

LEGISLATURE OF NEBRASKA  
ONE HUNDRED NINTH LEGISLATURE  
FIRST SESSION

**LEGISLATIVE BILL 473**

Introduced by Banking, Commerce and Insurance Committee: Jacobson, 42, Chairperson; Bostar, 29; Hallstrom, 1; Hardin, 48; Riepe, 12; von Gillern, 4; Wordekemper, 15; Sorrentino, 39.

Read first time January 21, 2025

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to the Nebraska Money Transmitters Act; to  
2 amend sections 8-2701, 8-2702, 8-2703, 8-2704, 8-2705, 8-2706,  
3 8-2707, 8-2708, 8-2709, 8-2710, 8-2711, 8-2712, 8-2713, 8-2714,  
4 8-2715, 8-2716, 8-2717, 8-2718, 8-2719, 8-2720, 8-2721, 8-2722,  
5 8-2723, 8-2725, 8-2726, 8-2727, 8-2728, 8-2731, 8-2732, 8-2733,  
6 8-2734, 8-2736, 8-2737, 8-2738, 8-2739, 8-2740, 8-2741, 8-2742, and  
7 8-3027, Reissue Revised Statutes of Nebraska, and sections 8-602,  
8 8-2724, 8-2729, 8-2730, 8-2735, and 8-3025, Revised Statutes  
9 Cumulative Supplement, 2024; to define, redefine, and eliminate  
10 terms; to change provisions relating to licenses, applicability,  
11 exemptions, powers and duties of the Director of Banking and  
12 Finance, implementation, confidentiality, examination and  
13 investigation, multistate supervision, applications, information  
14 required by the director, control, required reports, audited  
15 financials, records, authorized delegates, prohibited activities,  
16 money transmission procedures, refunds, receipts, required  
17 disclosures, surety bonds, permissible investments, suspension,  
18 cancellation, and revocation of a license or designation, orders to  
19 cease and desist, consent orders, violations, fees, charges, and  
20 costs; to provide for penalties and fines; to harmonize provisions;  
21 to provide an operative date; to repeal the original sections; and  
22 to outright repeal sections 8-2743, 8-2744, 8-2745, 8-2746, and

- 1 8-2747, Reissue Revised Statutes of Nebraska.
- 2 Be it enacted by the people of the State of Nebraska,

1           **Section 1.** Section 8-602, Revised Statutes Cumulative Supplement,  
2 2024, is amended to read:

3           8-602 The Director of Banking and Finance shall charge and collect  
4 fees for certain services rendered by the Department of Banking and  
5 Finance according to the following schedule:

6           (1) For filing and examining articles of incorporation, articles of  
7 association, and bylaws, except credit unions, one hundred dollars, and  
8 for credit unions, fifty dollars;

9           (2) For filing and examining an amendment to articles of  
10 incorporation, articles of association, and bylaws, except credit unions,  
11 fifty dollars, and for credit unions, fifteen dollars;

12           (3) For issuing to banks, credit card banks, trust companies, and  
13 building and loan associations a charter, authority, or license to do  
14 business in this state, a sum which shall be determined on the basis of  
15 one dollar and fifty cents for each one thousand dollars of authorized  
16 capital, except that the minimum fee in each case shall be two hundred  
17 twenty-five dollars;

18           (4) For issuing to digital asset depositories under the Nebraska  
19 Financial Innovation Act a charter to do business in this state, the sum  
20 of fifty thousand dollars;

21           (5) For issuing an executive officer's or loan officer's license,  
22 fifty dollars at the time of the initial license, except credit unions  
23 for which the fee shall be twenty-five dollars at the time of the initial  
24 license;

25           (6) For affixing certificate and seal, five dollars;

26           (7) For making substitution of securities held by it and issuing a  
27 receipt, fifteen dollars;

28           (8) For issuing a certificate of approval to a credit union, ten  
29 dollars;

30           (9) For investigating the applications required by sections 8-117,  
31 8-120, 8-331, and 8-2402 and the documents required by section 8-201, the

1 cost of such examination, investigation, and inspection, including all  
2 legal expenses and the cost of any hearing transcript, with a minimum fee  
3 under (a) sections 8-117, 8-120, and 8-2402 of two thousand five hundred  
4 dollars, (b) section 8-331 of two thousand dollars, and (c) section 8-201  
5 of one thousand dollars. The department may require the applicant to  
6 procure and give a surety bond in such principal amount as the department  
7 may determine and conditioned for the payment of the fees provided in  
8 this subdivision;

9 (10) For the handling of pledged securities as provided in sections  
10 8-210 ~~, 8-2727,~~ and 8-3022 at the time of the initial deposit of such  
11 securities, one dollar and fifty cents for each thousand dollars of  
12 securities deposited and a like amount on or before January 15 each year  
13 thereafter. The fees shall be paid by the entity pledging the securities;

14 (11) For investigating an application to move its location within  
15 the city or village limits of its original license or charter for banks,  
16 trust companies, and building and loan associations, two hundred fifty  
17 dollars;

18 (12) For investigating an application under subdivision (6) of  
19 section 8-115.01, five hundred dollars;

20 (13) For investigating an application for approval to establish or  
21 acquire a branch pursuant to section 8-157 or 8-2103 or to establish a  
22 mobile branch pursuant to section 8-157, two hundred fifty dollars;

23 (14) For investigating a notice of acquisition of control under  
24 subsection (1) of section 8-1502, five hundred dollars;

25 (15) For investigating an application for a cross-industry merger  
26 under section 8-1510, five hundred dollars;

27 (16) For investigating an application for a merger of two state  
28 banks, a merger of a state bank and a national bank in which the state  
29 bank is the surviving entity, or an interstate merger application in  
30 which the Nebraska state chartered bank is the resulting bank, five  
31 hundred dollars;

1 (17) For investigating an application or a notice to establish a  
2 branch trust office, five hundred dollars;

3 (18) For investigating an application or a notice to establish a  
4 representative trust office, five hundred dollars;

5 (19) For investigating an application to establish a credit union  
6 branch under section 21-1725.01, two hundred fifty dollars;

7 (20) For investigating an applicant under section 8-1513, five  
8 thousand dollars;

9 (21) For investigating a request to extend a conditional bank  
10 charter under section 8-117, one thousand dollars; and

11 (22) For investigating an application to establish a branch office,  
12 for a merger or an acquisition of control, or for a request to extend a  
13 conditional charter for a digital asset depository, five hundred dollars.

14 **Sec. 2.** Section 8-2701, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 8-2701 Sections 8-2701 to ~~8-2742~~ 8-2747 shall be known and may be  
17 cited as the Nebraska Money Transmitters Act.

18 **Sec. 3.** Section 8-2702, Reissue Revised Statutes of Nebraska, is  
19 amended to read:

20 8-2702 For purposes of the Nebraska Money Transmitters Act: ~~the~~  
21 ~~definitions found in sections 8-2703 to 8-2723 shall be used.~~

22 (1) Acting in concert means persons knowingly acting together with a  
23 common goal of jointly acquiring control of a licensee whether or not  
24 pursuant to an express agreement;

25 (2) Applicant means a person filing an application for a license  
26 under the Nebraska Money Transmitters Act;

27 (3) Authorized delegate means a person designated by the licensee to  
28 engage in money transmission on behalf of the licensee;

29 (4) Average daily money transmission liability means the amount of  
30 the licensee's outstanding money transmission obligations in this state  
31 at the end of each day in a given period of time, added together, and

1 divided by the total number of days in the given period of time. For  
2 purposes of calculating average daily money transmission liability under  
3 the Nebraska Money Transmitters Act for any licensee required to do so,  
4 the given period of time shall be each calendar quarter;

5 (5) Closed loop stored value means stored value that is redeemable  
6 by the issuer of such stored value only for goods or services provided by  
7 the issuer or affiliates of such issuer or franchisees of the issuer or  
8 affiliates of such franchisees, except to the extent the stored value is  
9 required by applicable law to be redeemable in cash for the cash value of  
10 the stored value;

11 (6)(a) Control means:

12 (i) Direct or indirect power over the vote of at least twenty-five  
13 percent of the outstanding voting shares or voting interests of a  
14 licensee or person in control of a licensee;

15 (ii) The power to elect or appoint a majority of key individuals,  
16 executive officers, managers, directors, trustees, or other persons that  
17 have managerial authority of a person in control of a licensee; or

18 (iii) The power to exercise, directly or indirectly, a controlling  
19 influence over the management or policies of a licensee or person in  
20 control of a licensee.

21 (b) For purposes of determining the percentage of a person  
22 controlled by any other person, the person's interest shall be aggregated  
23 with the interest of any other immediate family member, including the  
24 person's spouse, parents, children, siblings, mothers-in-law, fathers-in-  
25 law, sons-in-law, daughters-in-law, brothers-in-law, and sisters-in-law,  
26 and any other person who shares such person's residence;

27 (7) Department means the Department of Banking and Finance;

28 (8) Director means the Director of Banking and Finance;

29 (9) Eligible rating means a credit rating of any of the three  
30 highest rating categories provided by an eligible rating service, whereby  
31 each category may include rating category modifiers such as plus or minus

1 for Standard and Poor's Corporation or the equivalent for any other  
2 eligible rating service. Long-term credit ratings are deemed eligible if  
3 the rating is equal to A- or higher by Standard and Poor's Corporation,  
4 or the equivalent from any other eligible rating service. Short-term  
5 credit ratings are deemed eligible if the rating is equal to or higher  
6 than A-2 or SP-2 by Standard and Poor's Corporation or the equivalent  
7 from any other eligible rating service. In the event that ratings differ  
8 among eligible rating services, the highest rating shall apply when  
9 determining whether a security bears an eligible rating.

10 (10) Eligible rating service means any nationally recognized  
11 statistical rating organization approved by the Securities and Exchange  
12 Commission and any other organization designated by the director by rule  
13 or order;

14 (11) Federally insured depository financial institution means a  
15 bank, credit union, savings and loan association, trust company, savings  
16 association, savings bank, industrial bank, or industrial loan company  
17 organized under the laws of the United States or any state of the United  
18 States, when such bank, credit union, savings and loan association, trust  
19 company, savings association, savings bank, industrial bank, or  
20 industrial loan company has federally insured deposits;

21 (12) In this state means at a physical location within this state  
22 for a transaction requested in person. For a transaction requested  
23 electronically or by telephone, the provider of money transmission may  
24 determine if the person requesting the transaction is in this state by  
25 relying on other information provided by such person regarding the  
26 location of the individual's residential address or the entity's  
27 principal place of business or other physical address location and any  
28 records associated with such person that the provider of money  
29 transmission may have that indicate the location of the individual's  
30 residential address or the entity's principal place of business or other  
31 physical address location, including, but not limited to, an address

1 associated with an account;

2 (13) Individual means a natural person;

3 (14) Key individual means any individual ultimately responsible for

4 establishing or directing policies and procedures of the licensee, such

5 as an executive officer, manager, director, or trustee;

6 (15) Licensee means a person licensed under the Nebraska Money

7 Transmitters Act;

8 (16) Material litigation means litigation, that according to United

9 States generally accepted accounting principles, is significant to a

10 person's financial health and would be required to be disclosed in the

11 person's annual audited financial statements, report to shareholders, or

12 similar records;

13 (17) Model Money Transmission Modernization Act means the Model

14 Money Transmission Modernization Act approved for state adoption by the

15 Conference of State Bank Supervisors Board of Directors that sets

16 nationwide standards, including net worth, surety bond, and permissible

17 investments requirements, to modernize the supervision and regulation of

18 money transmitters;

19 (18) Monetary value means a medium of exchange, whether or not

20 redeemable in money;

21 (19) Money means a medium of exchange that is authorized or adopted

22 by the United States or a foreign government. Money includes a monetary

23 unit of account established by an intergovernmental organization or by

24 agreement between two or more governments;

25 (20)(a) Money transmission means any of the following:

26 (i) Selling or issuing payment instruments to a person located in

27 this state;

28 (ii) Selling or issuing stored value to a person located in this

29 state; and

30 (iii) Receiving money for transmission from a person located in this

31 state.

1       (b) Money transmission includes payroll processing services. Money  
2 transmission does not include the provision solely of online or  
3 telecommunications services or network access;

4       (21) Multistate licensing process means any agreement entered into  
5 by and among state regulators relating to coordinated processing of  
6 applications for money transmission licenses, applications for the  
7 acquisition of control of a licensee, control determinations, or notice  
8 and information requirements for a change of key individuals;

9       (22) Nationwide Mortgage Licensing System and Registry means the  
10 Nationwide Mortgage Licensing System and Registry, also known as the  
11 Nationwide Multistate Licensing System and Registry, developed by the  
12 Conference of State Bank Supervisors and the American Association of  
13 Residential Mortgage Regulators and owned and operated by the State  
14 Regulatory Registry LLC, or any successor or affiliated entity, for the  
15 licensing and registration of persons in financial services industries;

16       (23)(a) Outstanding money transmission obligation means:

17       (i) Any payment instrument or stored value issued or sold by the  
18 licensee to a person located in the United States or reported as sold by  
19 an authorized delegate of the licensee to a person that is located in the  
20 United States that has not yet been paid or refunded by or for the  
21 licensee or has been escheated in accordance with applicable abandoned  
22 property laws; or

23       (ii) Any money received for transmission by the licensee or an  
24 authorized delegate in the United States from a person located in the  
25 United States that has not been received by the payee or refunded to the  
26 sender or has been escheated in accordance with applicable abandoned  
27 property laws.

28       (b) For purposes of subdivision (23) of this section, in the United  
29 States includes, to the extent applicable, a person in any state,  
30 territory, or possession of the United States; the District of Columbia;  
31 the Commonwealth of Puerto Rico; or a United States military installation

1 that is located in a foreign country;

2 (24) Payment instrument means a written or electronic check, draft,  
3 money order, traveler's check, or other written or electronic instrument  
4 for the transmission or payment of money or monetary value, whether or  
5 not negotiable. Payment instrument does not include stored value or any  
6 instrument that:

7 (a) Is redeemable by the issuer only for goods or services provided  
8 by the issuer or affiliates of such issuer or franchisees of the issuer  
9 or affiliates of such franchisees except to the extent the instrument is  
10 required by applicable law to be redeemable in cash for the cash value of  
11 the instrument; or

12 (b) Is not sold publicly but issued and distributed as part of a  
13 loyalty, rewards, or promotional program;

14 (25) Payroll processing services means receiving money for  
15 transmission pursuant to a contract with a person to deliver wages or  
16 salaries, make payment of payroll taxes to state and federal agencies,  
17 make payments relating to employee benefit plans, or make distributions  
18 of other authorized deductions from wages or salaries. Payroll processing  
19 services does not include an employer performing payroll processing  
20 services on the employer's own behalf or on behalf of an affiliate of the  
21 employer;

22 (26) Person means any individual, general partnership, limited  
23 partnership, limited liability company, corporation, trust, association,  
24 joint stock corporation, or other corporate entity identified by the  
25 director;

26 (27) Receipt means a paper receipt, electronic record, or other  
27 written confirmation;

28 (28) Receiving money for transmission or money received for  
29 transmission means receiving money or monetary value in the United States  
30 for transmission within or outside the United States by electronic or  
31 other means;

1       (29) Remit means to make direct payments of money to a licensee or a  
2 representative of a licensee authorized to receive money or to deposit  
3 money in a bank in an account specified by the licensee; and

4       (30) Stored value means monetary value representing a claim against  
5 the issuer of the stored value evidenced by an electronic or digital  
6 record, and that is intended and accepted for use as a means of  
7 redemption for money or monetary value, or payment for goods or services.  
8 Stored value includes, but is not limited to, prepaid access as defined  
9 by 31 C.F.R. part 1010.100. Notwithstanding the foregoing, stored value  
10 does not include a payment instrument or closed loop stored value, or  
11 stored value not sold publicly but issued and distributed as part of a  
12 loyalty, rewards, or promotional program.

13       **Sec. 4.** Section 8-2703, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15       8-2703 The Nebraska Money Transmitters Act does not apply to:

16       (1) An operator of a payment system to the extent that such operator  
17 provides processing, clearing, or settlement services, between or among  
18 persons exempted from the Nebraska Money Transmitters Act under this  
19 section or licensees, in connection with wire transfers, credit card  
20 transactions, debit card transactions, stored value transactions,  
21 automated clearinghouse transfers, or similar funds transfers;

22       (2) A person appointed as an agent of a payee to collect and process  
23 a payment from a payor to the payee for goods or services, other than  
24 money transmission, provided to the payor by the payee, provided that:

25       (a) There exists a written agreement between the payee and the agent  
26 directing the agent to collect and process payments from payors on the  
27 behalf of the payee;

28       (b) The payee holds the agent out to the public as accepting  
29 payments for goods or services on the behalf of the payee; and

30       (c) Payment for the goods or services is treated as received by the  
31 payee upon receipt by the agent so that the payor's obligation is

1 extinguished and there is no risk of loss to the payor if the agent fails  
2 to remit the funds to the payee;

3 (3) A person that acts as an intermediary by processing payments  
4 between an entity that has directly incurred an outstanding money  
5 transmission obligation to a sender, and the sender's designated  
6 recipient, provided that the entity:

7 (a) Is properly licensed or exempt from licensing requirements of  
8 the Nebraska Money Transmitters Act;

9 (b) Provides a receipt, electronic record, or other written  
10 confirmation to the sender identifying the entity as the provider of  
11 money transmission in the transaction; and

12 (c) Bears sole responsibility to satisfy the outstanding money  
13 transmission obligation to the sender, including the obligation to make  
14 the sender whole in connection with any failure to transmit the funds to  
15 the designated recipient of the sender;

16 (4) The United States or any department, agency, or instrumentality  
17 thereof or any agent of the United States or any department, agency, or  
18 instrumentality thereof;

19 (5) Money transmission by the United States Postal Service or by an  
20 agent of the United States Postal Service;

21 (6) A state, county, or city or any governmental agency, political  
22 subdivision, or instrumentality of a state, or any agent of a state,  
23 county, or city or any governmental agency, political subdivision, or  
24 instrumentality of a state;

25 (7) A federally insured depository financial institution, bank  
26 holding company, office of an international banking corporation, foreign  
27 bank that establishes a federal branch pursuant to the International Bank  
28 Act of 1978, corporation organized pursuant to the Bank Service  
29 Corporation Act, or corporation organized under the Edge Act;

30 (8) Electronic funds transfer of governmental benefits for a  
31 federal, state, county, or other governmental agency by a contractor on

1 behalf of the United States or a department, agency, or instrumentality  
2 thereof, or on behalf of a state, county, or other governmental  
3 subdivision, agency, or instrumentality thereof;

4 (9) A board of trade designated as a contract market under the  
5 Federal Commodity Exchange Act or a person that, in the ordinary course  
6 of business, provides clearance and settlement services for a board of  
7 trade to the extent of such person's operation as or for such a board;

8 (10) A person registered as a futures commission merchant under the  
9 federal commodities laws to the extent of such person's operation as a  
10 merchant;

11 (11) A person registered as a securities broker-dealer under federal  
12 or state securities laws to the extent of such person's operation as a  
13 broker-dealer;

14 (12) An individual employed by a licensee, authorized delegate, or  
15 any person exempted from the licensing requirements of the Nebraska Money  
16 Transmitters Act when acting within the scope of employment, under the  
17 supervision of the licensee, authorized delegate, or exempted person, as  
18 an employee and not as an independent contractor;

19 (13) A person expressly appointed as a third-party service provider  
20 to or agent of an entity exempt under subdivision (7) of this section,  
21 solely to the extent that:

22 (a) Such service provider or agent is engaging in money transmission  
23 on behalf of and pursuant to a written agreement with the exempt entity  
24 that sets forth the specific functions that the service provider or agent  
25 is to perform; and

26 (b) The exempt entity assumes all risk of loss and all legal  
27 responsibility for satisfying the outstanding money transmission  
28 obligations owed to purchasers and holders of the outstanding money  
29 transmission obligations upon receipt of the purchaser's or holder's  
30 money or monetary value by the service provider or agent;

31 (14) A person, firm, corporation, or association licensed in this

1 state and acting within this state within the scope of a license:

2 (a) As a collection agency pursuant to the Collection Agency Act;

3 (b) As a credit services organization pursuant to the Credit  
4 Services Organization Act; or

5 (c) To engage in the debt management business pursuant to sections  
6 69-1201 to 69-1217;

7 (15) A charter issued under the Nebraska Financial Innovation Act;  
8 and

9 (16) A person exempt by regulation or order if the director finds  
10 such exemption to be in the public interest and that the regulation of  
11 such person is not necessary for the purposes of the Nebraska Money  
12 Transmitters Act.

13 ~~Applicant means a person filing an application for a license under~~  
14 ~~the Nebraska Money Transmitters Act.~~

15 **Sec. 5.** Section 8-2704, Reissue Revised Statutes of Nebraska, is  
16 amended to read:

17 8-2704 The director may require that any person claiming to be  
18 exempt from licensing under the Nebraska Money Transmitters Act pursuant  
19 to section 8-2703 provide information and documentation to the director  
20 demonstrating that such person qualifies for exemption. Authorized  
21 ~~delegate means an entity designated by the licensee or an exempt entity~~  
22 ~~under the Nebraska Money Transmitters Act to engage in the business of~~  
23 ~~money transmission on behalf of the licensee or exempt entity.~~

24 **Sec. 6.** Section 8-2705, Reissue Revised Statutes of Nebraska, is  
25 amended to read:

26 8-2705 (1) In order to carry out the purposes of the Nebraska Money  
27 Transmitters Act, the director may, subject to subsections (1) and (2) of  
28 section 8-2706:

29 (a) Enter into agreements or relationships with other government  
30 officials or federal and state regulatory agencies and regulatory  
31 associations in order to improve efficiencies and reduce regulatory

1 burden by standardizing methods or procedures and sharing resources,  
2 records, or related information obtained under the Nebraska Money  
3 Transmitters Act;

4 (b) Use, hire, contract, or employ analytical systems, methods, or  
5 software to examine or investigate any person subject to the Nebraska  
6 Money Transmitters Act;

7 (c) Accept, from other state or federal governmental agencies or  
8 officials, licensing, examination, or investigation reports made by such  
9 other state or federal governmental agencies or officials; and

10 (d) Accept audit reports made by an independent certified public  
11 accountant or other qualified third-party auditor for an applicant or  
12 licensee and incorporate the audit report in any report of examination or  
13 investigation.

14 (2) The director shall have the broad administrative authority to  
15 administer, interpret, and enforce the Nebraska Money Transmitters Act,  
16 to adopt and promulgate rules or regulations implementing the act, and to  
17 recover the cost of administering and enforcing the act by imposing and  
18 collecting proportionate and equitable fees and costs associated with  
19 applications, examinations, investigations, and other actions required to  
20 achieve the purposes of the act.

21 ~~Breach of security of the system means unauthorized acquisition of~~  
22 ~~data that compromises the security, confidentiality, or integrity of the~~  
23 ~~information maintained by the Nationwide Mortgage Licensing System and~~  
24 ~~Registry, its affiliates, or its subsidiaries.~~

25 **Sec. 7.** Section 8-2706, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27 8-2706 (1) Except as otherwise provided in subsection (2) of this  
28 section, all information or reports obtained by the director from an  
29 applicant, licensee, or authorized delegate, related to an examination or  
30 investigation, on behalf of, or for the use of the director, are not  
31 public record and are not subject to disclosure pursuant to sections

1 84-712 to 84-712.09.

2 (2) The director may disclose information not otherwise subject to  
3 disclosure under subsection (1) of this section to a representative of  
4 state or federal agencies who promises in a record that the  
5 representative will maintain the confidentiality of the information or if  
6 the director finds that the disclosure is reasonably necessary for the  
7 protection and interest of the public pursuant to sections 84-712 to  
8 84-712.09.

9 (3) This section does not prohibit the director from disclosing to  
10 the public a list of all licensees or the aggregated financial or  
11 transactional data concerning those licensees.

12 (4) Information contained in the records of the department that is  
13 public record and may be made available to the public either on the  
14 department's website, upon receipt by the department of a written  
15 request, or in the Nationwide Mortgage Licensing System and Registry  
16 shall include:

17 (a) The name, business address, telephone number, and unique  
18 identifier of any licensee;

19 (b) The business address of any registered agent of a licensee for  
20 service;

21 (c) The name, business address, and telephone number of all  
22 authorized delegates;

23 (d) The terms of, or a copy of, any bond filed by a licensee,  
24 provided that confidential information, including, but not limited to,  
25 prices and fees for such bond is redacted;

26 (e) Copies of any nonconfidential final orders of the department  
27 relating to any violation of the Nebraska Money Transmitters Act or the  
28 rules and regulations implementing the act; and

29 (f) Imposition of an administrative fine or penalty under the act.

30 ~~Control means the power, directly or indirectly, to direct the~~  
31 ~~management or policies of a licensee, whether through ownership of~~

1 ~~securities, by contract, or otherwise. Any person who (1) has the power~~  
2 ~~to elect a majority of executive officers, managers, directors, trustees,~~  
3 ~~or other persons exercising managerial authority of a licensee or any~~  
4 ~~person in control of a licensee, (2) directly or indirectly has the right~~  
5 ~~to vote ten percent or more of a class of stock or directly or indirectly~~  
6 ~~has the power to sell or direct the sale of ten percent or more of a~~  
7 ~~class of stock, (3) in the case of a limited liability company, is a~~  
8 ~~managing member, or (4) in the case of a partnership, has the right to~~  
9 ~~receive, upon dissolution, or has contributed, ten percent or more of the~~  
10 ~~capital, is presumed to control that licensee.~~

11 **Sec. 8.** Section 8-2707, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 8-2707 (1) The director may conduct an examination or investigation  
14 of a licensee or authorized delegate or otherwise take independent action  
15 authorized by the Nebraska Money Transmitters Act or by a rule or  
16 regulation adopted and promulgated or an order issued under the act as  
17 reasonably necessary or appropriate to administer and enforce the act,  
18 rules and regulations implementing the act, or other applicable law,  
19 including the Bank Secrecy Act and the Uniting and Strengthening America  
20 by Providing Appropriate Tools Required to Intercept and Obstruct  
21 Terrorism Act of 2001. The director may:

22 (a) Conduct an examination as the director may reasonably require;

23 (b) Conduct an examination in conjunction with an examination  
24 conducted by representatives of other state agencies or agencies of  
25 another state or of the federal government;

26 (c) Accept the examination report of another state agency or an  
27 agency of another state or of the federal government, or a report  
28 prepared by an independent accounting firm, which on being accepted, is  
29 considered for all purposes as an official report of the director; and

30 (d) Summon and examine under oath a key individual or employee of a  
31 licensee or authorized delegate and require the person to produce records

1 regarding any matter related to the condition and business of the  
2 licensee or authorized delegate.

3 (2) A licensee or authorized delegate shall provide, and the  
4 director shall have full and complete access to, all records the director  
5 may reasonably require to conduct a complete examination. The records  
6 shall be provided at a location and in a format specified by the  
7 director. The director may utilize multistate record production standards  
8 and examination procedures when such standards will reasonably achieve  
9 the requirements of this subsection.

10 (3) Upon receipt by a licensee, an authorized delegate, or any other  
11 person of a notice of investigation or inquiry request for information  
12 from the department, the licensee, authorized delegate, or other person  
13 shall respond within twenty-one calendar days after receipt. Failure to  
14 respond is a violation of the Nebraska Money Transmitters Act. Each day a  
15 licensee, authorized delegate, or other person fails to respond shall  
16 constitute a separate violation of the act.

17 (4) If the director finds, after notice and opportunity for hearing  
18 in accordance with the Administrative Procedure Act, that any person has  
19 violated the Nebraska Money Transmitters Act pursuant to subsection (3)  
20 of this section, the director may order such person to pay an  
21 administrative fine of not more than five thousand dollars for each  
22 separate violation and the costs of investigation.

23 (5) Unless otherwise directed by the director, a licensee shall pay  
24 all costs reasonably incurred in connection with an examination of the  
25 licensee or the licensee's authorized delegates.

26 ~~Controlling person means any person in control of a licensee.~~

27 **Sec. 9.** Section 8-2708, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29 8-2708 (1) The director is authorized to participate in multistate  
30 supervisory processes established between states and coordinated through  
31 the Conference of State Bank Supervisors and Money Transmitter Regulators

1 Association and any affiliates and successors thereof for all licensees  
2 that hold licenses in this state and other states. As a participant in  
3 multistate supervision, the director may:

4 (a) Cooperate, coordinate, and share information with other state  
5 and federal regulators in accordance with section 8-2706;

6 (b) Enter into written cooperation, coordination, or information-  
7 sharing contracts or agreements with organizations, the membership of  
8 which is made up of state or federal governmental agencies; and

9 (c) Cooperate, coordinate, and share information with organizations,  
10 the membership of which is made up of state or federal governmental  
11 agencies, provided that the organizations agree in writing to maintain  
12 the confidentiality and security of the shared information in accordance  
13 with section 8-2706.

14 (2) Nothing in this section constitutes a waiver of the director's  
15 authority to conduct an examination or investigation or otherwise take  
16 independent action authorized by the Nebraska Money Transmitters Act or a  
17 rule or regulation adopted and promulgated or an order issued under the  
18 act to enforce compliance with applicable state or federal law.

19 (3) A joint examination or investigation, or acceptance of an  
20 examination or investigation report, does not waive an examination  
21 assessment provided for in the Nebraska Money Transmitters Act.

22 ~~Department means the Department of Banking and Finance.~~

23 **Sec. 10.** Section 8-2709, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25 8-2709 (1) A person may not engage in the business of money  
26 transmission or advertise, solicit, or hold such person out as providing  
27 money transmission unless the person is licensed under the Nebraska Money  
28 Transmitters Act.

29 (2) Subsection (1) of this section does not apply to:

30 (a) A person that is an authorized delegate of a licensee under the  
31 Nebraska Money Transmitters Act acting within the scope of authority

1 conferred by a written contract with the licensee; or

2 (b) A person that is exempt pursuant to section 8-2703 and does not  
3 engage in money transmission outside the scope of such exemption.

4 (3) A license issued under section 8-2713 is not transferable or  
5 assignable.

6 ~~Director means the Director of Banking and Finance.~~

7 **Sec. 11.** Section 8-2710, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9 8-2710 (1) To establish consistent licensing between Nebraska and  
10 other states, the director is authorized to:

11 (a) Implement all licensing provisions of the Nebraska Money  
12 Transmitters Act in a manner that is consistent with other states that  
13 have adopted a version of the Model Money Transmission Modernization Act  
14 or multistate licensing processes; and

15 (b) Participate in nationwide protocols for licensing cooperation  
16 and coordination among state regulators provided that such protocols are  
17 consistent with the Nebraska Money Transmitters Act.

18 (2) In order to fulfill the purposes of the Nebraska Money  
19 Transmitters Act, the director is authorized to establish relationships  
20 or contracts with the Nationwide Mortgage Licensing System and Registry  
21 or other entities designated by the Nationwide Mortgage Licensing System  
22 and Registry to enable the director to:

23 (a) Collect and maintain records;

24 (b) Coordinate multistate licensing processes and supervision  
25 processes;

26 (c) Process fees; and

27 (d) Facilitate communication between Nebraska and licensees or other  
28 persons subject to the Nebraska Money Transmitters Act.

29 (3) The director is authorized to utilize the Nationwide Mortgage  
30 Licensing System and Registry for all aspects of licensing in accordance  
31 with the Nebraska Money Transmitters Act, including, but not limited to,

1 license applications, applications for acquisitions of control, surety  
2 bonds, reporting, criminal history background checks, credit checks, fee  
3 processing, and examinations.

4 (4) The director is authorized to utilize the Nationwide Mortgage  
5 Licensing System and Registry forms, processes, and functionalities in  
6 accordance with the Nebraska Money Transmitters Act. In the event the  
7 Nationwide Mortgage Licensing System and Registry does not provide  
8 functionality, forms, or processes for a provision of the act, the  
9 director is authorized to implement the requirements in a manner that  
10 facilitates uniformity with respect to licensing, supervision, reporting,  
11 and regulation of licensees which are licensed in multiple jurisdictions.

12 (5) The director is authorized to adopt and promulgate rules and  
13 regulations, or issue an order, to establish requirements for  
14 participation by applicants and licensees in the Nationwide Mortgage  
15 Licensing System and Registry upon the department's determination that  
16 each requirement is consistent with law, public interest, and the  
17 purposes of this section.

18 ~~Electronic instrument means a card or other tangible object for the~~  
19 ~~transmission or payment of money that contains a microprocessor chip,~~  
20 ~~magnetic strip, or other means for the storage of information, that is~~  
21 ~~prefunded, and the value of which is decremented upon each use.~~  
22 ~~Electronic instrument does not include a card or other tangible object~~  
23 ~~that is redeemable by the issuer or its affiliates in goods or services~~  
24 ~~of the issuer or its affiliates.~~

25 **Sec. 12.** Section 8-2711, Reissue Revised Statutes of Nebraska, is  
26 amended to read:

27 8-2711 (1) Applicants for a license shall apply in a form and in a  
28 medium as prescribed by the director. Each such form shall contain  
29 content as set forth by rule, regulation, instruction, or procedure of  
30 the director and may be changed or updated by the director in accordance  
31 with applicable law in order to carry out the purposes of the Nebraska

1 Money Transmitters Act and maintain consistency with Nationwide Mortgage  
2 Licensing System and Registry licensing standards and practices. The  
3 application shall state or contain, as applicable:

4 (a) The legal name and residential and business addresses of the  
5 applicant and any fictitious or trade name used by the applicant in  
6 conducting the applicant's business;

7 (b) A list of any criminal conviction of the applicant and any  
8 material litigation in which the applicant has been involved in the ten-  
9 year period next preceding the submission of the application;

10 (c) A description of any money transmission previously provided by  
11 the applicant and the money transmission that the applicant seeks to  
12 provide in this state;

13 (d) A list of the applicant's proposed authorized delegates and the  
14 locations in this state where the applicant and its authorized delegates  
15 propose to engage in money transmission;

16 (e) A list of other states in which the applicant is licensed to  
17 engage in money transmission and any license revocation, suspension, or  
18 other disciplinary action taken against the applicant in another state;

19 (f) Information concerning any bankruptcy or receivership proceeding  
20 affecting the applicant or a person in control of an applicant;

21 (g) A sample form of contract for authorized delegates, if  
22 applicable;

23 (h) A sample form of payment instrument or stored value, as  
24 applicable;

25 (i) The name and address of any federally insured depository  
26 financial institution through which the applicant plans to conduct money  
27 transmission; and

28 (j) Any other information the Director or the Nationwide Mortgage  
29 Licensing System and Registry reasonably requires with respect to the  
30 applicant.

31 (2) If an applicant is a corporation, limited liability company,

1 partnership, or other legal entity, the applicant shall also provide:

2 (a) The date of the applicant's incorporation or formation and state  
3 or country of incorporation or formation;

4 (b) If applicable, a certificate of good standing from the state or  
5 country in which the applicant was incorporated or formed;

6 (c) A brief description of the structure or organization of the  
7 applicant, including any parents or subsidiaries of the applicant, and  
8 whether any such parents or subsidiaries are publicly traded;

9 (d) The legal name, any fictitious or trade name, all business and  
10 residential addresses, and the employment, as applicable, of each key  
11 individual and person in control of the applicant in the ten-year period  
12 preceding the submission of the application;

13 (e) A list of any criminal convictions and material litigation for a  
14 person in control of the applicant that is not an individual that has  
15 been involved with the applicant in the ten-year period preceding the  
16 submission of the application;

17 (f) A copy of audited financial statements of the applicant for the  
18 most recent fiscal year and for the two-year period preceding the  
19 submission of the application or, if determined to be acceptable to the  
20 director, certified unaudited financial statements for the most recent  
21 fiscal year or any other period acceptable to the director;

22 (g) A certified copy of unaudited financial statements of the  
23 applicant for the most recent fiscal quarter;

24 (h) If the applicant is a publicly traded corporation, a copy of the  
25 most recent report filed with the Securities and Exchange Commission  
26 pursuant to the Securities Exchange Act of 1934;

27 (i) If the applicant is a wholly owned subsidiary of:

28 (i) A corporation publicly traded in the United States, a copy of  
29 audited financial statements for the parent corporation for the most  
30 recent fiscal year or a copy of the parent corporation's most recent  
31 report filed pursuant to the Securities Exchange Act of 1934; or

1       (ii) A corporation publicly traded outside the United States, a copy  
2 of similar documentation filed with the regulator of the parent  
3 corporation's domicile outside the United States;

4       (j) The name and address of the applicant's registered agent in this  
5 state; and

6       (k) Any other information the director reasonably requires with  
7 respect to the applicant.

8       (3) A nonrefundable application fee of one thousand five hundred  
9 dollars must accompany an application for a license under this section.

10       (4) Other than the nonrefundable application fee, the director may  
11 waive one or more requirements of this section or permit an applicant to  
12 submit other information in lieu of the required information.

13       ~~Executive officer means the president, chairperson of the executive~~  
14 ~~committee, senior officer responsible for business decisions, chief~~  
15 ~~financial officer, and any other person who performs similar functions~~  
16 ~~for a licensee.~~

17       **Sec. 13.** Section 8-2712, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19       8-2712 (1) Any individual in control of a licensee or applicant, any  
20 individual that seeks to acquire control of a licensee, and any key  
21 individual shall furnish to the director, through the Nationwide Mortgage  
22 Licensing System and Registry, the following items:

23       (a) The individual's fingerprints for submission to the Federal  
24 Bureau of Investigation and the director for purposes of a national  
25 criminal history background check unless the individual currently resides  
26 outside of the United States and has resided outside of the United States  
27 for the last ten years; and

28       (b) The individual's personal history and experience in a form and  
29 in a medium prescribed by the director, including the following:

30       (i) An independent credit report from a consumer reporting agency  
31 unless the individual does not have a social security number, in which

1 case, this requirement shall be waived;

2 (ii) Information related to any criminal conviction or pending  
3 charges; and

4 (iii) Information related to any regulatory or administrative action  
5 and any civil litigation involving any claim of fraud, misrepresentation,  
6 conversion, mismanagement of funds, breach of fiduciary duty, or breach  
7 of contract.

8 (2) If the individual has resided outside of the United States at  
9 any time in the last ten years, the individual shall also provide an  
10 investigative background report prepared by an independent search firm  
11 that meets the following requirements:

12 (a) The firm shall, at a minimum:

13 (i) Demonstrate that the firm has sufficient knowledge and resources  
14 and employs accepted and reasonable methodologies to conduct the research  
15 of the background report; and

16 (ii) Not be affiliated with, or have an interest with, the  
17 individual it is researching; and

18 (b) The investigative background report shall be written in the  
19 English language and shall contain the following, at a minimum:

20 (i) If available in the individual's current jurisdiction of  
21 residency, a comprehensive credit report, or any equivalent information  
22 obtained or generated by the independent search firm to accomplish such  
23 report, including a search of the court data in the countries, provinces,  
24 states, cities, towns, and areas where the individual resided and worked;

25 (ii) Criminal record information of the individual for the past ten  
26 years, including, but not limited to, felonies, misdemeanors, or similar  
27 convictions for violations of law in the countries, provinces, states,  
28 cities, towns, and areas where the individual resided and worked;

29 (iii) Employment history of the individual;

30 (iv) Media history of the individual, including an electronic search  
31 of national and local publications, wire services, and business

1 applications; and

2 (v) Financial services-related regulatory history of the individual,  
3 including, but not limited to, money transmission, securities, banking,  
4 insurance, and mortgage-related industries.

5 (3) The director may use the Nationwide Mortgage Licensing System  
6 and Registry as a channeling agent for requesting information from and  
7 distributing information to the United States Department of Justice or  
8 any other governmental agency in order to reduce the points of contact  
9 which the Federal Bureau of Investigation may have to maintain for  
10 purposes of this section.

11 ~~Key shareholder means any person or group of persons acting in~~  
12 ~~concert owning ten percent or more of any voting class of an applicant's~~  
13 ~~stock.~~

14 **Sec. 14.** Section 8-2713, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 8-2713 (1) When the director determines an application for an  
17 original license under the Nebraska Money Transmitters Act appears to  
18 include all the items and addresses all of the matters that are required,  
19 the application is complete. The director shall promptly notify the  
20 applicant in a record of the date on which the application is determined  
21 to be complete. The director shall approve, conditionally approve, or  
22 deny the application within one hundred twenty days after the completion  
23 date. The director may for good cause extend such one-hundred-twenty-day  
24 period.

25 (2) A determination by the director that an application is complete  
26 and is accepted for processing means only that the application, on its  
27 face, appears to include all of the items, including the criminal history  
28 background check response from the Federal Bureau of Investigation, and  
29 address all of the matters that are required, and is not an assessment of  
30 the substance of the application or of the sufficiency of the information  
31 provided.

1       (3) When an application is filed and considered complete under this  
2 section, the director shall investigate the applicant's financial  
3 condition, financial responsibility, financial and business experience,  
4 character, and general fitness. The director may conduct an investigation  
5 of the applicant, the reasonable cost of which the applicant must pay.  
6 The director shall issue a license to an applicant under this section if  
7 the director finds that all of the following conditions have been  
8 fulfilled:

- 9       (a) The applicant has complied with sections 8-2711 and 8-2712; and  
10       (b) The financial condition, financial responsibility, financial and  
11 business experience, competence, character, and general fitness of the  
12 applicant and the competence, experience, character, and general fitness  
13 of the key individuals and persons in control of the applicant indicate  
14 that it is in the interest of the public to permit the applicant to  
15 engage in money transmission.

16       (4) The director shall issue a formal written notice of the denial  
17 of a license application within thirty days after the decision to deny  
18 such application. The director shall set forth in the notice of denial  
19 the specific reasons for the denial of the application. An applicant  
20 whose application is denied by the director under this section may appeal  
21 within thirty days after receipt of the written notice of the denial. The  
22 appeal shall be in accordance with the Administrative Procedure Act.

23       (5) If an applicant for a license under the Nebraska Money  
24 Transmitters Act does not complete the license application and fails to  
25 respond to a notice or notices from the department to correct a  
26 deficiency or deficiencies for a period of one hundred twenty days or  
27 more after the date the department sends the initial notice to correct  
28 the deficiency or deficiencies, the department may deem the application  
29 as abandoned and may issue a notice of abandonment of the application to  
30 the applicant in lieu of proceedings to deny the application.

31       (6) The initial license term shall begin on the day the application

1 is approved. The license shall expire on December 31 of the year in which  
2 the license term began, unless the initial license date is on or after  
3 November 1 and on or before December 31, in which instance the initial  
4 license term shall run through December 31 of the following year.

5 ~~Licensee means a person licensed pursuant to the Nebraska Money~~  
6 ~~Transmitters Act.~~

7 **Sec. 15.** Section 8-2714, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9 8-2714 (1) A license under the Nebraska Money Transmitters Act shall  
10 be renewed annually.

11 (2) An annual renewal fee of seven hundred fifty dollars shall be  
12 paid no more than sixty days before the license expiration.

13 (3) The renewal term shall be for a period of one year and shall  
14 begin on January 1 of each year after the initial license term and shall  
15 expire on December 31 of the year the renewal term begins.

16 (4) A licensee shall submit a renewal report with the renewal fee,  
17 in a form and in a medium prescribed by the director. The renewal report  
18 shall state or contain a description of each material change in  
19 information submitted by the licensee in its original license application  
20 which has not been reported to the director.

21 (5) The director may, for good cause, grant an extension to when the  
22 submission of the renewal fee and report is due for renewal for a  
23 licensee.

24 (6) The director is authorized to utilize the Nationwide Mortgage  
25 Licensing System and Registry to process license renewals provided that  
26 such functionality is consistent with this section.

27 ~~Material litigation means any litigation that, according to~~  
28 ~~generally accepted accounting principles, is deemed significant to an~~  
29 ~~applicant's or licensee's financial health and would be required to be~~  
30 ~~referenced in an applicant's or licensee's annual audited financial~~  
31 ~~statements, report to shareholders, or similar documents.~~

1           **Sec. 16.** Section 8-2715, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           8-2715 (1) If a licensee does not continue to meet the  
4 qualifications or satisfy the requirements that apply to an applicant for  
5 a new money transmission license, the director may suspend or revoke the  
6 licensee's license in accordance with the procedures established by the  
7 Nebraska Money Transmitters Act or other applicable state law for such  
8 suspension or revocation.

9           (2) An applicant shall demonstrate that the applicant meets or will  
10 meet, and a licensee shall at all times meet, the requirements of  
11 sections 8-2730, 8-2731, and 8-2732.

12           ~~Monetary value means a medium of exchange, whether or not redeemable~~  
13 ~~in money.~~

14           **Sec. 17.** Section 8-2716, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16           8-2716 (1) Any person, or group of persons acting in concert,  
17 seeking to acquire control of a licensee shall obtain the written  
18 approval of the director prior to acquiring control. An individual is not  
19 deemed to acquire control of a licensee and is not subject to this  
20 section when that individual becomes a key individual for a licensee in  
21 the ordinary course of business.

22           (2) A person, or group of persons acting in concert, seeking to  
23 acquire control of a licensee shall, in cooperation with the licensee:

24           (a) Submit an application in a form and in a medium prescribed by  
25 the director; and

26           (b) Submit a nonrefundable fee of one thousand five hundred dollars  
27 with the request for approval.

28           (3) Upon request, the director may permit a licensee or the person,  
29 or group of persons acting in concert, to submit some or all information  
30 required by the director pursuant to this section without using the  
31 Nationwide Mortgage Licensing System and Registry.

1       (4) The application required by this section shall include the  
2 information required by section 8-2712 for any new key individuals that  
3 have not previously completed the requirements of section 8-2712 for a  
4 licensee.

5       (5) When the director determines an application for acquisition of  
6 control under this section appears to include all the items and address  
7 all of the matters that are required, the application shall be considered  
8 complete and the director shall promptly notify the applicant in writing  
9 of the date on which the application was determined to be complete.

10       (6) The director shall approve or deny the application within sixty  
11 days after the completion date and, if the application is not approved or  
12 denied by the director within sixty days after the completion date, the  
13 application is deemed approved and the person, or group of persons acting  
14 in concert, are not prohibited from acquiring control of the licensee.  
15 The director may for good cause extend such sixty-day period.

16       (7) A determination by the director that an application is complete  
17 and is accepted for processing means only that the application, on its  
18 face, appears to include all of the items and address all of the matters  
19 that are required, and is not an assessment of the substance of the  
20 application or of the sufficiency of the information provided.

21       (8) When an application is filed and considered complete under this  
22 section, the director shall investigate the financial condition,  
23 financial responsibility, financial and business experience, character,  
24 and general fitness of the person, or group of persons acting in concert,  
25 seeking to acquire control. The director shall approve an acquisition of  
26 control pursuant to this section if the director finds that all of the  
27 following conditions have been fulfilled:

28       (a) The requirements of subsections (1) and (2) of this section have  
29 been met, as applicable; and

30       (b) The financial condition, financial responsibility, financial and  
31 business experience, competence, character, and general fitness of the

1 person, or group of persons acting in concert, seeking to acquire control  
2 and the competence, experience, character, and general fitness of the key  
3 individuals and persons that would be in control of the licensee after  
4 the acquisition of control indicate that it is in the interest of the  
5 public to permit the person, or group of persons acting in concert, to  
6 control the licensee.

7 (9) The director shall issue a formal written notice of the denial  
8 of an application to acquire control within thirty days after the  
9 decision to deny the application. The director shall set forth in the  
10 notice of denial the specific reasons for the denial of the application.  
11 An applicant whose application is denied by the director under this  
12 section may appeal within thirty days after receipt of the written notice  
13 of the denial. The appeal shall be in accordance with the Administrative  
14 Procedure Act.

15 (10) The requirements of this section do not apply to any of the  
16 following:

17 (a) A person that acts as a proxy for the sole purpose of voting at  
18 a designated meeting of the shareholders or holders of voting shares or  
19 voting interests of a licensee or a person in control of a licensee;

20 (b) A person that acquires control of a licensee by devise or  
21 descent;

22 (c) A person that acquires control of a licensee as a personal  
23 representative, custodian, guardian, conservator, or trustee, or as an  
24 officer appointed by a court of competent jurisdiction or by operation of  
25 law;

26 (d) A person that is exempt under subdivision (7) of section 8-2703;

27 (e) A person that the director determines is not subject to this  
28 section based on the public interest;

29 (f) A public offering of securities of a licensee or a person in  
30 control of a licensee; or

31 (g) An internal reorganization of a person in control of the

1 licensee where the ultimate person in control of the licensee remains the  
2 same.

3 (11) Persons described in subdivisions (11)(a), (b), (c), (d), (f),  
4 and (g) of this section, in cooperation with the licensee, shall notify  
5 the director within fifteen days after the acquisition of control.

6 (12) Before filing an application for approval to acquire control of  
7 a licensee, a person may request in writing a determination from the  
8 director as to whether the person would be considered a person in control  
9 of a licensee upon consummation of a proposed transaction. If the  
10 director determines that the person would not be a person in control of a  
11 licensee, the proposed person and transaction is not subject to the  
12 requirements of this section.

13 ~~Money transmission means the business of the sale or issuance of~~  
14 ~~payment instruments or stored value or of receiving money or monetary~~  
15 ~~value for transmission to a location within or outside the United States~~  
16 ~~by any and all means, including wire, facsimile, or electronic transfer.~~  
17 ~~Notwithstanding any other provision of law, money transmission also~~  
18 ~~includes bill payment services not limited to the right to receive~~  
19 ~~payment of any claim for another but does not include bill payment~~  
20 ~~services in which an agent of a payee receives money or monetary value on~~  
21 ~~behalf of such payee.~~

22 **Sec. 18.** Section 8-2717, Reissue Revised Statutes of Nebraska, is  
23 amended to read:

24 8-2717 (1) A licensee adding or replacing any key individual shall:

25 (a) Provide notice in a manner prescribed by the director within  
26 fifteen days after the date the key individual's appointment became  
27 effective; and

28 (b) Provide the information required by section 8-2712 within forty-  
29 five days of the date after the key individual's appointment.

30 (2) Within ninety days after the date on which the notice provided  
31 pursuant to this section was determined to be complete, the director may

1 issue a notice of disapproval of an added or replacement key individual  
2 if the director determines that, given the competence, experience,  
3 character, or integrity of the individual, permitting the individual to  
4 be a key individual of such licensee would not be in the best interest of  
5 the public or the customers of the licensee.

6 (3) A notice of disapproval shall contain a statement of the basis  
7 for disapproval and shall be sent to the licensee and the disapproved  
8 individual. A licensee may appeal a notice of disapproval within thirty  
9 days after receipt of such notice of disapproval. The appeal shall be in  
10 accordance with the Administrative Procedure Act.

11 (4) If the notice provided pursuant to this section is not  
12 disapproved within ninety days after the date on which the notice was  
13 determined to be complete, the key individual is deemed approved.

14 ~~Nationwide Mortgage Licensing System and Registry means a licensing~~  
15 ~~system developed and maintained by the Conference of State Bank~~  
16 ~~Supervisors and the American Association of Residential Mortgage~~  
17 ~~Regulators for the licensing and registration of mortgage loan~~  
18 ~~originators, mortgage bankers, installment loan companies, and other~~  
19 ~~state-regulated financial services entities and industries.~~

20 **Sec. 19.** Section 8-2718, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 8-2718 (1) Each licensee shall submit a report of condition within  
23 forty-five days after the end of a calendar quarter, or within any  
24 extended time as the director may prescribe.

25 (2) The report of condition shall include:

26 (a) Financial information at the licensee level;

27 (b) Nationwide and state-specific money transmission transaction  
28 information in every jurisdiction in the United States where the licensee  
29 is licensed to engage in money transmission;

30 (c) A permissible investments report of the licensee;

31 (d) Transaction destination country reporting for money received for

1 transmission, if applicable; and

2 (e) Any other information the director reasonably requires with  
3 respect to the licensee.

4 (3) The director is authorized to utilize the Nationwide Mortgage  
5 Licensing System and Registry for the submission of the report required  
6 by this section and is authorized to update as necessary the requirements  
7 of this section to carry out the purposes of the Nebraska Money  
8 Transmitters Act and maintain consistency with Nationwide Mortgage  
9 Licensing System and Registry reporting.

10 (4) The information required by subdivision (2)(d) of this section  
11 shall only be included in a report of condition submitted within forty-  
12 five days after the end of the fourth calendar quarter.

13 ~~Outstanding payment instrument means any payment instrument issued~~  
14 ~~by a licensee which has been sold in the United States directly by the~~  
15 ~~licensee or any payment instrument issued by a licensee which has been~~  
16 ~~sold by an authorized delegate of the licensee in the United States,~~  
17 ~~which has been reported to the licensee as having been sold, and which~~  
18 ~~has not yet been paid by or for the licensee.~~

19 **Sec. 20.** Section 8-2719, Reissue Revised Statutes of Nebraska, is  
20 amended to read:

21 8-2719 (1) Each licensee shall, within ninety days after the end of  
22 each fiscal year or within any time period after the end of the fiscal  
23 year as the director may prescribe, file with the director:

24 (a) An audited financial statement of the licensee for the fiscal  
25 year prepared in accordance with United States generally accepted  
26 accounting principles; and

27 (b) Any other information as the director may reasonably require.

28 (2) Such audited financial statement shall be prepared by an  
29 independent certified public accountant or independent public accountant  
30 who is satisfactory to the director.

31 (3) Such audited financial statement shall include or be accompanied

1 by a certificate of opinion of the independent certified public  
2 accountant or independent public accountant that is satisfactory in form  
3 and content to the director. If the certificate or opinion is qualified,  
4 the director may order the licensee to take any action as the director  
5 may find necessary to enable the independent certified public accountant  
6 or independent public accountant to remove the qualification.

7 ~~Payment instrument means any electronic or written check, draft,~~  
8 ~~money order, travelers check, or other electronic or written instrument~~  
9 ~~or order for the transmission or payment of money, sold or issued to one~~  
10 ~~or more persons, whether or not such instrument is negotiable. Payment~~  
11 ~~instrument does not include any credit card, any voucher, any letter of~~  
12 ~~credit, or any instrument that is redeemable by the issuer or its~~  
13 ~~affiliates in goods or services of the issuer or its affiliates.~~

14 **Sec. 21.** Section 8-2720, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16 8-2720 (1) Each licensee shall submit a report of authorized  
17 delegates within forty-five days after the end of each calendar quarter.  
18 The director is authorized to utilize the Nationwide Mortgage Licensing  
19 System and Registry for the submission of the report required by this  
20 section provided that such functionality is consistent with the  
21 requirements of this section.

22 (2) The authorized delegate report shall include, at a minimum, each  
23 authorized delegate's:

- 24 (a) Company legal name;
- 25 (b) Taxpayer employer identification number;
- 26 (c) Principal provider identifier;
- 27 (d) Physical address;
- 28 (e) Mailing address;
- 29 (f) Business conducted in other states;
- 30 (g) Fictitious or trade names;
- 31 (h) Contact person name, telephone number, and email;

- 1        (i) Start date as the licensee's authorized delegate;  
2        (j) End date acting as the licensee's authorized delegate, if  
3 applicable; and  
4        (k) Any other information the director reasonably requires with  
5 respect to the authorized delegate.
- 6        ~~Permissible investments means:~~
- 7        ~~(1) Cash;~~  
8        ~~(2) Certificates of deposit or other debt obligations of a financial~~  
9 ~~institution, either domestic or foreign;~~  
10        ~~(3) Bills of exchange or time drafts drawn on and accepted by a~~  
11 ~~commercial bank, otherwise known as bankers' acceptances, which are~~  
12 ~~eligible for purchase by member banks of the federal reserve system;~~  
13        ~~(4) Any investment bearing a rating of one of the three highest~~  
14 ~~grades as defined by a nationally recognized organization that rates such~~  
15 ~~securities;~~  
16        ~~(5) Investment securities that are obligations of the United States~~  
17 ~~or its agencies or instrumentalities, obligations that are guaranteed~~  
18 ~~fully as to principal and interest by the United States, or any~~  
19 ~~obligations of any state or political subdivision thereof;~~  
20        ~~(6) Shares in a money market mutual fund, interest-bearing bills or~~  
21 ~~notes or bonds, debentures or stock traded on any national securities~~  
22 ~~exchange or on a national over-the-counter market, or mutual funds~~  
23 ~~primarily composed of such securities or a fund composed of one of more~~  
24 ~~permissible investments as set forth in this section;~~  
25        ~~(7) Any demand borrowing agreement or agreements made to a~~  
26 ~~corporation or a subsidiary of a corporation whose capital stock is~~  
27 ~~listed on a national exchange;~~  
28        ~~(8) Receivables that are due to a licensee from its authorized~~  
29 ~~delegates pursuant to a contract described in section 8-2739 which are~~  
30 ~~not past due or doubtful of collection; or~~  
31        ~~(9) Any other investment or similar security approved by the~~

1 ~~director.~~

2       **Sec. 22.** Section 8-2721, Reissue Revised Statutes of Nebraska, is  
3 amended to read:

4       8-2721 (1) A licensee shall file a report with the director within  
5 one business day after the licensee has reason to know of the occurrence  
6 of any of the following events:

7       (a) The filing of a petition by or against the licensee under the  
8 United States Bankruptcy Code for bankruptcy or reorganization;

9       (b) The filing of a petition by or against the licensee for  
10 receivership, the commencement of any other judicial or administrative  
11 proceeding for its dissolution or reorganization, or the making of a  
12 general assignment for the benefit of its creditors; or

13       (c) The commencement of a proceeding to revoke or suspend the  
14 license of a licensee in a state or country in which the licensee engages  
15 in business or is licensed.

16       (2) A licensee shall file a report with the director within three  
17 business days after the licensee has reason to know of the occurrence of  
18 any of the following events:

19       (a) A charge or conviction of the licensee or of a key individual or  
20 person in control of the licensee for a felony; or

21       (b) A charge or conviction of an authorized delegate for a felony.

22       (3)(a) Except as provided in subdivisions (b) and (c) of this  
23 subsection, a licensee shall notify the director in writing or through  
24 the Nationwide Mortgage Licensing System and Registry within three  
25 business days after the time that the licensee becomes aware of any  
26 breach of security of the system of computerized data owned or licensed  
27 by the licensee, which contains personal information about a Nebraska  
28 resident, or the unauthorized access to or use of such information about  
29 a Nebraska resident as a result of the breach. For purposes of this  
30 subsection, the terms breach of the security of the system and personal  
31 information have the same meaning as in section 87-802.

1       (b) If a licensee would be required under Nebraska law to provide  
2 notification to a Nebraska resident regarding such breach, then the  
3 licensee shall provide a copy of such notification to the department  
4 prior to or simultaneously with the licensee's notification to the  
5 Nebraska resident.

6       (c) Notice required by this subsection may be delayed if a law  
7 enforcement agency determines that the notice will impede a criminal  
8 investigation. Notice shall be made in good faith and without  
9 unreasonable delay as soon as possible after the law enforcement agency  
10 determines that notification will no longer impede the investigation.

11       ~~Person means any individual, partnership, limited liability company,~~  
12 ~~association, joint-stock association, trust, or corporation. Person does~~  
13 ~~not include the United States or the State of Nebraska.~~

14       **Sec. 23.** Section 8-2722, Reissue Revised Statutes of Nebraska, is  
15 amended to read:

16       8-2722 A licensee and an authorized delegate shall file all reports  
17 required by the federal currency reporting, record-keeping, and  
18 suspicious activity reporting requirements set forth in the Bank Secrecy  
19 Act and other federal and state laws pertaining to money laundering. The  
20 timely filing of a complete and accurate report required under this  
21 section with the appropriate federal agency is deemed to be in compliance  
22 with the requirements of this section. Remit, except as used in section  
23 ~~8-2747, means either to make direct payment of the funds to a licensee or~~  
24 ~~its representatives authorized to receive those funds or to deposit the~~  
25 ~~funds in a bank, credit union, or savings and loan association or other~~  
26 ~~similar financial institution in an account specified by a licensee.~~

27       **Sec. 24.** Section 8-2723, Reissue Revised Statutes of Nebraska, is  
28 amended to read:

29       8-2723 (1) A licensee shall maintain the following records, for  
30 determining the licensee's compliance with the Nebraska Money  
31 Transmitters Act, for at least five years:

- 1       (a) A record of each outstanding money transmission obligation sold;
- 2       (b) A general ledger posted at least monthly containing all asset,
- 3 liability, capital, income, and expense accounts;
- 4       (c) Bank statements and bank reconciliation records;
- 5       (d) Records of outstanding money transmission obligations;
- 6       (e) Records of each outstanding money transmission obligation paid;
- 7       (f) A list of the last-known names and addresses of all of the
- 8 licensee's authorized delegates; and
- 9       (g) Any other records the director reasonably requires by rule or
- 10 regulation.

11       (2) The items specified in subsection (1) of this section may be  
12 maintained in any form of record.

13       (3) Records specified in subsection (1) of this section may be  
14 maintained outside this state if they are made accessible to the director  
15 within seven business days after notice.

16       (4) All records maintained by the licensee as required in subsection  
17 (1) of this section are subject to inspection by the director pursuant to  
18 section 8-2707.

19       ~~Stored value means monetary value that is evidenced by an electronic~~  
20 ~~record. Stored value does not include any item that is redeemable by the~~  
21 ~~issuer or its affiliates in goods or services of the issuer or its~~  
22 ~~affiliates.~~

23       **Sec. 25.** Section 8-2724, Revised Statutes Cumulative Supplement,  
24 2024, is amended to read:

25       8-2724 (1) Before a licensee is authorized to conduct business  
26 through an authorized delegate or allows a person to act as the  
27 licensee's authorized delegate, the licensee shall:

28       (a) Adopt, and update as necessary, written policies and procedures  
29 reasonably designed to ensure that the licensee's authorized delegates  
30 comply with applicable state and federal law;

31       (b) Enter into a written contract that complies with subsection (3)

1 of this section; and

2 (c) Conduct a reasonable risk-based background investigation  
3 sufficient for the licensee to determine whether the authorized delegate  
4 has complied and will likely comply with applicable state and federal  
5 law.

6 (2) An authorized delegate shall operate in full compliance with the  
7 Nebraska Money Transmitters Act.

8 (3) The written contract required by subdivision (1)(b) of this  
9 section shall be signed by the licensee and the authorized delegate and,  
10 at a minimum, also shall:

11 (a) Appoint the person signing the contract as the licensee's  
12 authorized delegate with the authority to conduct money transmission on  
13 behalf of the licensee;

14 (b) Set forth the nature and scope of the relationship between the  
15 licensee and the authorized delegate and the respective rights and  
16 responsibilities of the parties;

17 (c) Require the authorized delegate to agree to fully comply with  
18 all applicable state and federal laws, rules, and regulations pertaining  
19 to money transmission, including the Nebraska Money Transmitters Act and  
20 the rules and regulations implementing the act, the Bank Secrecy Act and  
21 the Uniting and Strengthening America by Providing Appropriate Tools  
22 Required to Intercept and Obstruct Terrorism Act of 2001;

23 (d) Require the authorized delegate to remit and handle money and  
24 monetary value in accordance with the terms of the contract between the  
25 licensee and the authorized delegate;

26 (e) Impose a trust on money and monetary value net of fees received  
27 for money transmission for the benefit of the licensee;

28 (f) Require the authorized delegate to prepare and maintain records  
29 as required by the Nebraska Money Transmitters Act or the rules and  
30 regulations implementing the act, or as reasonably requested by the  
31 director;

1       (g) Acknowledge that the authorized delegate consents to examination  
2 or investigation by the director;

3       (h) State that the licensee is subject to regulation by the director  
4 and that, as part of that regulation, the director may suspend or revoke  
5 an authorized delegate designation or require the licensee to terminate  
6 an authorized delegate designation; and

7       (i) Acknowledge receipt of the written policies and procedures  
8 required under subdivision (1)(a) of this section.

9       (4) If the licensee's license is suspended, revoked, canceled,  
10 surrendered, or expired, the licensee shall, within five business days,  
11 provide documentation to the director that the licensee has notified all  
12 applicable authorized delegates of the licensee whose names are in a  
13 record filed with the director of the suspension, revocation,  
14 cancellation, surrender, or expiration of the license. Upon suspension,  
15 revocation, cancellation, surrender, or expiration of the license,  
16 applicable authorized delegates shall immediately cease to provide money  
17 transmission as an authorized delegate of the licensee.

18       (5) An authorized delegate of a licensee holds in trust for the  
19 benefit of the licensee all money net of fees received from money  
20 transmission. If any authorized delegate commingles any funds received  
21 from money transmission with any other funds or property owned or  
22 controlled by the authorized delegate, all commingled funds and other  
23 property shall be considered held in trust in favor of the licensee in an  
24 amount equal to the amount of money net of fees received from money  
25 transmission by the authorized delegate on behalf of the licensee.

26       (6) An authorized delegate may not use a subdelegate to conduct  
27 money transmission on behalf of a licensee.

28       ~~(1) The requirement for a license under the Nebraska Money~~  
29 ~~Transmitters Act does not apply to:~~

30       ~~(a) The United States or any department, agency, or instrumentality~~  
31 ~~thereof;~~

1           ~~(b) Any post office of the United States Postal Service;~~

2           ~~(c) A state or any political subdivision thereof;~~

3           ~~(d)(i) Banks, credit unions, digital asset depository institutions~~  
4 ~~as defined in section 8-3003, building and loan associations, savings and~~  
5 ~~loan associations, savings banks, or mutual banks organized under the~~  
6 ~~laws of any state or the United States;~~

7           ~~(ii) Subsidiaries of the institutions listed in subdivision (d)(i)~~  
8 ~~of this subsection;~~

9           ~~(iii) Bank holding companies which have a banking subsidiary located~~  
10 ~~in Nebraska and whose debt securities have an investment grade rating by~~  
11 ~~a national rating agency; or~~

12           ~~(iv) Authorized delegates of the institutions and entities listed in~~  
13 ~~subdivision (d)(i), (ii), or (iii) of this subsection, except that~~  
14 ~~authorized delegates that are not banks, credit unions, building and loan~~  
15 ~~associations, savings and loan associations, savings banks, mutual banks,~~  
16 ~~subsidiaries of any of the foregoing, or bank holding companies shall~~  
17 ~~comply with all requirements imposed upon authorized delegates under the~~  
18 ~~act;~~

19           ~~(e) The provision of electronic transfer of government benefits for~~  
20 ~~any federal, state, or county governmental agency, as defined in Consumer~~  
21 ~~Financial Protection Bureau Regulation E, 12 C.F.R. part 1005, as such~~  
22 ~~regulation existed on January 1, 2024, by a contractor for and on behalf~~  
23 ~~of the United States or any department, agency, or instrumentality~~  
24 ~~thereof or any state or any political subdivision thereof;~~

25           ~~(f) An operator of a payment system only to the extent that the~~  
26 ~~payment system provides processing, clearing, or settlement services~~  
27 ~~between or among persons who are all exempt under this section in~~  
28 ~~connection with wire transfers, credit card transactions, debit card~~  
29 ~~transactions, automated clearinghouse transfers, or similar fund~~  
30 ~~transfers; or~~

31           ~~(g) A person, firm, corporation, or association licensed in this~~

1 ~~state and acting within this state within the scope of a license:~~

2 ~~(i) As a collection agency pursuant to the Collection Agency Act;~~

3 ~~(ii) As a credit services organization pursuant to the Credit~~  
4 ~~Services Organization Act; or~~

5 ~~(iii) To engage in the debt management business pursuant to sections~~  
6 ~~69-1201 to 69-1217.~~

7 ~~(2) An authorized delegate of a licensee or of an exempt entity,~~  
8 ~~acting within the scope of its authority conferred by a written contract~~  
9 ~~as described in section 8-2739, is not required to obtain a license under~~  
10 ~~the Nebraska Money Transmitters Act, except that such an authorized~~  
11 ~~delegate shall comply with the other provisions of the act which apply to~~  
12 ~~money transmission transactions.~~

13 **Sec. 26.** Section 8-2725, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15 8-2725 A person shall not engage in the business of money  
16 transmission on behalf of a person not licensed under the Nebraska Money  
17 Transmitters Act or not exempt from the act pursuant to section 8-2703. A  
18 person that engages in such business and provides money transmission to  
19 the same extent as if the unlicensed or nonexempt person were a licensee  
20 shall be jointly and severally liable with the unlicensed or nonexempt  
21 person. ~~(1) Except as otherwise provided in section 8-2724, a person~~  
22 ~~shall not engage in money transmission without a license issued pursuant~~  
23 ~~to the Nebraska Money Transmitters Act.~~

24 ~~(2) A person is engaged in money transmission if the person provides~~  
25 ~~money transmission services to any resident of this state even if the~~  
26 ~~person providing money transmission services has no physical presence in~~  
27 ~~this state or if the resident is not physically located in this state at~~  
28 ~~the time when the resident enters into money transmission or otherwise~~  
29 ~~receives money transmission services.~~

30 ~~(3) If a licensee has a physical presence in this state, the~~  
31 ~~licensee may conduct its business at one or more locations, directly or~~

1 ~~indirectly owned, or through one or more authorized delegates, or both,~~  
2 ~~pursuant to the single license granted to the licensee.~~

3 ~~(4) A license issued pursuant to the act is not transferable or~~  
4 ~~assignable.~~

5 **Sec. 27.** Section 8-2726, Reissue Revised Statutes of Nebraska, is  
6 amended to read:

7 8-2726 (1) Every licensee shall forward all money received for  
8 transmission in accordance with the terms of the agreement between the  
9 licensee and the sender unless the licensee has a reasonable belief or a  
10 reasonable basis to believe that the sender may be a victim of fraud or  
11 that a crime or violation of any law, rule, or regulation has occurred,  
12 is occurring, or may occur.

13 (2) If a licensee does not forward money received for transmission  
14 in accordance with this section, the licensee shall respond to inquiries  
15 by the sender with the reason for not forwarding the money unless  
16 providing a response would violate a state or federal law, rule, or  
17 regulation.

18 ~~To qualify for a license under the Nebraska Money Transmitters Act,~~  
19 ~~an applicant, at the time of filing for a license, and a licensee at all~~  
20 ~~times after a license is issued, shall satisfy the following~~  
21 ~~requirements:~~

22 ~~(1) Each applicant or licensee must have a net worth of not less~~  
23 ~~than fifty thousand dollars, calculated in accordance with generally~~  
24 ~~accepted accounting principles;~~

25 ~~(2) The financial condition and responsibility, financial and~~  
26 ~~business experience, and character and general fitness of the applicant~~  
27 ~~or licensee must reasonably warrant the belief that the applicant's or~~  
28 ~~licensee's business will be conducted honestly, fairly, and in a manner~~  
29 ~~commanding the confidence and trust of the community. In determining~~  
30 ~~whether this requirement is met and for purposes of investigating~~  
31 ~~compliance with the act, the director may review and consider the~~

1 ~~relevant business records and capital adequacy of the applicant or~~  
2 ~~licensee;~~

3 ~~(3) Each corporate applicant or licensee must be organized under the~~  
4 ~~laws of any state of the United States, the District of Columbia, any~~  
5 ~~territory of the United States, Puerto Rico, Guam, American Samoa, the~~  
6 ~~Trust Territory of the Pacific Islands, the Virgin Islands, or the~~  
7 ~~Northern Mariana Islands, and must be in good standing in the place of~~  
8 ~~its incorporation;~~

9 ~~(4) Each applicant or licensee must be registered or qualified to do~~  
10 ~~business in the State of Nebraska; and~~

11 ~~(5) Each applicant or licensee must maintain an office in the United~~  
12 ~~States.~~

13 **Sec. 28.** Section 8-2727, Reissue Revised Statutes of Nebraska, is  
14 amended to read:

15 8-2727 (1) This section does not apply to:

16 (a) Money received for transmission subject to the federal  
17 remittance rule; or

18 (b) Money received for transmission pursuant to a written agreement  
19 between the licensee and payee to process payments for goods or services  
20 provided by the payee.

21 (2) Every licensee shall refund to the sender within ten days after  
22 receipt of the sender's written request for a refund of any and all money  
23 received for transmission unless any of the following occurs:

24 (a) The money has been forwarded within ten days after the date on  
25 which the money was received for transmission;

26 (b) Instructions have been given committing an equivalent amount of  
27 money to the person designated by the sender within ten days after the  
28 date on which the money was received for transmission;

29 (c) The agreement between the licensee and the sender instructs the  
30 licensee to forward the money at a time that is beyond ten days after the  
31 date on which the money was received for transmission. If funds have not

1 yet been forwarded in accordance with the terms of the agreement between  
2 the licensee and the sender, the licensee shall issue a refund in  
3 accordance with the other provisions of this section;

4 (d) The refund is requested for a transaction that the licensee has  
5 not completed based on a reasonable belief or a reasonable basis to  
6 believe that a crime or violation of law, rule, or regulation has  
7 occurred, is occurring, or may occur; or

8 (e) The refund request does not enable the licensee to:

9 (i) Identify the sender's name and address or telephone number; or

10 (ii) Identify the particular transaction to be refunded in the event  
11 the sender has multiple transactions outstanding.

12 ~~(1)(a) Except as provided in subsection (2) of this section, an~~  
13 ~~applicant shall submit, with the application, a surety bond issued by a~~  
14 ~~bonding company or insurance company authorized to do business in this~~  
15 ~~state and acceptable to the director in the principal sum of one hundred~~  
16 ~~thousand dollars. The director may increase the amount of the bond to a~~  
17 ~~maximum of two hundred fifty thousand dollars for good cause.~~

18 ~~(b) The bond shall be in a form satisfactory to the director and~~  
19 ~~shall run to the state for the benefit of any claimants against the~~  
20 ~~licensee to secure the faithful performance of the obligations of the~~  
21 ~~licensee with respect to the receipt, handling, transmission, and payment~~  
22 ~~of money in connection with money transmission. In the case of a bond,~~  
23 ~~the aggregate liability of the surety shall not exceed the principal sum~~  
24 ~~of the bond. Any claimant against the licensee may bring suit directly on~~  
25 ~~the bond or the director may bring suit on behalf of any claimant, either~~  
26 ~~in one action or in successive actions.~~

27 ~~(2) Upon filing of the report required by section 8-2734 and the~~  
28 ~~information required by subdivision (2)(b) of such section, a licensee~~  
29 ~~shall maintain or increase its surety bond to reflect the total dollar~~  
30 ~~amount of money transmitter transactions by the licensee in this state in~~  
31 ~~the most recent four calendar quarters for which data is available before~~

1 ~~the date of the filing of the renewal application in accordance with the~~  
2 ~~following table. A licensee may decrease its surety bond in accordance~~  
3 ~~with the following table if the surety bond required is less than the~~  
4 ~~amount of the surety bond on file with the department:~~

5 Dollar Amount of Money Transmitter Transactions	Surety Bond Required
6 \$0.00 to \$2,000,000.00	\$100,000.00
7 \$2,000,000.01 to \$4,000,000.00	\$150,000.00
8 \$4,000,000.01 to \$6,000,000.00	\$200,000.00
9 Over \$6,000,000.00	\$250,000.00

10 ~~(3) If the department determines that a licensee does not maintain a~~  
11 ~~surety bond in the amount required by subsection (2) of this section, the~~  
12 ~~department shall give written notification to the licensee requiring it~~  
13 ~~to increase the surety bond within thirty days to the amount required by~~  
14 ~~such subsection.~~

15 ~~(4) The director may at any time require the filing of a new or~~  
16 ~~supplemental bond in the form as provided in subsection (1) of this~~  
17 ~~section if he or she determines that the bond filed under this section is~~  
18 ~~exhausted or is inadequate for any reason, including, but not limited to,~~  
19 ~~the financial condition of a licensee or an applicant for a license or~~  
20 ~~violations of the Nebraska Money Transmitters Act, any rule and~~  
21 ~~regulation or order thereunder, or any state or federal law applicable to~~  
22 ~~a licensee or an applicant for a license. The new or supplemental bond~~  
23 ~~shall not exceed five hundred thousand dollars.~~

24 ~~(5)(a) In lieu of the corporate surety bond or bonds required by~~  
25 ~~this section or of any portion of the principal thereof, the applicant or~~  
26 ~~licensee may deposit, with the director or with such banks or trust~~  
27 ~~companies located in this state or with any federal reserve bank as the~~  
28 ~~applicant or licensee may designate and the director may approve,~~  
29 ~~interest-bearing stocks and bonds, notes, debentures or other obligations~~  
30 ~~of the United States or any agency or instrumentality thereof, or~~  
31 ~~guaranteed by the United States, or of this state, or of a city, county,~~

1 ~~village, school district, or instrumentality of this state, or guaranteed~~  
2 ~~by this state, to an aggregate amount, based upon principal amount or~~  
3 ~~market value, whichever is lower, of not less than the amount of the~~  
4 ~~required corporate surety bond or portion thereof. The securities shall~~  
5 ~~be deposited and held to secure the same obligations as would the surety~~  
6 ~~bond.~~

7 ~~(b) The licensee shall have the right, with the approval of the~~  
8 ~~director, to substitute other securities for those deposited and shall be~~  
9 ~~required to do so on written order of the director made for good cause~~  
10 ~~shown. The licensee shall pay the fees prescribed in section 8-602 for~~  
11 ~~pledging and substitution of securities. So long as the licensee so~~  
12 ~~depositing shall continue solvent and is not in violation of the Nebraska~~  
13 ~~Money Transmitters Act, such licensee shall be permitted to receive the~~  
14 ~~interest or dividends on such deposit.~~

15 ~~(c) The safekeeping of such securities and all other expenses~~  
16 ~~incidental to the pledging of such securities shall be paid by the~~  
17 ~~licensee. All such securities shall be subject to sale and transfer and~~  
18 ~~to the disposal of the proceeds by the director only on the order of a~~  
19 ~~court of competent jurisdiction.~~

20 ~~(6) The surety bond shall remain in effect until cancellation, which~~  
21 ~~may occur only after thirty days' written notice to the director.~~  
22 ~~Cancellation shall not affect any liability incurred or accrued during~~  
23 ~~the period the surety bond was in effect.~~

24 ~~(7) The surety bond shall remain in place for at least five years~~  
25 ~~after the licensee ceases money transmission in this state, except that~~  
26 ~~the director may permit the surety bond to be reduced or eliminated~~  
27 ~~before that time to the extent that the amount of the licensee's payment~~  
28 ~~instruments outstanding in this state are reduced. The director may also~~  
29 ~~permit a licensee to substitute a letter of credit or such other form of~~  
30 ~~security acceptable to the director for the surety bond in place at the~~  
31 ~~time the licensee ceases money transmission in the state.~~

1           **Sec. 29.** Section 8-2728, Reissue Revised Statutes of Nebraska, is  
2 amended to read:

3           8-2728 (1) This section does not apply to:

4           (a) Money received for transmission subject to the federal  
5 remittance rule; or

6           (b) Money received for transmission that is not primarily for  
7 personal, family, or household purposes;

8           (c) Money received for transmission pursuant to a written agreement  
9 between the licensee and payee to process payments for goods or services  
10 provided by the payee; or

11           (d) Payroll processing services.

12           (2)(a) Every licensee or authorized delegate shall provide the  
13 sender a receipt for money received for transmission.

14           (b) The receipt shall contain the following information, as  
15 applicable:

16           (i) The name of the sender;

17           (ii) The name of the designated recipient;

18           (iii) The date of the transaction;

19           (iv) The unique transaction or identification number;

20           (v) The name of the licensee, Nationwide Mortgage Licensing System  
21 and Registry unique identification, the licensee's business address, and  
22 the licensee's customer service telephone number;

23           (vi) The name and telephone number of the department and a statement  
24 that the licensee's customers can contact the department with questions  
25 or complaints about the licensee's money transmission services;

26           (vii) The amount of the transaction in United States dollars;

27           (viii) Any fee charged by the licensee to the sender for the  
28 transaction; and

29           (ix) Any tax collected by the licensee from the sender for the  
30 transaction.

31           (c) For a transaction conducted in person, the receipt may be

1 provided electronically if the sender requests or agrees to receive an  
2 electronic receipt. For a transaction conducted electronically or by  
3 telephone, a receipt may be provided electronically. All electronic  
4 receipts shall be provided in a retainable form.

5 (d) The receipt required by this subsection shall be in English and  
6 in the language principally used by the licensee or authorized delegate  
7 to advertise, solicit, or negotiate, either orally or in writing, for a  
8 transaction conducted in person, electronically, or by telephone, if  
9 other than English.

10 ~~(1) Each licensee shall at all times possess permissible investments~~  
11 ~~having an aggregate market value, calculated in accordance with generally~~  
12 ~~accepted accounting principles, of not less than the aggregate face~~  
13 ~~amount of all outstanding payment instruments and stored value issued or~~  
14 ~~sold by the licensee in the United States. This requirement may be waived~~  
15 ~~by the director if the dollar volume of a licensee's outstanding payment~~  
16 ~~instruments and stored value does not exceed the bond or other security~~  
17 ~~posted by the licensee pursuant to section 8-2727.~~

18 ~~(2) Permissible investments, even if commingled with other assets of~~  
19 ~~the licensee, are deemed by operation of law to be held in trust for the~~  
20 ~~benefit of the purchasers and holders of the licensee's outstanding~~  
21 ~~payment instruments in the event of the bankruptcy of the licensee.~~

22 **Sec. 30.** Section 8-2729, Revised Statutes Cumulative Supplement,  
23 2024, is amended to read:

24 8-2729 (1) A licensee that provides payroll processing services  
25 shall:

26 (a) Issue reports to clients detailing client payroll obligations in  
27 advance of the payroll funds being deducted from an account; and

28 (b) Make available employee paystubs or an equivalent statement to  
29 employees.

30 (2) This section does not apply to a licensee providing payroll  
31 processing services where the licensee's client designates the intended

1 recipients to the licensee and is responsible for providing the  
2 disclosures required by subdivision (1)(b) of this section.

3 ~~Each application for a license under the Nebraska Money Transmitters~~  
4 ~~Act shall be made in writing and in a form prescribed by the director.~~  
5 ~~Each application shall state or contain:~~

6 ~~(1) For all applicants:~~

7 ~~(a) The exact name of the applicant, the applicant's principal~~  
8 ~~address, any fictitious or trade name used by the applicant in the~~  
9 ~~conduct of its business, and the location of the applicant's business~~  
10 ~~records;~~

11 ~~(b) The history of the applicant's criminal convictions and material~~  
12 ~~litigation for the five-year period before the date of the application;~~

13 ~~(c) A description of the activities conducted by the applicant and a~~  
14 ~~history of operations;~~

15 ~~(d) A description of the business activities in which the applicant~~  
16 ~~seeks to be engaged in this state;~~

17 ~~(e) A list identifying the applicant's proposed authorized delegates~~  
18 ~~in this state, if any, at the time of the filing of the application;~~

19 ~~(f) A sample authorized delegate contract, if applicable;~~

20 ~~(g) A sample form of payment instrument, if applicable;~~

21 ~~(h) The locations at which the applicant and its authorized~~  
22 ~~delegates, if any, propose to conduct money transmission in this state;~~  
23 ~~and~~

24 ~~(i) The name, address, and account information of each clearing bank~~  
25 ~~or banks, which shall be covered by federal deposit insurance, on which~~  
26 ~~the applicant's payment instruments and funds received for transmission~~  
27 ~~or otherwise will be drawn or through which the payment instruments or~~  
28 ~~other funds will be payable;~~

29 ~~(2) If the applicant is a corporation, the applicant shall also~~  
30 ~~provide:~~

31 ~~(a) The date of the applicant's incorporation and state of~~

1 ~~incorporation;~~

2 ~~(b) A certificate of good standing from the state in which the~~  
3 ~~applicant was incorporated;~~

4 ~~(c) A certificate of authority from the Secretary of State to~~  
5 ~~conduct business in this state;~~

6 ~~(d) A description of the corporate structure of the applicant,~~  
7 ~~including the identity of any parent or subsidiary of the applicant, and~~  
8 ~~a disclosure of whether any parent or subsidiary is publicly traded on~~  
9 ~~any stock exchange;~~

10 ~~(e) The name, business and residence addresses, and employment~~  
11 ~~history for the five-year period immediately before the date of the~~  
12 ~~application of the applicant's executive officers and the officers or~~  
13 ~~managers who will be in charge of the applicant's activities to be~~  
14 ~~licensed under the act;~~

15 ~~(f) The name, business and residence addresses, and employment~~  
16 ~~history for the five-year period immediately before the date of the~~  
17 ~~application and the most recent personal financial statement of any key~~  
18 ~~shareholder of the applicant;~~

19 ~~(g) The history of material litigation for the five-year period~~  
20 ~~immediately before the date of the application of every executive officer~~  
21 ~~or key shareholder of the applicant;~~

22 ~~(h) Background checks as provided in section 8-2730;~~

23 ~~(i) A copy of the applicant's most recent audited financial~~  
24 ~~statement including balance sheet, statement of income or loss, statement~~  
25 ~~of changes in shareholder equity, and statement of changes in financial~~  
26 ~~position and, if available, the applicant's audited financial statements~~  
27 ~~for the immediately preceding two-year period. However, if the applicant~~  
28 ~~is a wholly owned subsidiary of another corporation, the applicant may~~  
29 ~~submit either the parent corporation's consolidated audited financial~~  
30 ~~statements for the current year and for the immediately preceding two-~~  
31 ~~year period or the parent corporation's Form 10-K reports filed with the~~

1 ~~United States Securities and Exchange Commission for the prior three~~  
2 ~~years in lieu of the applicant's financial statements. If the applicant~~  
3 ~~is a wholly owned subsidiary of a corporation having its principal place~~  
4 ~~of business outside the United States, similar documentation filed with~~  
5 ~~the parent corporation's non-United States regulator may be submitted to~~  
6 ~~satisfy this subdivision; and~~

7 ~~(j) Copies of all filings, if any, made by the applicant with the~~  
8 ~~United States Securities and Exchange Commission or with a similar~~  
9 ~~regulator in a country other than the United States, within the year~~  
10 ~~preceding the date of filing of the application; and~~

11 ~~(3) If the applicant is not a corporation, the applicant shall also~~  
12 ~~provide:~~

13 ~~(a) The name, business and residence addresses, personal financial~~  
14 ~~statement, and employment history, for the five-year period immediately~~  
15 ~~before the date of the application, of each principal of the applicant~~  
16 ~~and the name, business and residence addresses, and employment history~~  
17 ~~for the five-year period immediately before the date of the application~~  
18 ~~of any other person or persons who will be in charge of the applicant's~~  
19 ~~money transmission activities;~~

20 ~~(b) A copy of the applicant's registration or qualification to do~~  
21 ~~business in this state;~~

22 ~~(c) The history of material litigation for the five-year period~~  
23 ~~immediately before the date of the application for each individual having~~  
24 ~~any ownership interest in the applicant and each individual who exercises~~  
25 ~~supervisory responsibility with respect to the applicant's activities;~~

26 ~~(d) Background checks as provided in section 8-2730; and~~

27 ~~(e) Copies of the applicant's audited financial statements including~~  
28 ~~balance sheet, statement of income or loss, and statement of changes in~~  
29 ~~financial position for the current year and, if available, for the~~  
30 ~~immediately preceding two-year period.~~

31 **Sec. 31.** Section 8-2730, Revised Statutes Cumulative Supplement,

1 2024, is amended to read:

2 8-2730 (1) A licensee shall maintain at all times a net worth of the  
3 greater of one hundred thousand dollars or three percent of the  
4 licensee's total assets for the first one hundred million dollars, two  
5 percent of additional assets for over one hundred million dollars to one  
6 billion dollars, and one-half percent of additional assets for over one  
7 billion dollars.

8 (2) Net worth shall be demonstrated at initial application by the  
9 applicant's most recent audited or, if allowed by the director, unaudited  
10 financial statements provided pursuant to subdivision (2)(f) of section  
11 8-2711.

12 (3) Notwithstanding subsections (1) and (2) of this section, the  
13 director shall have the authority, for good cause shown, to exempt any  
14 applicant or licensee in-part or in whole, from the requirements of  
15 subsections (1) and (2) of this section.

16 ~~(1) Effective July 1, 2014, the department shall require licensees~~  
17 ~~under the Nebraska Money Transmitters Act to be licensed and registered~~  
18 ~~through the Nationwide Mortgage Licensing System and Registry. In order~~  
19 ~~to carry out this requirement, the department is authorized to~~  
20 ~~participate in the Nationwide Mortgage Licensing System and Registry. For~~  
21 ~~this purpose, the department may establish, by adopting and promulgating~~  
22 ~~rules and regulations or by order, requirements as necessary. The~~  
23 ~~requirements may include, but are not limited to:~~

24 ~~(a) Background checks of applicants and licensees, including, but~~  
25 ~~not limited to:~~

26 ~~(i) Fingerprints of every executive officer, director, partner,~~  
27 ~~member, sole proprietor, or shareholder submitted to the Federal Bureau~~  
28 ~~of Investigation and any other governmental agency or entity authorized~~  
29 ~~to receive such information for a state, national, and international~~  
30 ~~criminal history record information check, except that the department~~  
31 ~~shall not require the submission of fingerprints by (A) an executive~~

1 ~~officer or director of an applicant or licensee which is either a~~  
2 ~~publicly traded company or a wholly owned subsidiary of a publicly traded~~  
3 ~~company or (B) an applicant or licensee who has previously submitted the~~  
4 ~~fingerprints of an executive officer, director, partner, member, sole~~  
5 ~~proprietor, or shareholder directly to the Nationwide Mortgage Licensing~~  
6 ~~System and Registry and the Federal Bureau of Investigation will accept~~  
7 ~~such fingerprints for a criminal background check;~~

8 ~~(ii) Checks of civil or administrative records;~~

9 ~~(iii) Checks of an applicant's or a licensee's credit history; or~~

10 ~~(iv) Any other information as deemed necessary by the Nationwide~~  
11 ~~Mortgage Licensing System and Registry;~~

12 ~~(b) The payment of fees to apply for or renew a license through the~~  
13 ~~Nationwide Mortgage Licensing System and Registry;~~

14 ~~(c) The setting or resetting, as necessary, of renewal processing or~~  
15 ~~reporting dates;~~

16 ~~(d) Information and reports pertaining to authorized delegates; and~~

17 ~~(e) Amending or surrendering a license or any other such activities~~  
18 ~~as the director deems necessary for participation in the Nationwide~~  
19 ~~Mortgage Licensing System and Registry.~~

20 ~~(2) In order to fulfill the purposes of the act, the department is~~  
21 ~~authorized to establish relationships or contracts with the Nationwide~~  
22 ~~Mortgage Licensing System and Registry or other entities designated by~~  
23 ~~the Nationwide Mortgage Licensing System and Registry to collect and~~  
24 ~~maintain records and process transaction fees or other fees related to~~  
25 ~~licensees or other persons subject to the act. The department may allow~~  
26 ~~such system to collect licensing fees on behalf of the department and~~  
27 ~~allow such system to collect a processing fee for the services of the~~  
28 ~~system directly from each licensee or applicant for a license.~~

29 ~~(3) The director is required to regularly report enforcement actions~~  
30 ~~and other relevant information to the Nationwide Mortgage Licensing~~  
31 ~~System and Registry subject to the provisions contained in section~~

1 ~~8-2731.~~

2 ~~(4) The director shall establish a process whereby applicants and~~  
3 ~~licensees may challenge information entered into the Nationwide Mortgage~~  
4 ~~Licensing System and Registry by the director.~~

5 ~~(5) The department shall ensure that the Nationwide Mortgage~~  
6 ~~Licensing System and Registry adopts a privacy, data security, and breach~~  
7 ~~of security of the system notification policy. The director shall make~~  
8 ~~available upon written request a copy of the contract between the~~  
9 ~~department and the Nationwide Mortgage Licensing System and Registry~~  
10 ~~pertaining to the breach of security of the system provisions.~~

11 ~~(6) The department shall upon written request provide the most~~  
12 ~~recently available audited financial report of the Nationwide Mortgage~~  
13 ~~Licensing System and Registry.~~

14 ~~(7) The director may use the Nationwide Mortgage Licensing System~~  
15 ~~and Registry as a channeling agent for requesting information from and~~  
16 ~~distributing information to the United States Department of Justice or~~  
17 ~~any other governmental agency in order to reduce the points of contact~~  
18 ~~which the Federal Bureau of Investigation may have to maintain for~~  
19 ~~purposes of subsection (1) of this section.~~

20 **Sec. 32.** Section 8-2731, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 8-2731 (1) An applicant for a money transmission license shall  
23 provide, and a licensee at all times shall maintain, security consisting  
24 of a surety bond in a form satisfactory to the director.

25 (2) The amount of the surety bond required by subsection (1) of this  
26 section shall be the greater of one hundred thousand dollars or an amount  
27 equal to one hundred percent of the licensee's average daily money  
28 transmission liability in this state calculated for the most recently  
29 completed three-month period, up to a maximum of five hundred thousand  
30 dollars. A licensee that maintains a bond in the maximum amount provided  
31 for in this subsection shall not be required to calculate its average

1 daily money transmission liability in this state for purposes of this  
2 subsection.

3 (3) The surety bond required by subsection (1) of this section shall  
4 remain in effect until cancellation, which may occur only after thirty  
5 days' written notice to the director. Cancellation shall not affect any  
6 liability incurred or accrued during the period the surety bond was in  
7 effect.

8 (4) Any claimant against the licensee may file a claim or bring suit  
9 directly on the surety bond required by subsection (1) of this section.  
10 The director may also file a claim or bring suit on behalf of any  
11 claimant, either in one action or in successive actions.

12 ~~(1) In order to promote more effective regulation and reduce the~~  
13 ~~regulatory burden through supervisory information sharing:~~

14 ~~(a) Except as otherwise provided in this section, the requirements~~  
15 ~~under any federal or state law regarding the privacy or confidentiality~~  
16 ~~of any information or material provided to the Nationwide Mortgage~~  
17 ~~Licensing System and Registry, and any privilege arising under federal or~~  
18 ~~state law, including the rules of any federal or state court, with~~  
19 ~~respect to such information or material, shall continue to apply to such~~  
20 ~~information or material after the information or material has been~~  
21 ~~disclosed to the Nationwide Mortgage Licensing System and Registry. Such~~  
22 ~~information and material may be shared with all federal and state~~  
23 ~~regulatory officials with money transmitter industry oversight authority~~  
24 ~~without the loss of privilege or the loss of confidentiality protections~~  
25 ~~provided by federal or state law;~~

26 ~~(b) Information or material that is subject to privilege or~~  
27 ~~confidentiality under subdivision (a) of this subsection shall not be~~  
28 ~~subject to:~~

29 ~~(i) Disclosure under any federal or state law governing the~~  
30 ~~disclosure to the public of information held by an officer or an agency~~  
31 ~~of the federal government or the respective state; or~~

1       ~~(ii) Subpoena or discovery or admission into evidence in any private~~  
2 ~~civil action or administrative process unless, with respect to any~~  
3 ~~privilege held by the Nationwide Mortgage Licensing System and Registry~~  
4 ~~with respect to such information or material, the person to whom such~~  
5 ~~information or material pertains waives, in whole or in part, in the~~  
6 ~~discretion of such person, that privilege;~~

7       ~~(c) Any state statute relating to the disclosure of confidential~~  
8 ~~supervisory information or any information or material described in~~  
9 ~~subdivision (a) of this subsection that is inconsistent with such~~  
10 ~~subdivision shall be superseded by the requirements of this section; and~~

11       ~~(d) This section shall not apply with respect to the information or~~  
12 ~~material relating to the employment history of, and publicly adjudicated~~  
13 ~~disciplinary and enforcement actions against, applicants and licensees~~  
14 ~~that is included in the Nationwide Mortgage Licensing System and Registry~~  
15 ~~for access by the public.~~

16       ~~(2) For these purposes, the director is authorized to enter into~~  
17 ~~agreements or sharing arrangements with other governmental agencies, the~~  
18 ~~Conference of State Bank Supervisors, the American Association of~~  
19 ~~Residential Mortgage Regulators, the Money Transmitter Regulators~~  
20 ~~Association, or other associations representing governmental agencies as~~  
21 ~~established by adopting and promulgating rules and regulations or an~~  
22 ~~order of the director.~~

23       **Sec. 33.** Section 8-2732, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25       8-2732 (1) A licensee shall maintain at all times permissible  
26 investments that have a market value computed in accordance with United  
27 States generally accepted accounting principles of not less than the  
28 aggregate amount of all of its outstanding money transmission  
29 obligations.

30       (2) Except for permissible investments described in subsection (1)  
31 of section 8-2733, the director, with respect to any licensee, may, by

1 order, limit the extent to which a specific investment maintained by a  
2 licensee within a class of permissible investments may be considered a  
3 permissible investment, if the specific investment represents undue risk  
4 to customers, not reflected in the market value of the investment.

5 (3) Permissible investments, even if commingled with other assets of  
6 the licensee, are held in trust for the benefit of the purchasers and  
7 holders of the licensee's outstanding money transmission obligations in  
8 the event of insolvency, the filing of a petition by or against the  
9 licensee under the United States Bankruptcy Code for bankruptcy or  
10 reorganization, the filing of a petition by or against the licensee for  
11 receivership, the commencement of any other judicial or administrative  
12 proceeding for dissolution or reorganization, or in the event of an  
13 action by a creditor against the licensee who is not a beneficiary of  
14 this statutory trust.

15 (4) No permissible investments held in trust pursuant to subsection  
16 (3) of this section shall be subject to attachment, levy of execution, or  
17 sequestration by order of any court, except for a beneficiary of this  
18 statutory trust.

19 (5) Funds drawn on a letter of credit, and any other permissible  
20 investments held in trust for the benefit of the purchasers and holders  
21 of the licensee's outstanding money transmission obligations, are deemed  
22 held in trust for the benefit of such purchasers and holders on a pro  
23 rata and equitable basis for permissible investments required to be held  
24 in this state, and other states, as applicable. Any statutory trust  
25 established under this subsection shall be terminated upon extinguishment  
26 of all of the licensee's outstanding money transmission obligations.

27 (6) The director, by rule or order, may allow any other type of  
28 investment, that the director determines is of sufficient liquidity and  
29 quality, to be a permissible investment. The director is authorized to  
30 participate in efforts with other state regulators to determine whether  
31 other types of investments are of sufficient liquidity and quality to be

1 a permissible investment.

2 ~~Each applicant shall submit, with the application, an application~~  
3 ~~fee of one thousand dollars, and any processing fee allowed under~~  
4 ~~subsection (2) of section 8-2730 which shall not be subject to refund but~~  
5 ~~which, if the license is granted, shall constitute the license fee for~~  
6 ~~the first license year or part thereof.~~

7 **Sec. 34.** Section 8-2733, Reissue Revised Statutes of Nebraska, is  
8 amended to read:

9 8-2733 (1) The following investments are permissible investments for  
10 the purposes of section 8-2732:

11 (a) Cash, including demand deposits, savings deposits, and funds in  
12 such accounts held for the benefit of the licensee's customers in a  
13 federally insured depository financial institution;

14 (b) Cash equivalents, including automated clearinghouse items in  
15 transit to the licensee, automated clearinghouse items or international  
16 wires in transit to a payee, cash in transit via armored car, cash in  
17 smart safes, cash in licensee-owned locations, debit card-funded or  
18 credit card-funded transmission receivables owed by any financial  
19 institution, or money market mutual funds rated AAA by Standard and  
20 Poor's Corporation or the equivalent from any other eligible rating  
21 service;

22 (c) Certificates of deposit or senior debt obligations of an insured  
23 depository institution as defined in the Federal Deposit Insurance Act or  
24 an insured credit union as defined in the Federal Credit Union Act;

25 (d) An obligation of the United States or a commission, agency, or  
26 instrumentality thereof;

27 (e) An obligation that is guaranteed fully as to principal and  
28 interest by the United States;

29 (f) An obligation of a state or a governmental subdivision, agency,  
30 or instrumentality thereof; and

31 (g)(i) The full drawable amount of an irrevocable standby letter of

1 credit, for which the stated beneficiary is the director, that stipulates  
2 that the beneficiary need only draw a sight draft under the letter of  
3 credit and present it to obtain funds up to the letter of credit amount  
4 within seven days after presentation of the items required by this  
5 subdivision.

6 (ii) The letter of credit shall:

7 (A) Be issued by a federally insured depository financial  
8 institution, a foreign bank that is authorized under federal law to  
9 maintain a federal agency or federal branch office in a state or states,  
10 or a foreign bank that is authorized under state law to maintain a branch  
11 in a state and such bank bears an eligible rating or whose parent company  
12 bears an eligible rating and is regulated, supervised, and examined by  
13 United States federal or state authorities having regulatory authority  
14 over banks, credit unions, and trust companies;

15 (B) Be irrevocable and unconditional and indicate that such letter  
16 of credit is not subject to any condition or qualifications outside of  
17 the letter of credit;

18 (C) Not contain reference to any other agreements, documents, or  
19 entities, or otherwise provide for any security interest in the licensee;  
20 and

21 (D) Contain an issue date and expiration date and expressly provide  
22 for automatic extension, without a written amendment, for an additional  
23 period of one year from the present or each future expiration date,  
24 unless the issuer of the letter of credit notifies the director in  
25 writing, by certified or registered mail or courier mail or other  
26 receipted means, at least sixty days prior to any expiration date that  
27 the irrevocable letter of credit will not be extended.

28 (iii) In the event of any notice of expiration or nonextension of a  
29 letter of credit, the licensee shall be required to demonstrate to the  
30 satisfaction of the director, fifteen days prior to expiration, that the  
31 licensee maintains and will maintain permissible investments in

1 accordance with subsection (1) of section 8-2732 upon the expiration of  
2 the letter of credit. If the licensee is not able to do so, the director  
3 may draw on the letter of credit in an amount up to the amount necessary  
4 to meet the licensee's requirements to maintain permissible investments  
5 in accordance with subsection (1) of section 8-2732. Any such draw shall  
6 be offset against the licensee's outstanding money transmission  
7 obligations. The drawn funds shall be held in trust by the director or  
8 the director's designated agent, to the extent authorized by law, as  
9 agent for the benefit of the purchasers and holders of the licensee's  
10 outstanding money transmission obligations.

11 (iv) The letter of credit shall provide that the issuer of the  
12 letter of credit will honor, at sight, a presentation made by the  
13 beneficiary to the issuer of the following documents on or prior to the  
14 expiration date of the letter of credit:

15 (A) The original letter of credit, including any amendments; and

16 (B) A written statement from the beneficiary stating that any of the  
17 following events have occurred:

18 (I) The filing of a petition by or against the licensee under the  
19 United States Bankruptcy Code for bankruptcy or reorganization;

20 (II) The filing of a petition by or against the licensee for  
21 receivership or the commencement of any other judicial or administrative  
22 proceeding for dissolution or reorganization;

23 (III) The seizure of assets of a licensee by a director pursuant to  
24 an emergency order issued in accordance with applicable law, on the basis  
25 of an action, violation, or condition that has caused or is likely to  
26 cause the insolvency of the licensee; or

27 (IV) The beneficiary has received notice of expiration or  
28 nonextension of a letter of credit and the licensee failed to demonstrate  
29 to the satisfaction of the beneficiary that the licensee will maintain  
30 permissible investments in accordance with subsection (1) of section  
31 8-2732 upon the expiration or nonextension of the letter of credit.

1       (v) The director may designate an agent to serve on the director's  
2 behalf as beneficiary to a letter of credit so long as the agent and  
3 letter of credit meet requirements established by the director. The  
4 director's agent may serve as agent for multiple licensing authorities  
5 for a single irrevocable letter of credit if the proceeds of the drawable  
6 amount for the purposes of this section are assigned to the director.

7       (vi) The director is authorized to participate in multistate  
8 processes designed to facilitate the issuance and administration of  
9 letters of credit, including, but not limited to, services provided by  
10 the Nationwide Mortgage Licensing System and Registry and State  
11 Regulatory Registry LLC.

12       (2) Unless permitted by the director, by rule or order, to exceed  
13 the limit as set forth in this section, the following investments are  
14 permissible investments for the purposes of section 8-2732 to the extent  
15 specified:

16       (a) Receivables that are payable to a licensee from authorized  
17 delegates in the ordinary course of business, received by the authorized  
18 delegates less than seven days old, and combined not exceeding fifty  
19 percent of the aggregate value of the licensee's total permissible  
20 investments, and receivables that are payable to a licensee from a single  
21 authorized delegate in the ordinary course of business, received by the  
22 authorized delegate less than seven days before, and combined not  
23 exceeding ten percent of the aggregate value of the licensee's total  
24 permissible investments;

25       (b) The following investment categories are permissible up to twenty  
26 percent of the aggregate value of the licensee's total permissible  
27 investments for each investment category and up to fifty percent of the  
28 aggregate value of the licensee's total permissible investments for all  
29 of the investment categories combined:

30       (i) A short-term, up to six months, investment bearing an eligible  
31 rating;

1        (ii) Commercial paper bearing an eligible rating;  
2        (iii) A bill, note, bond, or debenture bearing an eligible rating;  
3        (iv) A United States tri-party repurchase agreement collateralized  
4 at one hundred percent or more with United States Government or agency  
5 securities, municipal bonds, or other securities bearing an eligible  
6 rating;

7        (v) A money market mutual fund rated less than AAA and equal to or  
8 higher than A- by Standard and Poor's Corporation, or the equivalent from  
9 any other eligible rating service; and

10       (vi) A mutual fund or other investment fund composed solely and  
11 exclusively of one or more permissible investments described in  
12 subdivisions (1)(a) through (c) of this section; and

13       (c) Cash, including demand deposits, savings deposits, and funds in  
14 such accounts held for the benefit of the licensee's customers, at  
15 foreign depository institutions are permissible up to ten percent of the  
16 aggregate value of the licensee's total permissible investments if the  
17 licensee has received a satisfactory rating in the licensee's most recent  
18 examination and the foreign depository institution:

19       (i) Has an eligible rating;  
20       (ii) Is registered under the Foreign Account Tax Compliance Act;  
21       (iii) Is not located in any country subject to sanctions from the  
22 Office of Foreign Assets Control; and

23       (iv) Is not located in a high-risk or noncooperative jurisdiction as  
24 designated by the Financial Action Task Force.

25       ~~(1) Upon the filing of a complete application under the Nebraska~~  
26 ~~Money Transmitters Act, the director shall investigate the financial~~  
27 ~~condition and responsibility, financial and business experience,~~  
28 ~~character, and general fitness of the applicant. The director may conduct~~  
29 ~~an onsite investigation of the applicant, the reasonable cost of which~~  
30 ~~shall be borne by the applicant. If the director finds that the~~  
31 ~~applicant's business will be conducted honestly, fairly, and in a manner~~

1 ~~commanding the confidence and trust of the community and that the~~  
2 ~~applicant has fulfilled the requirements imposed by the act and has paid~~  
3 ~~the required application or license fee, the director shall issue a~~  
4 ~~license to the applicant authorizing the applicant to engage in money~~  
5 ~~transmission in this state. If these requirements have not been met, the~~  
6 ~~director shall deny the application in writing, setting forth the reasons~~  
7 ~~for the denial.~~

8 ~~(2) The director shall approve or deny every application for an~~  
9 ~~original license within one hundred twenty days after the date a complete~~  
10 ~~application is submitted, which period may be extended by the written~~  
11 ~~consent of the applicant. The director shall notify the applicant of the~~  
12 ~~date when the application is deemed complete.~~

13 ~~(3) Any applicant aggrieved by a denial issued by the director under~~  
14 ~~the act may, at any time within fifteen business days after the date of~~  
15 ~~the denial, request a hearing before the director. The hearing shall be~~  
16 ~~held in accordance with the Administrative Procedure Act and rules and~~  
17 ~~regulations of the department.~~

18 ~~(4) If an applicant for a license under the Nebraska Money~~  
19 ~~Transmitters Act does not complete the license application and fails to~~  
20 ~~respond to a notice or notices from the department to correct the~~  
21 ~~deficiency or deficiencies for a period of one hundred twenty days or~~  
22 ~~more after the date the department sends the initial notice to correct~~  
23 ~~the deficiency or deficiencies, the department may deem the application~~  
24 ~~as abandoned and may issue a notice of abandonment of the application to~~  
25 ~~the applicant in lieu of proceedings to deny the application.~~

26 **Sec. 35.** Section 8-2734, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28 8-2734 (1) The director may, following a hearing in accordance with  
29 the Administrative Procedure Act, suspend or revoke a license or order a  
30 licensee to revoke the designation of an authorized delegate if:

31 (a) The licensee violates the Nebraska Money Transmitters Act or a

1 rule or regulation adopted and promulgated or an order issued under the  
2 act;

3 (b) The licensee does not cooperate with an examination or  
4 investigation by the director;

5 (c) The licensee willfully failed to make any report required by the  
6 act;

7 (d) The licensee engages in fraud, intentional misrepresentation, or  
8 gross negligence;

9 (e) An authorized delegate is convicted of a violation of a state or  
10 federal anti-money laundering statute, or violates a rule or regulation  
11 adopted and promulgated or an order issued under the act, as a result of  
12 the licensee's willful misconduct or willful blindness;

13 (f) The competence, experience, character, or general fitness of the  
14 licensee, authorized delegate, person in control of a licensee, key  
15 individual, or responsible person of the authorized delegate indicates  
16 that it is not in the public interest to permit the person to provide  
17 money transmission;

18 (g) The licensee engages in an unsafe or unsound practice;

19 (h) The licensee is insolvent, suspends payment of the licensee's  
20 obligations, or makes a general assignment for the benefit of its  
21 creditors; or

22 (i) The licensee does not remove an authorized delegate after the  
23 director issues and serves upon the licensee a final order including a  
24 finding that the authorized delegate has violated the Nebraska Money  
25 Transmitters Act.

26 (2) In determining whether a licensee is engaging in an unsafe or  
27 unsound practice, the director may consider the size and condition of the  
28 licensee's money transmission, the magnitude of the loss, the gravity of  
29 the violation of the Nebraska Money Transmitters Act, and the previous  
30 conduct of the person involved.

31 (3) A licensee may voluntarily surrender a license by delivering to

1 the director written notice of the surrender.

2 (4) If a licensee fails to maintain a surety bond as required by  
3 section 8-2731, the department may issue a notice of cancellation of the  
4 license in lieu of revocation proceedings.

5 (5) Suspension, revocation, cancellation, surrender, or expiration  
6 of a license shall not impair or affect the obligation of a preexisting  
7 lawful contract between the licensee and any person.

8 (6) Suspension, revocation, cancellation, surrender, or expiration  
9 of a license shall not affect civil or criminal liability for acts  
10 committed before the suspension, revocation, cancellation, surrender, or  
11 expiration or liability for any fines which may be levied against the  
12 licensee or any of its key individuals, executive officers, managers,  
13 directors, trustees, or other persons exercising managerial authority of  
14 a licensee for acts committed before the suspension, revocation,  
15 cancellation, surrender, or expiration.

16 ~~(1) Initial licenses shall remain in full force and effect until the~~  
17 ~~next succeeding December 31. Each licensee shall, annually on or before~~  
18 ~~December 31 of each year, file a license renewal application and pay to~~  
19 ~~the director a license fee of two hundred fifty dollars and any~~  
20 ~~processing fee allowed under subsection (2) of section 8-2730, both of~~  
21 ~~which shall not be subject to refund.~~

22 ~~(2) The renewal application and license fee shall be accompanied by~~  
23 ~~a report, in a form prescribed by the director, which shall include:~~

24 ~~(a) A copy of the licensee's most recent audited consolidated annual~~  
25 ~~financial statement including balance sheet, statement of income or loss,~~  
26 ~~statement of changes in shareholders' equity, and statement of changes in~~  
27 ~~financial position, or, if a licensee is a wholly owned subsidiary of~~  
28 ~~another corporation, the consolidated audited annual financial statement~~  
29 ~~of the parent corporation may be filed in lieu of the licensee's audited~~  
30 ~~annual financial statement;~~

31 ~~(b) The number of payment instruments sold by the licensee in the~~

1 ~~state, the dollar amount of those instruments, and the dollar amount of~~  
2 ~~payment instruments currently outstanding, for the most recent quarter~~  
3 ~~for which data is available before the date of the filing of the renewal~~  
4 ~~application, but in no event more than one hundred twenty days before the~~  
5 ~~renewal date;~~

6 ~~(c) Any material changes to any of the information submitted by the~~  
7 ~~licensee on its original application which have not previously been~~  
8 ~~reported to the director on any other report required to be filed under~~  
9 ~~the Nebraska Money Transmitters Act; and~~

10 ~~(d) A list of the licensee's permissible investments.~~

11 **Sec. 36.** Section 8-2735, Revised Statutes Cumulative Supplement,  
12 2024, is amended to read:

13 8-2735 (1) The director may issue an order suspending or revoking  
14 the designation of an authorized delegate if the director finds that:

15 (a) The authorized delegate violated the Nebraska Money Transmitters  
16 Act or a rule or regulation adopted and promulgated or an order issued  
17 under the act;

18 (b) The authorized delegate did not cooperate with an examination or  
19 investigation by the director;

20 (c) The authorized delegate engaged in fraud, intentional  
21 misrepresentation, or gross negligence;

22 (d) The authorized delegate is convicted of a violation of a state  
23 or federal anti-money-laundering statute;

24 (e) The competence, experience, character, or general fitness of the  
25 authorized delegate or a person in control of the authorized delegate  
26 indicates that it is not in the public interest to permit the authorized  
27 delegate to provide money transmission; or

28 (f) The authorized delegate is engaging in an unsafe or unsound  
29 practice.

30 (2) In determining whether an authorized delegate is engaging in an  
31 unsafe or unsound practice, the director may consider the size and

1 condition of the authorized delegate's provision of money transmission,  
2 the magnitude of the loss, the gravity of the violation of the Nebraska  
3 Money Transmitters Act or a rule or regulation adopted and promulgated or  
4 order issued under the act, and the previous conduct of the authorized  
5 delegate.

6 (3) An authorized delegate may apply for relief from a suspension or  
7 revocation of designation as an authorized delegate according to  
8 procedures prescribed by the director.

9 ~~(1) A licensee shall file notice with the director within thirty~~  
10 ~~calendar days after any material change in information provided in a~~  
11 ~~licensee's application as prescribed by the director.~~

12 ~~(2) A licensee shall file a report with the director within five~~  
13 ~~business days after the licensee has reason to know of the occurrence of~~  
14 ~~any of the following events:~~

15 ~~(a) The filing of a petition by or against the licensee under any~~  
16 ~~bankruptcy law of the United States for liquidation or reorganization;~~

17 ~~(b) The filing of a petition by or against the licensee for~~  
18 ~~receivership, the commencement of any other judicial or administrative~~  
19 ~~proceeding for its dissolution or reorganization, or the making of a~~  
20 ~~general assignment for the benefit of its creditors;~~

21 ~~(c) The filing of an action to revoke or suspend the licensee's~~  
22 ~~license in a state or country in which the licensee engages in business~~  
23 ~~or is licensed;~~

24 ~~(d) The cancellation or other impairment of the licensee's bond or~~  
25 ~~other security;~~

26 ~~(e) A charge or conviction of the licensee or of an executive~~  
27 ~~officer, manager, or director of, or controlling person of, the licensee,~~  
28 ~~for a felony; or~~

29 ~~(f) A charge or conviction of an authorized delegate for a felony.~~

30 ~~(3)(a) Except as provided in subdivisions (b) and (c) of this~~  
31 ~~subsection, a licensee shall notify the director in writing or through~~

1 ~~the Nationwide Mortgage Licensing System and Registry within three~~  
2 ~~business days from the time that the licensee becomes aware of any breach~~  
3 ~~of security of the system of computerized data owned or licensed by the~~  
4 ~~licensee, which contains personal information about a Nebraska resident,~~  
5 ~~or the unauthorized access to or use of such information about a Nebraska~~  
6 ~~resident as a result of the breach.~~

7 ~~(b) If a licensee would be required under Nebraska law to provide~~  
8 ~~notification to a Nebraska resident regarding such incident, then the~~  
9 ~~licensee shall provide a copy of such notification to the department~~  
10 ~~prior to or simultaneously with the licensee's notification to the~~  
11 ~~Nebraska resident.~~

12 ~~(c) Notice required by this subsection may be delayed if a law~~  
13 ~~enforcement agency determines that the notice will impede a criminal~~  
14 ~~investigation. Notice shall be made in good faith, without unreasonable~~  
15 ~~delay, and as soon as possible after the law enforcement agency~~  
16 ~~determines that notification will no longer impede the investigation.~~

17 ~~(d) For purposes of this subsection, the terms breach of the~~  
18 ~~security of the system and personal information have the same meaning as~~  
19 ~~in section 87-802.~~

20 **Sec. 37.** Section 8-2736, Reissue Revised Statutes of Nebraska, is  
21 amended to read:

22 8-2736 (1) If the director determines that a violation of the  
23 Nebraska Money Transmitters Act or of a rule or regulation adopted and  
24 promulgated or an order issued under the act by a licensee or authorized  
25 delegate is likely to cause immediate and irreparable harm to the  
26 licensee, the licensee's customers, or the public as a result of the  
27 violation, or cause insolvency or significant dissipation of assets of  
28 the licensee, the director may issue an order requiring the licensee or  
29 authorized delegate to cease and desist from the violation. The order  
30 becomes effective upon service of the order upon the licensee or  
31 authorized delegate.

1       (2) The director may issue an order against a licensee to cease and  
2 desist from providing money transmission through an authorized delegate  
3 that is the subject of a separate order by the director.

4       (3) An order to cease and desist remains effective and enforceable  
5 pending the completion of an administrative proceeding pursuant to the  
6 Administrative Procedure Act.

7       (4) A licensee or an authorized delegate that is served with an  
8 order to cease and desist may petition the district court of Lancaster  
9 County for a judicial order setting aside, limiting, or suspending the  
10 enforcement, operation, or effectiveness of the order pending the  
11 completion of an administrative proceeding pursuant to the Administrative  
12 Procedure Act.

13       (5) Upon entry of an order to cease and desist, the director shall  
14 promptly notify the affected person that such order has been entered and  
15 provide opportunity for hearing in accordance with the Administrative  
16 Procedure Act.

17       ~~(1) No person acting personally or as an authorized delegate shall~~  
18 ~~acquire control of any licensee under the Nebraska Money Transmitters Act~~  
19 ~~without first giving thirty days' notice to the director on forms~~  
20 ~~prescribed by the director of such proposed acquisition.~~

21       ~~(2) The director, upon receipt of such notice, shall act upon the~~  
22 ~~proposed acquisition within thirty days, and unless he or she disapproves~~  
23 ~~the proposed acquisition within that period of time, the acquisition~~  
24 ~~shall become effective on the thirty-first day after receipt without the~~  
25 ~~director's approval, except that the director may extend the thirty-day~~  
26 ~~period an additional thirty days if, in his or her judgment, any material~~  
27 ~~information submitted is substantially inaccurate or the acquiring person~~  
28 ~~has not furnished all the information required by the director.~~

29       ~~(3) An acquisition may be made prior to the expiration of the~~  
30 ~~disapproval period if the director issues written notice of his or her~~  
31 ~~intent not to disapprove the action.~~

- 1           ~~(4)(a) The director may disapprove any proposed acquisition if:~~
- 2           ~~(i) The financial condition of any acquiring person is such as might~~
- 3 ~~jeopardize the financial stability of the acquired licensee;~~
- 4           ~~(ii) The business experience, character, and general fitness of any~~
- 5 ~~acquiring person or of any of the proposed management personnel of the~~
- 6 ~~acquiring person indicate that the acquired licensee would not be~~
- 7 ~~operated honestly, carefully, or efficiently; or~~
- 8           ~~(iii) Any acquiring person neglects, fails, or refuses to furnish~~
- 9 ~~all information required by the director.~~
- 10          ~~(b) The director may require that any acquiring person comply with~~
- 11 ~~the application requirements of section 8-2729.~~
- 12          ~~(c) The director shall notify the acquiring person in writing of~~
- 13 ~~disapproval of the acquisition. The notice shall provide a statement of~~
- 14 ~~the basis for the disapproval.~~
- 15          ~~(d) Within fifteen business days after receipt of written notice of~~
- 16 ~~disapproval, the acquiring person may request a hearing on the proposed~~
- 17 ~~acquisition. The hearing shall be in accordance with the Administrative~~
- 18 ~~Procedure Act and rules and regulations of the department. Following such~~
- 19 ~~hearing, the director shall, by order, approve or disapprove the proposed~~
- 20 ~~acquisition on the basis of the record made at the hearing.~~

21          **Sec. 38.** Section 8-2737, Reissue Revised Statutes of Nebraska, is

22 amended to read:

23            8-2737 The director may enter into a consent order at any time with

24 a person to resolve a matter arising under the Nebraska Money

25 Transmitters Act or a rule or regulation adopted and promulgated or order

26 issued under the act. A consent order shall be signed by the person to

27 whom the order is issued or by the person's authorized representative,

28 and shall indicate agreement with the terms contained in the order. A

29 consent order may provide that it does not constitute an admission by a

30 person that the act or a rule or regulation adopted and promulgated or an

31 order issued under the act has been violated. (1) The director may

1 ~~conduct an examination of a licensee upon reasonable written notice to~~  
2 ~~the licensee. The director may examine a licensee without prior notice if~~  
3 ~~the director has a reasonable basis to believe that the licensee is in~~  
4 ~~noncompliance with the Nebraska Money Transmitters Act.~~

5 ~~(2) An examination may be conducted in conjunction with examinations~~  
6 ~~to be performed by representatives of agencies of another state or states~~  
7 ~~or departments or agencies of the United States. The director, in lieu of~~  
8 ~~an examination, may accept the examination report of an agency of another~~  
9 ~~state or a department or an agency of the United States or a report~~  
10 ~~prepared by an independent accounting firm. Reports so accepted are~~  
11 ~~considered for all purposes as an official report of the department.~~

12 ~~(3) The director may make investigations regarding complaints of~~  
13 ~~alleged violations of the Nebraska Money Transmitters Act, any rule and~~  
14 ~~regulation or order under the act, or any state or federal law applicable~~  
15 ~~to a licensee, an authorized delegate, or an applicant for a license, as~~  
16 ~~the director deems necessary, and to the extent necessary for this~~  
17 ~~purpose, the director may examine such licensee, authorized delegate, or~~  
18 ~~any other person, interview officers, principals, employees, and~~  
19 ~~customers of the licensee, authorized delegate, or applicant, and compel~~  
20 ~~the production of all relevant books, records, accounts, and documents.~~

21 ~~(4) The director may request financial data from a licensee in~~  
22 ~~addition to that required under section 8-2734.~~

23 ~~(5) The director may conduct an examination of any authorized~~  
24 ~~delegate of a licensee within this state upon reasonable written notice~~  
25 ~~to the licensee and the authorized delegate. The director may conduct an~~  
26 ~~examination of any authorized delegate without prior notice to the~~  
27 ~~authorized delegate or licensee only if the director has a reasonable~~  
28 ~~basis to believe that the licensee or authorized delegate is in~~  
29 ~~noncompliance with the Nebraska Money Transmitters Act.~~

30 ~~(6) Upon receipt by a licensee, an authorized delegate, or any other~~  
31 ~~person of a notice of investigation or inquiry request for information~~

1 ~~from the department, the licensee, authorized delegate, or other person~~  
2 ~~shall respond within twenty-one calendar days. Failure to respond is a~~  
3 ~~violation of the Nebraska Money Transmitters Act. Each day a licensee,~~  
4 ~~authorized delegate, or other person fails to respond as required by this~~  
5 ~~subsection shall constitute a separate violation.~~

6 ~~(7) If the director finds, after notice and opportunity for hearing~~  
7 ~~in accordance with the Administrative Procedure Act, that any person has~~  
8 ~~violated subsection (6) of this section, the director may order such~~  
9 ~~person to pay (a) an administrative fine of not more than two thousand~~  
10 ~~dollars for each separate violation and (b) the costs of investigation.~~  
11 ~~The department shall remit fines collected under this subsection to the~~  
12 ~~State Treasurer for distribution in accordance with Article VII, section~~  
13 ~~5, of the Constitution of Nebraska.~~

14 ~~(8) If a person fails to pay an administrative fine and the costs of~~  
15 ~~investigation ordered pursuant to subsection (7) of this section, a lien~~  
16 ~~in the amount of such fine and costs may be imposed upon all assets and~~  
17 ~~property of such person in this state and may be recovered in a civil~~  
18 ~~action by the director. The lien shall attach to the real property of~~  
19 ~~such person when notice of the lien is filed and indexed against the real~~  
20 ~~property in the office of the register of deeds in the county where the~~  
21 ~~real property is located. The lien shall attach to any other property of~~  
22 ~~such person when notice of the lien is filed against the property in the~~  
23 ~~manner prescribed by law. Failure of the person to pay such fine and~~  
24 ~~costs shall constitute a separate violation of the Nebraska Money~~  
25 ~~Transmitters Act.~~

26 ~~(9) For purposes of any investigation, examination, or proceeding~~  
27 ~~under the Nebraska Money Transmitters Act, the director or any officer~~  
28 ~~designated by the director may administer oaths and affirmations,~~  
29 ~~subpoena witnesses, compel attendance, take evidence, and require the~~  
30 ~~production of any books, papers, correspondence, memoranda, agreements,~~  
31 ~~or other documents or records which the director deems relevant or~~

1 ~~material to the inquiry. If any person refuses to comply with a subpoena~~  
2 ~~issued under this subsection or to testify with respect to any matter~~  
3 ~~relevant to the proceeding, the district court of Lancaster County may,~~  
4 ~~on application of the director, issue an order requiring the person to~~  
5 ~~comply with the subpoena and to testify. Failure to obey an order of the~~  
6 ~~court to comply with the subpoena may be punished by the court as civil~~  
7 ~~contempt.~~

8 ~~(10) The total charge for an examination under this section shall be~~  
9 ~~paid by the licensee or authorized delegate as set forth in sections~~  
10 ~~8-605 and 8-606.~~

11 **Sec. 39.** Section 8-2738, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 8-2738 (1) Except as provided in subsections (2) and (3) of this  
14 section, any person violating the Nebraska Money Transmitters Act or any  
15 rule, regulation, or order of the director adopted, promulgated, or  
16 issued pursuant to the act or who engages in any act, practice, or  
17 transaction declared by the act to be unlawful is guilty of a Class III  
18 misdemeanor.

19 (2) A person who intentionally makes a false statement,  
20 misrepresentation, or false certification in a record filed or required  
21 to be maintained under the Nebraska Money Transmitters Act or who  
22 intentionally makes a false entry or omits a material entry in such a  
23 record is guilty of a Class I misdemeanor.

24 (3) An individual who knowingly engages in money transmission for  
25 which a license is required under the Nebraska Money Transmitters Act  
26 without being licensed under the act is guilty of a Class I misdemeanor.

27 ~~(1) Each licensee shall make, keep, and preserve the following~~  
28 ~~books, accounts, and other records for a period of three years which~~  
29 ~~shall be open to inspection by the director:~~

30 ~~(a) A record of each payment instrument and stored value sold;~~

31 ~~(b) A general ledger containing all assets, liability, capital,~~

1 ~~income, and expense accounts, which general ledger shall be posted at~~  
2 ~~least monthly;~~

3 ~~(c) Settlement sheets received from authorized delegates;~~

4 ~~(d) Bank statements and bank reconciliation records;~~

5 ~~(e) Records of outstanding payment instruments and stored value;~~

6 ~~(f) Records of each payment instrument and stored value paid;~~

7 ~~(g) A list of the names and addresses of all of the licensee's~~  
8 ~~authorized delegates; and~~

9 ~~(h) Any other records the director reasonably requires by rule or~~  
10 ~~regulation or order.~~

11 ~~(2) Maintenance of such documents as are required by this section in~~  
12 ~~a photographic, electronic, or other similar form constitutes compliance~~  
13 ~~with this section.~~

14 ~~(3) Records may be maintained at a location other than within this~~  
15 ~~state so long as the records are made accessible to the director on seven~~  
16 ~~business days' written notice.~~

17 **Sec. 40.** Section 8-2739, Reissue Revised Statutes of Nebraska, is  
18 amended to read:

19 8-2739 The director may assess a fine against a person that violates  
20 the Nebraska Money Transmitters Act or a rule or regulation adopted and  
21 promulgated or an order issued under the act in an amount not to exceed  
22 five thousand dollars per violation per day for each day the violation is  
23 outstanding, plus the department's and the State of Nebraska's costs and  
24 expenses for the investigation and prosecution of the matter, including  
25 reasonable attorney's fees. A licensee desiring to conduct money  
26 transmission through an authorized delegate shall authorize each  
27 authorized delegate to operate pursuant to an express written contract  
28 which, for contracts entered into on or after January 1, 2014, shall  
29 provide the following:

30 ~~(1) That the licensee appoints the person as its authorized delegate~~  
31 ~~with authority to engage in the sale and issue of payment instruments or~~

1 ~~engage in the business of money transmission on behalf of the licensee;~~

2 ~~(2) That neither a licensee nor an authorized delegate may authorize~~  
3 ~~subdelegates without the written consent of the director; and~~

4 ~~(3) That the licensee is subject to supervision and regulation by~~  
5 ~~the director.~~

6 **Sec. 41.** Section 8-2740, Reissue Revised Statutes of Nebraska, is  
7 amended to read:

8 8-2740 (1) If the director has reason to believe that a person has  
9 violated or is violating section 8-2709, the director may issue an order  
10 to cease and desist requiring that the person cease and desist from the  
11 violation of section 8-2709.

12 (2) In an emergency, the director may petition the district court of  
13 Lancaster County for the issuance of a temporary restraining order ex  
14 parte pursuant to the rules of civil procedure.

15 (3) An order to cease and desist becomes effective when issued by  
16 the director.

17 (4) An order to cease and desist remains effective and enforceable  
18 pending the completion of an administrative proceeding pursuant to the  
19 Administrative Procedure Act.

20 (5) A person that is served with an order to cease and desist for  
21 violating section 8-2709 may petition the district court of Lancaster  
22 County for a judicial order setting aside, limiting, or suspending the  
23 enforcement, operation, or effectiveness of the order pending the  
24 completion of an administrative proceeding pursuant to the Administrative  
25 Procedure Act.

26 (6) Upon entry of an order to cease and desist, the director shall  
27 promptly notify the affected person that such order has been entered and  
28 provide opportunity for hearing in accordance with the Administrative  
29 Procedure Act.

30 ~~(1) An authorized delegate shall not make any fraudulent or false~~  
31 ~~statement or misrepresentation to a licensee or to the director.~~

1       ~~(2) An authorized delegate shall conduct all money transmission~~  
2 ~~strictly in accordance with the licensee's written procedures provided to~~  
3 ~~the authorized delegate.~~

4       ~~(3) An authorized delegate shall remit all money owing to the~~  
5 ~~licensee in accordance with the terms of the contract between the~~  
6 ~~licensee and the authorized delegate.~~

7       ~~(4) An authorized delegate is deemed to consent to the director's~~  
8 ~~inspection with or without prior notice to the licensee or authorized~~  
9 ~~delegate.~~

10       ~~(5) An authorized delegate is under a duty to act only as authorized~~  
11 ~~under the contract with the licensee and the Nebraska Money Transmitters~~  
12 ~~Act. An authorized delegate who exceeds its authority is subject to~~  
13 ~~cancellation of its contract and further disciplinary action by the~~  
14 ~~director.~~

15       ~~(6) All funds, less fees, received by an authorized delegate of a~~  
16 ~~licensee from the sale or delivery of a payment instrument issued by a~~  
17 ~~licensee or received by an authorized delegate for transmission shall,~~  
18 ~~from the time such funds are received by such authorized delegate until~~  
19 ~~such time when the funds or an equivalent amount are remitted by the~~  
20 ~~authorized delegate to the licensee, constitute trust funds owned by and~~  
21 ~~belonging to the licensee. If an authorized delegate commingles any such~~  
22 ~~funds with any other funds or property owned or controlled by the~~  
23 ~~authorized delegate, all commingled proceeds and other property is~~  
24 ~~impressed with a trust in favor of the licensee in an amount equal to the~~  
25 ~~amount of the proceeds due the licensee.~~

26       **Sec. 42.** Section 8-2741, Reissue Revised Statutes of Nebraska, is  
27 amended to read:

28       8-2741 (1) The department shall remit all fees, charges, and costs  
29 collected by the department pursuant to the Nebraska Money Transmitters  
30 Act to the State Treasurer for credit to the Financial Institution  
31 Assessment Cash Fund.

1       ~~(2) The department shall remit fines collected under the act to the~~  
2       ~~State Treasurer for distribution in accordance with Article VII, section~~  
3       ~~5, of the Constitution of Nebraska.~~

4       ~~(1) The director may, following a hearing in accordance with the~~  
5       ~~Administrative Procedure Act, suspend or revoke any license issued~~  
6       ~~pursuant to the Nebraska Money Transmitters Act if he or she finds:~~

7       ~~(a) Any fact or condition exists that, if it had existed at the time~~  
8       ~~when the licensee applied for its original or renewal license, would have~~  
9       ~~been grounds for denying such application;~~

10       ~~(b) The licensee's net worth has become inadequate and the licensee,~~  
11       ~~after ten days' written notice from the director, failed to take such~~  
12       ~~steps as the director deems necessary to remedy such deficiency;~~

13       ~~(c) The licensee knowingly violated any material provision of the~~  
14       ~~act or any rule or order validly adopted and promulgated under the act;~~

15       ~~(d) The licensee conducted money transmission in an unsafe or~~  
16       ~~unsound manner;~~

17       ~~(e) The licensee is insolvent;~~

18       ~~(f) The licensee has suspended payment of its obligations, made an~~  
19       ~~assignment for the benefit of its creditors, or admitted in writing its~~  
20       ~~inability to pay its debts as they became due;~~

21       ~~(g) The licensee filed for liquidation or reorganization under any~~  
22       ~~bankruptcy law;~~

23       ~~(h) The licensee refused to permit the director to make any~~  
24       ~~examination authorized by the act; or~~

25       ~~(i) The licensee willfully failed to make any report required by the~~  
26       ~~act.~~

27       ~~(2) In determining whether a licensee is engaging in an unsafe or~~  
28       ~~unsound practice, the director may consider the size and condition of the~~  
29       ~~licensee's money transmission, the magnitude of the loss, if any, the~~  
30       ~~gravity of the violation of the act, and the previous conduct of the~~  
31       ~~licensee.~~

1       ~~(3) A licensee may voluntarily surrender a license by delivering to~~  
2 ~~the director written notice of the surrender, but a surrender shall not~~  
3 ~~affect civil or criminal liability for acts committed before the~~  
4 ~~surrender or liability for any fines which may be levied against the~~  
5 ~~licensee or any of its officers, directors, key shareholders, partners,~~  
6 ~~or members for acts committed before the surrender.~~

7       ~~(4)(a) If a licensee fails to renew its license as required by~~  
8 ~~section 8-2734 and does not voluntarily surrender the license pursuant to~~  
9 ~~this section, the department may issue a notice of expiration of the~~  
10 ~~license to the licensee in lieu of revocation proceedings.~~

11       ~~(b) If a licensee fails to maintain a surety bond as required by~~  
12 ~~section 8-2727, the department may issue a notice of cancellation of the~~  
13 ~~license in lieu of revocation proceedings.~~

14       ~~(5) Revocation, suspension, surrender, cancellation, or expiration~~  
15 ~~of a license shall not impair or affect the obligation of a preexisting~~  
16 ~~lawful contract between the licensee and any person.~~

17       ~~(6) Revocation, suspension, cancellation, or expiration of a license~~  
18 ~~shall not affect civil or criminal liability for acts committed before~~  
19 ~~the revocation, suspension, cancellation, or expiration or liability for~~  
20 ~~any fines which may be levied against the licensee or any of its~~  
21 ~~officers, directors, key shareholders, partners, or members for acts~~  
22 ~~committed before the revocation, suspension, cancellation, or expiration.~~

23       **Sec. 43.** Section 8-2742, Reissue Revised Statutes of Nebraska, is  
24 amended to read:

25       8-2742 For purposes of the Nebraska Money Transmitters Act:

26       (1) 31 C.F.R. part 1010.100 means 31 C.F.R. Section 1010.100, as  
27 such regulation existed on January 1, 2025;

28       (2) Bank Secrecy Act means the Bank Secrecy Act, 31 U.S.C. 5311, et  
29 seq., and the implementing regulations of such act, as such act and  
30 regulations existed on January 1, 2025;

31       (3) Bank Service Corporation Act means the Bank Service Corporation

1 Act, 25 12 U.S.C. 1861 et seq., as such act existed on January 1, 2025;

2 (4) Edge Act means the Edge Act, 12 U.S.C. 611 et seq., as such act  
3 existed on January 1, 2025;

4 (5) Federal Commodity Exchange Act means the Federal Commodity  
5 Exchange Act, 7 U.S.C. 1 et seq., as such act existed on January 1, 2025;

6 (6) Federal Credit Union Act means the Federal Credit Union Act, 12  
7 U.S.C. Section 1751, et seq., as such act existed on January 1, 2025;

8 (7) Federal Deposit Insurance Act means the Federal Deposit  
9 Insurance Act, 12 U.S.C. Section 1811, et seq., as such act existed on  
10 January 1, 2025;

11 (8) Federal remittance rule means to 12 C.F.R. part 1005 subpart B,  
12 as such regulation existed on January 1, 2025;

13 (9) Foreign Account Tax Compliance Act means the Foreign Account Tax  
14 Compliance Act, 26 U.S.C. 1471 et seq., as such act existed on January 1,  
15 2025;

16 (10) International Bank Act means the International Bank Act of  
17 1978, 12 U.S.C. 3101 et seq., as such act existed on January 1, 2025;

18 (11) Securities Exchange Act of 1934 means the Securities Exchange  
19 Act of 1934, 15 U.S.C. 78a et seq., as such act existed on January 1,  
20 2025;

21 (12) United States Bankruptcy Code means 11 U.S.C. 101 et seq., as  
22 such sections existed on January 1, 2025; and

23 (13) Uniting and Strengthening America by Providing Appropriate  
24 Tools Required to Intercept and Obstruct Terrorism Act of 2001 means the  
25 Uniting and Strengthening America by Providing Appropriate Tools Required  
26 to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as  
27 such act existed on January 1, 2025.

28 ~~(1) The director may, following a hearing in accordance with the~~  
29 ~~Administrative Procedure Act, issue an order suspending or revoking the~~  
30 ~~designation of an authorized delegate if the director finds that:~~

31 ~~(a) The authorized delegate violated the Nebraska Money Transmitters~~

1 ~~Act or a rule or regulation adopted and promulgated or an order issued~~  
2 ~~under the act;~~

3 ~~(b) The authorized delegate did not cooperate with an examination or~~  
4 ~~investigation by the director;~~

5 ~~(c) The authorized delegate engaged in fraud, intentional~~  
6 ~~misrepresentation, or gross negligence;~~

7 ~~(d) The authorized delegate is convicted of a violation of a state~~  
8 ~~or federal anti-money laundering statute;~~

9 ~~(e) The competence, experience, character, or general fitness of the~~  
10 ~~authorized delegate or a controlling person of the authorized delegate~~  
11 ~~indicates that it is not in the public interest to permit the authorized~~  
12 ~~delegate to engage in money transmission services; or~~

13 ~~(f) The authorized delegate is engaged in an unsafe or unsound~~  
14 ~~practice.~~

15 ~~(2) In determining whether an authorized delegate is engaging in an~~  
16 ~~unsafe or unsound practice, the director may consider the size and~~  
17 ~~condition of the authorized delegate's money transmission, the magnitude~~  
18 ~~of the loss, if any, the gravity of the violation of the act, and the~~  
19 ~~previous conduct of the authorized delegate.~~

20 ~~(3) Any authorized delegate to whom a final order is issued under~~  
21 ~~this section may apply to the director to modify or rescind the order.~~  
22 ~~The director shall not grant the application unless the director finds~~  
23 ~~that (a) it is in the public interest to do so and (b) it is reasonable~~  
24 ~~to believe that the person will comply with the act and any rule,~~  
25 ~~regulation, or order issued under the act if and when that person is~~  
26 ~~permitted to resume being an authorized delegate of a licensee.~~

27 **Sec. 44.** Section 8-3025, Revised Statutes Cumulative Supplement,  
28 2024, is amended to read:

29 8-3025 The director may suspend or revoke the charter of a digital  
30 asset depository if, after notice and opportunity for a hearing, the  
31 director determines that:

1 (1) The digital asset depository has failed or refused to comply  
2 with an order issued under section 8-1,136, 8-2504, or 8-2740 ~~8-2743~~;

3 (2) The application for a charter contained a materially false  
4 statement, misrepresentation, or omission; or

5 (3) An officer, a director, or an agent of the digital asset  
6 depository, in connection with an application for a charter, an  
7 examination, a report, or other document filed with the director,  
8 knowingly made a materially false statement, misrepresentation, or  
9 omission to the department, the director, or the duly authorized agent of  
10 the department or director.

11 **Sec. 45.** Section 8-3027, Reissue Revised Statutes of Nebraska, is  
12 amended to read:

13 8-3027 (1) If the director finds that a digital asset depository has  
14 failed, is operating in an unsafe or unsound condition, or is endangering  
15 the interests of customers, and the failure, unsafe or unsound condition,  
16 or endangerment has not been remedied within the time prescribed under  
17 section 8-1,117 or as directed by order of the director issued pursuant  
18 to section 8-1,136, 8-2504, or 8-2740 ~~8-2743~~, the director shall conduct  
19 a liquidation or appoint a receiver as provided by sections 8-198,  
20 8-1,100, and 8-1,102.

21 (2) For purposes of this section:

22 (a) Failed or failure means, consistent with an order or rules and  
23 regulations of the director, a circumstance when a digital asset  
24 depository has not:

25 (i) Complied with the requirements of section 8-3009;

26 (ii) Maintained capital and surplus as required by section 8-3013;

27 or

28 (iii) Paid, in the manner commonly accepted by business practices,  
29 its legal obligations to customers on demand or to discharge any  
30 promissory notes, or other indebtedness when due; and

31 (b) Unsafe or unsound condition means, consistent with an order or

1 rules and regulations of the director, a circumstance relating to a  
2 digital asset depository which is likely to:

3 (i) Cause the failure of the digital asset depository;

4 (ii) Cause a substantial dissipation of assets or earnings;

5 (iii) Substantially disrupt the services provided by the digital  
6 asset depository to customers; or

7 (iv) Otherwise substantially prejudice the interests of customers of  
8 the digital asset depository.

9 **Sec. 46.** This act becomes operative on October 1, 2025.

10 **Sec. 47.** Original sections 8-2701, 8-2702, 8-2703, 8-2704, 8-2705,  
11 8-2706, 8-2707, 8-2708, 8-2709, 8-2710, 8-2711, 8-2712, 8-2713, 8-2714,  
12 8-2715, 8-2716, 8-2717, 8-2718, 8-2719, 8-2720, 8-2721, 8-2722, 8-2723,  
13 8-2725, 8-2726, 8-2727, 8-2728, 8-2731, 8-2732, 8-2733, 8-2734, 8-2736,  
14 8-2737, 8-2738, 8-2739, 8-2740, 8-2741, 8-2742, and 8-3027, Reissue  
15 Revised Statutes of Nebraska, and sections 8-602, 8-2724, 8-2729, 8-2730,  
16 8-2735, and 8-3025, Revised Statutes Cumulative Supplement, 2024, are  
17 repealed.

18 **Sec. 48.** The following sections are outright repealed: Sections  
19 8-2743, 8-2744, 8-2745, 8-2746, and 8-2747, Reissue Revised Statutes of  
20 Nebraska.