

**Department of Legislative Services**  
Maryland General Assembly  
2005 Session

**FISCAL AND POLICY NOTE**  
**Revised**

House Bill 1063  
Economic Matters

(Delegate Bohanan)

Finance

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**Financial Institutions - Maryland Money Transmission Act - Scope**

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This bill provides that an accredited institution of higher education is not subject to the Maryland Money Transmission Act.

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**Fiscal Summary**

**State Effect:** Because the Commissioner of Financial Regulation does not currently license institutions of higher education under the Maryland Money Transmission Act, the bill codifies existing practice.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Current Law:** Generally, a person may not engage in the business of money transmission unless the person is licensed by the Commissioner of Financial Regulation, is an authorized delegate of a licensee, or is exempt from licensing.

Money transmission is the business of selling or issuing payment instruments or stored valued devices, or receiving money or monetary value for the transmission of money to another location. Money transmission includes a bill payer service, an accelerated mortgage payment service, and any informal money transfer system engaged in as a business for, or network of persons who engage in business in, facilitating the transfer of money outside the conventional financial institutions system to another location.

A “stored valued device” is a card or other object used to transmit or pay money: (1) that contains a means for storing information; (2) that is prefunded; and (3) the value of which is reduced after each use. A stored value device does not include an object that is redeemable only for the issuer’s goods or services.

**Background:** The Maryland Independent College and University Association advises that several of its institutions offer or are considering offering a debit account as part of a student’s identification card. The cards are not affiliated with a depository institution or credit card association. A card would be usable at campus institutions and at a limited number of off-campus businesses.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Maryland Independent College and University Association; St. Mary’s College; Morgan State University; University System of Maryland; Department of Labor, Licensing, and Regulation; Office of the Attorney General; Department of Legislative Services

**Fiscal Note History:** First Reader - March 11, 2005  
ncs/ljm Revised - House Third Reader - April 1, 2005  
Revised - Enrolled Bill - May 5, 2005

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