LEGISLATIVE FISCAL ESTIMATE
ASSEMBLY, No. 2265
STATE OF NEW JERSEY
221st LEGISLATURE

DATED: MARCH 14, 2024

SUMMARY

Synopsis: Revises "New Jersey Money Transmitters Act"; provides consumer protections; increases reporting and record keeping requirements.

Type of Impact: Increases in annual State revenues and expenditures.

Agencies Affected: Department of Banking and Insurance.

Office of Legislative Services Estimate

Annual Fiscal Impact	
State Revenue Increase	$172,800 if maximum filing fee imposed, plus indeterminate amounts from administrative fees and fines
State Expenditure Increase	Indeterminate

- The Office of Legislative Services (OLS) determines that the bill would increase annual State revenues by $172,800 from additional filing fees due to the bill increasing the frequency of regulatory filings related to licensed money transmitters.

- There are currently 216 money transmitter licensees in the State, and if the Department of Banking and Insurance assesses the maximum allowable fee per quarterly filing, State revenue would increase by $172,800 annually. The department also is permitted to assess additional fees by regulation in an amount necessary to meet the costs incurred for its additional administrative workload under the bill, which would further increase annual State revenues.

- The bill also increases the penalty for late filings to $200 per day from not more than $100 per day. Given that the frequency of late reporting cannot be forecast, the result of the increase in penalties is an indeterminate increase in annual State revenues.

BILL DESCRIPTION

This bill revises the New Jersey Money Transmitters Act to require licensed money transmitters and their delegates to provide more reporting, record keeping, and consumer disclosures.

The bill requires licensees to file quarterly reports with the department, in addition to the annual reports presently required, and raises the penalty to $200 per day from not more than $100 per day, for any licensee who fails to file any report. The licensee shall also file annually with the department a copy of the licensee's most recent registration with the Financial Crimes Enforcement Network.

The bill also requires licensees to prominently display license information at their locations. The bill broadens the consent deemed to be given by licensees and delegates to include record inspection rights for appropriate law enforcement representatives in addition to the Department of Banking and Insurance, and requires licensees to keep records for five years instead of the three years currently required.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS determines that the bill would increase annual State revenues by $172,800 from additional filing fees due to the bill increasing the frequency of regulatory filings related to licensed money transmitters. There are currently 216 money transmitter licensees in the State, and if the department assesses the maximum allowable fee per quarterly filing, State revenue would increase by $172,800 annually. However, the actual revenue increase in a given fiscal year from these fees would be a product of the filing fee established by the department and the number of money transmitter licensees paying the fee in that year.

The bill would increase the penalty for late filing to $200 per day from not more than $100 per day. Given that the frequency of late reporting cannot be forecast, the result of the increase in penalties is an indeterminate increase in annual State revenues.

The OLS notes that the bill would result in an increase in the department’s administrative responsibilities resulting from the higher volume of filings that would need to be processed and from other administrative requirements under the bill. The administrative costs for these requirements cannot be estimated at this time; however, they would likely not be significant or could potentially be covered by existing departmental resources. In addition, the bill allows the department to increase fees as necessary to pay for these additional costs. This provision would allow the department to recoup any additional administrative costs through additional fees as necessary.

Section:	*Commerce, Labor and Industry*
Analyst:	*John Gaudioso* *Assistant Fiscal Analyst*
Approved:	*Thomas Koenig* *Legislative Budget and Finance Officer*

This legislative fiscal estimate has been produced by the Office of Legislative Services due to the failure of the Executive Branch to respond to our request for a fiscal note.

This fiscal estimate has been prepared pursuant to P.L.1980, c.67 (C.52:13B-6 et seq.).