed to exercise a controlling
19 influence when the person holds the power to vote, directly or
20 indirectly, at least ten per cent of the outstanding voting shares or voting
21 interests of a licensee or person in control of a licensee, (ii) a person
22 presumed to exercise a controlling influence can rebut such
23 presumption if the person is a passive investor, and (iii) to determine
24 the percentage of control, a person's interest shall be aggregated with
25 the interest of any other immediate family member, including the
26 person's spouse, parent, child, sibling, mother-in-law, father-in-law,
27 son-in-law, daughter-in-law, brother-in-law, sister-in-law and any other
28 person who shares the person's home.

29 (4) "Control person" means any individual in control of a licensee or
30 applicant, any individual who seeks to acquire control of a licensee or a
31 key individual.

32 (5) "Digital wallet" means any electronic or digital functionality that
33 (A) stores account or payment credentials for a consumer, including, but
34 not limited to, in encrypted or tokenized form, and (B) transmits, routes
35 or otherwise processes such stored account or payment credentials to
36 facilitate a consumer payment transaction.

37 ~~[(5)]~~ (6) "Electronic payment instrument" (A) means a card or other
38 tangible object (i) for the transmission of money or monetary value or
39 payment of money, (ii) which contains a microprocessor chip, magnetic
40 stripe or other means for the storage of information, (iii) that is
41 prefunded, and (iv) for which the value is decremented upon each use,
42 and (B) does not include a card or other tangible object that is
43 redeemable by the issuer in the issuer's goods or services.

44 ~~[(6)]~~ (7) "Existing customer" means a consumer who (A) is engaging
45 in a transaction at a virtual currency kiosk in the state, (B) has performed
46 not fewer than three virtual currency transactions with the owner or
47 operator of such virtual currency kiosk, and (C) has been registered as a
48 customer of such owner or operator for more than seventy-two hours.

49 ~~[(7)]~~ (8) "Holder" means a person, other than a purchaser, who is

50 either in possession of a payment instrument and is the named payee
51 thereon or in possession of a payment instrument issued or endorsed to
52 such person or bearer or in blank. "Holder" does not include any person
53 who is in possession of a lost, stolen or forged payment instrument.

54 [(8)] (9) "Key individual" means any individual ultimately
55 responsible for establishing or directing policies and procedures of the
56 licensee, including, but not limited to, an executive officer, manager,
57 director or trustee.

58 [(9)] (10) "Licensee" means any person licensed or required to be
59 licensed pursuant to sections 36a-595 to 36a-612, inclusive.

60 [(10)] (11) "Main office" has the same meaning as provided in section
61 36a-485.

62 [(11)] (12) "Monetary value" means a medium of exchange, whether
63 or not redeemable in money.

64 [(12)] (13) "Money transmission" means engaging, directly or as an
65 intermediary on behalf of another person, in the business of issuing or
66 selling payment instruments or stored value, receiving money or
67 monetary value for current or future transmission or the business of
68 transmitting money or monetary value within the United States or to
69 locations outside the United States by any and all means including, but
70 not limited to, payment instrument, wire, facsimile, electronic transfer,
71 [or] virtual currency kiosk or digital wallet, including, but not limited
72 to, a digital wallet utilized in connection with a consumer payment
73 mobile application.

74 [(13)] (14) "New customer" means a consumer who (A) is engaging in
75 a transaction at a virtual currency kiosk in the state, (B) has performed
76 fewer than three virtual currency transactions with the owner or
77 operator of such virtual currency kiosk, and (C) has been registered as a
78 customer of such owner or operator for less than seventy-two hours.

79 [(14)] (15) "Outstanding" means (A) in the case of a payment

80 instrument or stored value, that (i) such instrument or value is sold or
81 issued in the United States, (ii) a report of such instrument or value has
82 been received by a licensee from its authorized delegates, and (iii) such
83 instrument or value has not yet been paid by the issuer, and (B) for all
84 other money transmissions, the value reported to the licensee for which
85 the licensee or any authorized delegate has received money or its
86 equivalent value from the customer for transmission, but has not yet
87 completed the money transmission by delivering the money or
88 monetary value to the person designated by the customer.

89 [(15)] (16) "Passive investor" means a person that (A) does not have
90 the power to elect a majority of key individuals or executive officers,
91 managers, directors, trustees or other persons exercising managerial
92 authority of a person in control of a licensee, (B) is not employed by and
93 does not have any managerial duties of the licensee or person in control
94 of a licensee, (C) does not have the power to exercise, directly or
95 indirectly, a controlling influence over the management or policies of a
96 licensee or person in control of a licensee, and (D) attests to
97 subparagraphs (A), (B) and (C) of this subdivision in the form and
98 manner prescribed by the commissioner.

99 [(16)] (17) "Payment instrument" means a check, draft, money order,
100 travelers check or electronic payment instrument that evidences either
101 an obligation for the transmission of money or monetary value or
102 payment of money, or the purchase or the deposit of funds for the
103 purchase of such check, draft, money order, travelers check or electronic
104 payment instrument.

105 [(17)] (18) "Permissible investment" means (A) (i) cash in United
106 States currency, including, but not limited to, demand deposits, savings
107 deposits and funds in demand deposit and savings deposit accounts
108 held for the benefit of a licensee's customers in an insured depository
109 institution, and (ii) cash equivalents, including, but not limited to, (I)
110 automated clearing house items in transit to a licensee or payee, (II)
111 international wires in transit to a payee, (III) cash in transit via armored
112 car, (IV) cash in smart safes, (V) cash in locations owned by licensees,

113 (VI) transmission receivables that are funded by debit cards or credit
114 cards and owed by any bank, and (VII) money market mutual funds
115 rated "AAA" or the equivalent by S & P Global, Incorporated, in the "S
116 & P Global Ratings" or by any other rating service recognized by the
117 commissioner, (B) time deposits, as defined in section 36a-2, or other
118 debt instruments of a bank, (C) bills of exchange or bankers acceptances
119 which are eligible for purchase by member banks of the Federal Reserve
120 System, (D) commercial paper of prime quality, (E) interest-bearing
121 bills, notes, bonds, debentures or other obligations issued or guaranteed
122 by (i) the United States or any of its agencies or instrumentalities, or (ii)
123 any state, or any agency, instrumentality, political subdivision, school
124 district or legally constituted authority of any state if such investment is
125 of prime quality, (F) interest-bearing bills or notes, or bonds, debentures
126 or preferred stocks, traded on any national securities exchange or on a
127 national over-the-counter market, if such debt or equity investments are
128 of prime quality, (G) receivables due from authorized delegates
129 consisting of the proceeds of the sale of payment instruments which are
130 not past due or doubtful of collection, (H) gold, and (I) any other
131 investments approved by the commissioner. Notwithstanding the
132 provisions of this subdivision, if the commissioner at any time finds that
133 an investment of a licensee is unsatisfactory for investment purposes,
134 the investment shall not qualify as a permissible investment.

135 [(18)] (19) "Prime quality" of an investment means that it is within the
136 top four rating categories in any rating service recognized by the
137 commissioner unless the commissioner determines for any licensee that
138 only those investments in the top three rating categories qualify as
139 prime quality.

140 [(19)] (20) "Purchaser" means a person who buys or has bought a
141 payment instrument or who has given money or monetary value for
142 current or future transmission.

143 [(20)] (21) "Receipt" means a paper record, electronic record or other
144 written confirmation of a money transmission transaction.

145 [(21)] (22) "Stored value" means monetary value, including, but not
146 limited to, a claim against the issuer of monetary value, that is evidenced
147 by an electronic or digital record. For the purposes of this subdivision,
148 "electronic or digital record" means information that is stored in an
149 electronic medium and is retrievable in perceivable form.

150 [(22)] (23) "Travelers check" means a payment instrument for the
151 payment of money that contains a provision for a specimen signature of
152 the purchaser to be completed at the time of a purchase of the
153 instrument and a provision for a countersignature of the purchaser to
154 be completed at the time of negotiation.

155 [(23)] (24) "Unique identifier" has the same meaning as provided in
156 section 36a-485.

157 [(24)] (25) "Virtual currency" means any type of digital unit that is
158 used as a medium of exchange or a form of digitally stored value or that
159 is incorporated into payment system technology. Virtual currency shall
160 be construed to include digital units of exchange that (A) have a
161 centralized repository or administrator, (B) are decentralized and have
162 no centralized repository or administrator, or (C) may be created or
163 obtained by computing or manufacturing effort. Virtual currency shall
164 not be construed to include digital units that are used (i) solely within
165 online gaming platforms with no market or application outside such
166 gaming platforms, or (ii) exclusively as part of a consumer affinity or
167 rewards program, and can be applied solely as payment for purchases
168 with the issuer or other designated merchants, but cannot be converted
169 into or redeemed for fiat currency.

170 [(25)] (26) "Virtual currency address" means an alphanumeric
171 identifier representing a destination for a virtual currency transfer that
172 is associated with a virtual currency wallet.

173 [(26)] (27) "Virtual currency kiosk" means an electronic terminal
174 acting as a mechanical agent of the owner or operator to enable the
175 owner or operator to facilitate the exchange of virtual currency for fiat
176 currency or other virtual currency, including, but not limited to, by (A)

177 connecting directly to a separate virtual currency exchanger that
178 performs the actual virtual currency transmission, or (B) drawing upon
179 the virtual currency in the possession of the owner or operator of the
180 electronic terminal.

181 ~~[(27)]~~ (28) "Virtual currency wallet" means a software application or
182 other mechanism providing a means for holding, storing and
183 transferring virtual currency.

184 Sec. 2. Subsection (c) of section 36a-611 of the general statutes is
185 repealed and the following is substituted in lieu thereof (*Effective October*
186 *1, 2025*):

187 (c) (1) The unique identifier of any person licensed under section 36a-
188 600 shall be clearly shown on all solicitations and advertisements,
189 including any business card used to solicit money transmission business
190 and Internet web site, and any other documents as established by rule,
191 regulation or order of the commissioner, and shall be clearly stated in
192 all audio solicitations and advertisements. The solicitations or
193 advertisements of any person licensed under section 36a-600 (A) shall
194 not include any statement that such person is endorsed in any way by
195 this state, except that such solicitations and advertisements may include
196 a statement that such person is licensed in this state; (B) shall not include
197 any statement or claim that is deceptive, false or misleading; (C) shall
198 not include any statement or claim that funds deposited with such
199 person are eligible for Federal Deposit Insurance Corporation
200 protections; ~~[(C)]~~ (D) shall otherwise conform to the requirements of
201 sections 36a-595 to 36a-612, inclusive, any regulations issued thereunder
202 and any other applicable law; and ~~[(D)]~~ (E) shall be retained for two
203 years from the date of use of such solicitation or advertising.

204 (2) Notwithstanding the provisions of subdivision (1) of this
205 subsection, an advertisement or solicitation on a third-party Internet
206 web site need not include the unique identifier of a person licensed
207 under section 36a-600, provided such advertisement or solicitation
208 contains a link to a solicitation, advertisement or Internet web site that

209 clearly shows the unique identifier of such person.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2025</i>	36a-596
Sec. 2	<i>October 1, 2025</i>	36a-611(c)

BA *Joint Favorable*