



STATE OF CALIFORNIA

Department of Business Oversight

GOVERNOR **Gavin Newsom** • COMMISSIONER **Manuel P. Alvarez**

NOTICE OF MODIFICATIONS TO PROPOSED REGULATIONS UNDER THE MONEY TRANSMISSION ACT

PRO 07-17

Agent of Payee Exemption

To Interested Persons:

On March 6, 2020, the Commissioner of Business Oversight published a Notice of Rulemaking Action to adopt Sections 80.126.10, 80.126.20, 80.126.30, 80.128, 80.128.10, and 80.130 of Title 10 of the California Code of Regulations (see California Regulatory Notice Register 2020, No. 10-Z). The proposed sections relate to the implementation of the California Money Transmission Act (“MTA”)

After consideration of public comments, the Commissioner is proposing changes to the regulations. A copy of the proposed revisions is being made available to the public in accordance with the requirements of Government Code section 11346.8, subdivision (c). The text showing modifications to proposed sections 80.126.10 through 80.130 is attached. The originally proposed sections are shown in single underline, and the changes proposed by this notice are shown by double underlining of additions and double strike-out of deletions. The public may submit comments on the proposed changes, as described more fully below.

DESCRIPTION OF CHANGES

Section 80.126.30 of the proposed regulations defines the term “services” in Financial Code section 2010, subdivision (l) to include charitable purposes in order to clarify that a charity can be a “payee.” However, the Commissioner received comments that it was unclear what “charitable purposes” included and what constitutes a charity. The proposed changes serve to clarify that “services” include activities performed by charitable organizations that have received tax exemption under Section 501(c)(3) of the Internal Revenue Code.

The initial statement of reasons for the proposed action containing all the information upon which the proposal is based is available on the Department of Business Oversight’s website at www.dbo.ca.gov, and from the Legal Division of the Department of Business Oversight. As required by the Administrative Procedure Act, the Legal Division maintains a rulemaking file containing all the information upon which the proposal is based. The rulemaking file is available for public inspection during regular business hours. Comments or inquiries concerning these proposed regulation changes may be directed to Pamela Hernandez at (415) 263-8514.

15-DAY COMMENT PERIOD

Any interested person may submit written comments regarding the changes from the originally proposed amendments by written communication addressed as follows:

Commissioner of Business Oversight
Attn: Regulations Coordinator, Legal Division
1515 K Street, Suite 200
Sacramento, CA 95814

Comments must be received by July 15, 2020. Written comments may also be sent to regulations@dbo.ca.gov with a copy to pamela.hernandez@dbo.ca.gov or via fax at (916) 322-5875.

The proposed changes to the Commissioner's rules in the text accompanying this notice are not yet effective, and will not be effective until approved by the Office of Administrative Law and filed with the Secretary of State in accordance with Government Code Section 11349.3. Questions regarding the content of this notice may be directed to Pamela Hernandez at (415) 263-8514.

Dated: June 30, 2020
Sacramento, California