**South Carolina General Assembly**

123rd Session, 2019-2020

**S. 573**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Cromer

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Introduced in the Senate on February 27, 2019

Introduced in the House on March 27, 2019

Currently residing in the House Committee on **Labor, Commerce and Industry**

Summary: Financial Institutions State Board

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

2/27/2019 Senate Introduced and read first time ([Senate Journal‑page 14](file:///h:\sj\20190227.docx))

2/27/2019 Senate Referred to Committee on **Banking and Insurance** ([Senate Journal‑page 14](file:///h:\sj\20190227.docx))

2/28/2019 Scrivener's error corrected

3/19/2019 Senate Committee report: Favorable **Banking and Insurance** ([Senate Journal‑page 9](file:///h:\sj\20190319.docx))

3/21/2019 Senate Read second time ([Senate Journal‑page 35](file:///h:\sj\20190321.docx))

3/21/2019 Senate Roll call Ayes‑38 Nays‑0 ([Senate Journal‑page 35](file:///h:\sj\20190321.docx))

3/26/2019 Senate Read third time and sent to House ([Senate Journal‑page 15](file:///h:\sj\20190326.docx))

3/27/2019 House Introduced and read first time ([House Journal‑page 3](file:///h:\hj\20190327.docx))

3/27/2019 House Referred to Committee on **Labor, Commerce and Industry** ([House Journal‑page 3](file:///h:\hj\20190327.docx))

View the latest [legislative information](http://www.scstatehouse.gov/billsearch.php?billnumbers=573&session=123&summary=B) at the website

**VERSIONS OF THIS BILL**

[2/27/2019](file:///p:\pprever\2019-20\573_20190227.docx)

[2/28/2019](file:///p:\pprever\2019-20\573_20190228.docx)

[3/19/2019](file:///p:\pprever\2019-20\573_20190319.docx)

~~Indicates Matter Stricken~~

Indicates New Matter

COMMITTEE REPORT

March 19, 2019

**S. 573**

Introduced by Senator Cromer

S. Printed 3/19/19--S.

Read the first time February 27, 2019.

**THE COMMITTEE ON BANKING AND INSURANCE**

To whom was referred a Bill (S. 573) to amend the Code of Laws of South Carolina, 1976, by adding Sections 34‑39‑310 and 34‑41‑140 so as to provide that the state, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

RONNIE W. CROMER for Committee.

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTIONS 34‑39‑310 AND 34‑41‑140 SO AS TO PROVIDE THAT THE STATE BOARD OF FINANCIAL INSTITUTIONS MAY PARTICIPATE IN A NATIONWIDE MULTISTATE LICENSING SYSTEM; TO AMEND SECTION 34‑39‑120, RELATING TO DEFINITIONS, SO AS TO PROVIDE A DEFINITION FOR “NATIONWIDE MULTISTATE LICENSING SYSTEM” AND “UNIQUE IDENTIFIER”; TO AMEND SECTION 34‑39‑150, RELATING TO LICENSURE APPLICATIONS, SO AS TO PROVIDE THAT AN APPLICATION MUST BE ACCOMPANIED WITH CERTAIN ACTUAL COSTS OF OBTAINING CREDIT REPORTS AND CRIMINAL HISTORY RECORD CHECKS; TO AMEND SECTION 34‑39‑260, RELATING TO THE PROMULGATION OF REGULATIONS, SO AS TO PROVIDE THAT THE BOARD MAY WAIVE OR MODIFY CERTAIN REQUIREMENTS; TO AMEND SECTION 34‑41‑10, RELATING TO DEFINITIONS, SO AS TO PROVIDE A DEFINITION FOR “NATIONWIDE MULTISTATE LICENSING SYSTEM” AND “UNIQUE IDENTIFIER”; TO AMEND SECTION 34‑41‑40, RELATING TO LICENSURE APPLICATIONS, SO AS TO PROVIDE THAT AN APPLICATION MUST BE ACCOMPANIED WITH CERTAIN ACTUAL COSTS OF OBTAINING CREDIT REPORTS AND CRIMINAL HISTORY RECORD CHECKS; AND TO AMEND SECTION 34‑41‑130, RELATING TO THE PROMULGATION OF REGULATIONS, SO AS TO PROVIDE THAT THE BOARD MAY WAIVE OR MODIFY CERTAIN REQUIREMENTS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 39, Title 34 of the 1976 Code is amended by adding:

“Section 34‑39‑310. (A) The board may participate in a Nationwide Multistate Licensing System and may:

(1) facilitate and participate in the establishment and implementation of the Nationwide Multistate Licensing System;

(2) enter into agreements and contracts including cooperative, coordinating, and information sharing agreements;

(3) contract with third parties to process, maintain, and store information collected by the Nationwide Multistate Licensing System;

(4) authorize the Nationwide Multistate Licensing System to collect fingerprints on the board’s behalf in order to receive national criminal history background record checks from the Federal Bureau of Investigation (FBI) to retain for certification purposes and for notification of the board regarding subsequent criminal charges which may be reported to the FBI in accordance with Section 34‑39‑150(C) and (D);

(5) authorize the Nationwide Multistate Licensing System to collect credit reports on the board’s behalf for all persons in accordance with Section 34‑39‑150(C) and (D);

(6) require persons that must be licensed by this chapter to utilize the Nationwide Multistate Licensing System;

(7) require all applicants and licensees to pay all applicable funds provided for in this chapter through the Nationwide Multistate Licensing System;

(8) provide information to and receive information from the Nationwide Multistate Licensing System;

(9) authorize a third party to collect funds associated with licensure on behalf of the board.

(B) Persons required to be licensed pursuant to this chapter are required to pay all applicable fees to utilize the Nationwide Multistate Licensing System and consent to utilizing the Nationwide Multistate Licensing System to obtain fingerprint‑based criminal history background record checks and credit reports.

(C) The board shall provide licensees with written notice of the date the Nationwide Multistate Licensing System will be available for use. The notice must be sent to the address of record on file with the board through the United States Postal Service. Licensees have one hundred and twenty days from the date the system is available for use to enter all licensing information into the Nationwide Multistate Licensing System. All filings and collection of data required by the board for licensing purposes pursuant to this chapter after the date the system is available for use must be made through the Nationwide Multistate Licensing System.

(D) All licensees licensed through the Nationwide Multistate Licensing System shall use the unique identifier assigned on all deferred presentment service documents, as required by the board.

(E) Notwithstanding any other provision of law, the Nationwide Multistate Licensing System is not intended to and does not replace or affect the board’s authority to grant, suspend, revoke, or deny a license required pursuant to this chapter.

(F) The board shall develop a plan that ensures an orderly transition to the Nationwide Multistate Licensing System.”

SECTION 2. Chapter 41, Title 34 of the 1976 Code is amended by adding:

“Section 34‑41‑140. (A) The board may participate in a Nationwide Multistate Licensing System and may:

(1) facilitate and participate in the establishment and implementation of the Nationwide Multistate Licensing System;

(2) enter into agreements and contracts including cooperative, coordinating, and information sharing agreements;

(3) contract with third parties to process, maintain, and store information collected by the Nationwide Multistate Licensing System;

(4) authorize the Nationwide Multistate Licensing System to collect fingerprints on the board’s behalf in order to receive national criminal history background record checks from the Federal Bureau of Investigation (FBI) to retain for certification purposes and for notification of the board regarding subsequent criminal charges which may be reported to the FBI in accordance with Section 34‑41‑40(C) and (D);

(5) authorize the Nationwide Multistate Licensing System to collect credit reports on the board’s behalf for all persons in accordance with Section 34‑41‑40(C) and (D);

(6) require persons that must be licensed by this chapter to utilize the Nationwide Multistate Licensing System;

(7) require all applicants and licensees to pay all applicable funds provided for in this chapter through the Nationwide Multistate Licensing System;

(8) provide information to and receive information from the Nationwide Multistate Licensing System;

(9) authorize a third party to collect funds associated with licensure on behalf of the board.

(B) Persons required to be licensed pursuant to this chapter are required to pay all applicable fees to utilize the Nationwide Multistate Licensing System and consent to utilizing the Nationwide Multistate Licensing System to obtain fingerprint‑based criminal history background record checks and credit reports.

(C) The board shall provide licensees with written notice of the date the Nationwide Multistate Licensing System will be available for use. The notice must be sent to the address of record on file with the board through the United States Postal Service. Licensees have one hundred and twenty days from the date the system is available for use to enter all licensing information into the Nationwide Multistate Licensing System. All filings and collection of data required by the board for licensing purposes pursuant to this chapter after the date the system is available for use must be made through the Nationwide Multistate Licensing System.

(D) All licensees licensed through the Nationwide Multistate Licensing System shall use the unique identifier assigned on all check cashing documents, as required by the board.

(E) Notwithstanding any other provision of law, the Nationwide Multistate Licensing System is not intended to and does not replace or affect the board’s authority to grant, suspend, revoke, or deny a license required pursuant to this chapter.

(F) The board shall develop a plan that ensures an orderly transition to the Nationwide Multistate Licensing System.”

SECTION 3. Section 34‑39‑120 of the 1976 Code is amended by adding appropriately numbered items to read:

“( ) ‘Nationwide Multistate Licensing System’ means a licensing system developed and maintained by the Conference of State Bank Supervisors of licensees licensed pursuant to this chapter.

( ) ‘Unique identifier’ means a number or other identifier assigned by protocols established by the Nationwide Multistate Licensing System.”

SECTION 4. Section 34‑39‑150 of the 1976 Code is amended to read:

“Section 34‑39‑150. (A) An application for licensure pursuant to this chapter must ~~be in writing, under oath, and on a form prescribed by the board. The application must~~ set forth all of the following:

(1) the legal name and residence and business addresses of the applicant and, if the applicant is a partnership, association, or corporation, of every member, officer, managing employee, and director of it;

(2) the location of the registered office of the applicant;

(3) the registered agent of the applicant if the applicant is required by other law to have a registered agent;

(4) the addresses of the locations to be licensed; and

(5) other information concerning the financial responsibility, background experience, and activities, such as other partnerships, associations, and corporations located at or adjacent to the licensed location of the applicant and its members, officers, managing employees, and directors as the board requires.

(B) Upon receipt of an application in the form prescribed by the board, accompanied by the required fee, the board shall investigate whether the qualifications for licensure are satisfied. If the board finds that the qualifications are satisfied, it shall issue to the applicant a license to engage in the deferred presentment services business. If the board fails to issue a license, it shall notify the applicant of the denial and the reasons for it. The provisions of the Administrative Procedures Act apply to the appeal of the denial of a license.

(C) The application must be accompanied by payment of an application fee of one thousand dollars and an investigation fee of five hundred dollars, in addition to the actual cost of obtaining credit reports and national fingerprint‑based criminal history background record checks. These fees are not refundable or abatable. If the license is granted, however, payment of the application fee satisfies the fee requirement for the first license year or its remainder.

(D) A license expires annually and may be renewed upon payment of a license fee of one thousand dollars. The annual license renewal fee for an applicant with more than one location is one thousand dollars for the first location and two hundred fifty dollars for each additional location. At any time required by the board, each person enumerated in subsection (A)(1) shall pay the actual cost of obtaining credit reports and national fingerprint‑based criminal history background record checks.

(E) One‑half of the renewal fees collected pursuant to subsection (D) must be credited to the Board of Financial Institutions for enforcement of this chapter and one‑half must be credited to the Attorney General to prosecute actions brought for violations of this chapter.”

SECTION 5. Section 34‑39‑260 of the 1976 Code is amended to read:

“Section 34‑39‑260. (A) The board may promulgate regulations pursuant to the Administrative Procedures Act necessary to carry out the purposes of this chapter, to provide for the protection of the public, and to assist licensees in interpreting and complying with this chapter.

(B) For the purpose of participating in the Nationwide Multistate Licensing System, the board may waive or modify, in whole or in part, by rule, regulation, or order, any or all of the requirements of this chapter and establish new requirements as reasonably necessary to participate in the Nationwide Multistate Licensing System.”

SECTION 6. Section 34‑41‑10 of the 1976 Code is amended by adding appropriately numbered items to read:

“( ) ‘Nationwide Multistate Licensing System’ means a licensing system developed and maintained by the Conference of State Bank Supervisors of licensees licensed pursuant to this chapter.

( ) ‘Unique identifier’ means a number or other identifier assigned by protocols established by the Nationwide Multistate Licensing System.”

SECTION 7. Section 34‑41‑40 of the 1976 Code is amended to read:

“Section 34‑41‑40. (A) An application for licensure pursuant to this chapter must ~~be in writing, under oath, and on a form prescribed by the board. The application shall~~ set forth all of the following:

(1) the name and address of the applicant;

(2) if the applicant is a firm or partnership, the name and address of each member of the firm or partnership;

(3) if the applicant is a corporation, the name and address of each officer, director, registered agent, and principal;

(4) the addresses of the locations of the business to be licensed; and

(5) other information concerning the financial responsibility, background experience, and activities, such as other partnerships, associations, and corporations located at or adjacent to the licensed location, of the applicant and its members, officers, directors, and principals as the board requires.

(B) The board may make such investigations as the board considers necessary to determine if the applicant has complied with all applicable provisions of this chapter and state and federal law.

(C) The application must be accompanied by payment of a two hundred fifty dollar application fee and a five hundred dollar investigation fee, in addition to the actual cost of obtaining credit reports and national fingerprint‑based criminal history background record checks. These fees are not refundable or abatable, but, if the license is granted, payment of the application fee shall satisfy the fee requirement for the first license year or remaining part of it.

(D) Licenses shall expire annually and may be renewed upon payment of a license fee of two hundred fifty dollars plus a fifty dollar fee for each branch location certificate issued under a license. At any time required by the board, each person enumerated in subsection (A)(1) through (3) shall pay the actual cost of obtaining credit reports and national fingerprint‑based criminal history background record checks.”

SECTION 8. Section 34‑41‑130 of the 1976 Code is amended to read:

“Section 34‑41‑130. (A) The board may promulgate regulations necessary to carry out the purposes of this chapter, to provide for the protection of the public, and to assist licensees in interpreting and complying with this chapter.

(B) For the purpose of participating in the Nationwide Multistate Licensing System, the board may waive or modify, in whole or in part, by rule, regulation, or order, any or all of the requirements of this chapter and establish new requirements as reasonably necessary to participate in the Nationwide Multistate Licensing System.”

SECTION 9. This act takes effect July 1, 2019.

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