



General Assembly

February Session, 2022

Amendment

LCO No. 6330



Offered by:

SEN. MILLER P., 27th Dist.
REP. DOUCETTE, 13th Dist.
SEN. BERTHEL, 32nd Dist.
REP. DELNICKI, 14th Dist.

To: Subst. House Bill No. 5214

File No. 37

Cal. No. 490

**"AN ACT CONCERNING THE CLOSING OF ACCOUNTS AT
FINANCIAL INSTITUTIONS."**

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- 1 In line 71, strike "five" and insert in lieu thereof "ten"
- 2 In line 74, strike "and" and insert in lieu thereof "or"
- 3 Strike lines 79 to 82, inclusive, in their entirety, and substitute the
- 4 following in lieu thereof:
- 5 "(2) The notice requirements set forth in subdivision (1) of this
- 6 subsection shall not apply if: (A) The financial institution closes the
- 7 deposit account because of the financial institution's reasonable belief
- 8 that the deposit account is being used for fraudulent or other illegal
- 9 purposes or that one or more depositors are engaging in fraudulent or
- 10 other illegal activity; (B) the financial institution closes the deposit
- 11 account because of information it receives indicating that a local, state,

12 or federal law enforcement or regulatory agency is investigating
13 whether any fraudulent or other illegal activity involving the deposit
14 account or any depositor has occurred; (C) the financial institution is
15 asked or directed by any court or local, state or federal law enforcement
16 or regulatory agency to refrain from providing information pertaining
17 to the closing of the deposit account to the depositor; (D) the financial
18 institution is prohibited by state or federal law or regulation from
19 providing such notice; (E) the financial institution has a reasonable
20 belief that providing such notice may put any employee of the financial
21 institution at risk of physical or emotional harm caused by a depositor;
22 or (F) the financial institution complies with any state or federal law that
23 requires the financial institution to provide notice to one or more
24 depositors of the closing of the account."

25 After the last section, add the following and renumber sections and
26 internal references accordingly:

27 "Sec. 501. Section 36a-596 of the general statutes, as amended by
28 section 2 of substitute senate bill 268 of the current session, as amended
29 by Senate Amendment Schedule "A", is repealed and the following is
30 substituted in lieu thereof (*Effective October 1, 2022*):

31 As used in sections 36a-595 to 36a-612, inclusive:

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

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

37 (3) "Control" means (A) the power to vote, directly or indirectly, at
38 least twenty-five per cent of the outstanding voting shares or voting
39 interests of a licensee or person in control of a licensee; (B) the power to
40 elect or appoint a majority of key individuals or executive officers,
41 managers, directors, trustees or other persons exercising managerial
42 authority of a person in control of a licensee; or (C) the power to exercise,

43 directly or indirectly, a controlling influence over the management or
44 policies of a licensee or person in control of a licensee. For purposes of
45 this subdivision: (i) A person is presumed to exercise a controlling
46 influence when the person holds the power to vote, directly or
47 indirectly, at least ten per cent of the outstanding voting shares or voting
48 interests of a licensee or person in control of a licensee, (ii) a person
49 presumed to exercise a controlling influence can rebut such
50 presumption if the person is a passive investor, and (iii) to determine
51 the percentage of control, a person's interest shall be aggregated with
52 the interest of any other immediate family member, including the
53 person's spouse, parent, child, sibling, mother-in-law, father-in-law,
54 son-in-law, daughter-in-law, brother-in-law, sister-in-law and any other
55 person who shares the person's home.

56 (4) "Control person" means any [person] individual in control of a
57 licensee or applicant, any [person] individual who seeks to acquire
58 control of a licensee or a key individual.

59 (5) "Electronic payment instrument" means a card or other tangible
60 object for the transmission of money or monetary value or payment of
61 money which contains a microprocessor chip, magnetic stripe, or other
62 means for the storage of information, that is prefunded and for which
63 the value is decremented upon each use, but does not include a card or
64 other tangible object that is redeemable by the issuer in the issuer's
65 goods or services.

66 (6) "Holder" means a person, other than a purchaser, who is either in
67 possession of a payment instrument and is the named payee thereon or
68 in possession of a payment instrument issued or endorsed to such
69 person or bearer or in blank. "Holder" does not include any person who
70 is in possession of a lost, stolen or forged payment instrument.

71 (7) "Key individual" means any [person] individual ultimately
72 responsible for establishing or directing policies and procedures of the
73 licensee, including, but not limited to, an executive officer, manager,
74 director or trustee.

75 (8) "Licensee" means any person licensed or required to be licensed
76 pursuant to sections 36a-595 to 36a-612, inclusive.

77 (9) "Main office" has the same meaning as provided in section 36a-
78 485.

79 (10) "Monetary value" means a medium of exchange, whether or not
80 redeemable in money.

81 (11) "Money transmission" means engaging in the business of issuing
82 or selling payment instruments or stored value, receiving money or
83 monetary value for current or future transmission or the business of
84 transmitting money or monetary value within the United States or to
85 locations outside the United States by any and all means including, but
86 not limited to, payment instrument, wire, facsimile or electronic
87 transfer.

88 (12) "Outstanding" means (A) in the case of a payment instrument or
89 stored value, that: (i) It is sold or issued in the United States; (ii) a report
90 of it has been received by a licensee from its authorized delegates; and
91 (iii) it has not yet been paid by the issuer, and (B) for all other money
92 transmissions, the value reported to the licensee for which the licensee
93 or any authorized delegate has received money or its equivalent value
94 from the customer for transmission, but has not yet completed the
95 money transmission by delivering the money or monetary value to the
96 person designated by the customer.

97 (13) "Passive investor" means a person that: (A) Does not have the
98 power to elect a majority of key individuals or executive officers,
99 managers, directors, trustees or other persons exercising managerial
100 authority of a person in control of a licensee; (B) is not employed by and
101 does not have any managerial duties of the licensee or person in control
102 of a licensee; (C) does not have the power to exercise, directly or
103 indirectly, a controlling influence over the management or policies of a
104 licensee or person in control of a licensee; and (D) attests to
105 subparagraphs (A), (B) and (C) of this subdivision in the form and
106 manner prescribed by the commissioner.

107 (14) "Payment instrument" means a check, draft, money order,
108 travelers check or electronic payment instrument that evidences either
109 an obligation for the transmission of money or monetary value or
110 payment of money, or the purchase or the deposit of funds for the
111 purchase of such check, draft, money order, travelers check or electronic
112 payment instrument.

113 (15) "Permissible investment" means: (A) Cash in United States
114 currency; (B) time deposits, as defined in section 36a-2, or other debt
115 instruments of a bank; (C) bills of exchange or bankers acceptances
116 which are eligible for purchase by member banks of the Federal Reserve
117 System; (D) commercial paper of prime quality; (E) interest-bearing
118 bills, notes, bonds, debentures or other obligations issued or guaranteed
119 by: (i) The United States or any of its agencies or instrumentalities, or (ii)
120 any state, or any agency, instrumentality, political subdivision, school
121 district or legally constituted authority of any state if such investment is
122 of prime quality; (F) interest-bearing bills or notes, or bonds, debentures
123 or preferred stocks, traded on any national securities exchange or on a
124 national over-the-counter market, if such debt or equity investments are
125 of prime quality; (G) receivables due from authorized delegates
126 consisting of the proceeds of the sale of payment instruments which are
127 not past due or doubtful of collection; (H) gold; and (I) any other
128 investments approved by the commissioner. Notwithstanding the
129 provisions of this subdivision, if the commissioner at any time finds that
130 an investment of a licensee is unsatisfactory for investment purposes,
131 the investment shall not qualify as a permissible investment.

132 (16) "Prime quality" of an investment means that it is within the top
133 four rating categories in any rating service recognized by the
134 commissioner unless the commissioner determines for any licensee that
135 only those investments in the top three rating categories qualify as
136 prime quality.

137 (17) "Purchaser" means a person who buys or has bought a payment
138 instrument or who has given money or monetary value for current or
139 future transmission.

140 (18) "Stored value" means monetary value that is evidenced by an
141 electronic record. For the purposes of this subdivision, "electronic
142 record" means information that is stored in an electronic medium and is
143 retrievable in perceivable form.

144 (19) "Travelers check" means a payment instrument for the payment
145 of money that contains a provision for a specimen signature of the
146 purchaser to be completed at the time of a purchase of the instrument
147 and a provision for a countersignature of the purchaser to be completed
148 at the time of negotiation.

149 (20) "Unique identifier" has the same meaning as provided in section
150 36a-485.

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

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	October 1, 2022	36a-596