

LEGISLATURE OF NEBRASKA
ONE HUNDRED NINTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 1063

Introduced by Bostar, 29.

Read first time January 14, 2026

Committee:

1 A BILL FOR AN ACT relating to the Nebraska Money Transmitters Act; to
2 amend sections 8-2701, 8-2702, 8-2711, and 8-2742, Revised Statutes
3 Supplement, 2025; to define and redefine terms; to change provisions
4 relating to applications for licenses and adoption of federal law by
5 reference; to state legislative findings; to prohibit money
6 transmission by foreign adversaries as prescribed; to provide
7 applicability; to provide duties for the Director of Banking and
8 Finance; to require certain information from applicants and
9 licensees; to harmonize provisions; and to repeal the original
10 sections.

11 Be it enacted by the people of the State of Nebraska,

1 **Section 1.** Section 8-2701, Revised Statutes Supplement, 2025, is
2 amended to read:

3 8-2701 Sections 8-2701 to 8-2742 and sections 5 to 8 of this act
4 shall be known and may be cited as the Nebraska Money Transmitters Act.

5 **Sec. 2.** Section 8-2702, Revised Statutes Supplement, 2025, is
6 amended to read:

7 8-2702 For purposes of the Nebraska Money Transmitters Act:

8 (1) Acting in concert means persons knowingly acting together with a
9 common goal of jointly acquiring control of a licensee whether or not
10 pursuant to an express agreement;

11 (2) Applicant means a person filing an application for a license
12 under the Nebraska Money Transmitters Act;

13 (3) Authorized delegate means a person designated by the licensee to
14 engage in money transmission on behalf of the licensee;

15 (4) Average daily money transmission liability means the amount of
16 the licensee's outstanding money transmission obligations in this state
17 at the end of each day in a given period of time, added together, and
18 divided by the total number of days in the given period of time. For
19 purposes of calculating average daily money transmission liability under
20 the Nebraska Money Transmitters Act for any licensee required to do so,
21 the given period of time shall be each calendar quarter;

22 (5) Closed loop stored value means stored value that is redeemable
23 by the issuer of such stored value only for goods or services provided by
24 the issuer or affiliates of such issuer or franchisees of the issuer or
25 affiliates of such franchisees, except to the extent the stored value is
26 required by applicable law to be redeemable in cash for the cash value of
27 the stored value;

28 (6)(a) Control means:

29 (i) Direct or indirect power over the vote of at least twenty-five
30 percent of the outstanding voting shares or voting interests of a
31 licensee or person in control of a licensee;

1 (ii) The power to elect or appoint a majority of key individuals,
2 executive officers, managers, directors, trustees, or other persons that
3 have managerial authority of a person in control of a licensee; or

4 (iii) The power to exercise, directly or indirectly, a controlling
5 influence over the management or policies of a licensee or person in
6 control of a licensee.

7 (b) For purposes of determining the percentage of a person
8 controlled by any other person, the person's interest shall be aggregated
9 with the interest of any other immediate family member, including the
10 person's spouse, parents, children, siblings, mothers-in-law, fathers-in-
11 law, sons-in-law, daughters-in-law, brothers-in-law, and sisters-in-law,
12 and any other person who shares such person's residence;

13 (7) Department means the Department of Banking and Finance;

14 (8) Director means the Director of Banking and Finance;

15 (9) Eligible rating means a credit rating of any of the three
16 highest rating categories provided by an eligible rating service, whereby
17 each category may include rating category modifiers such as plus or minus
18 for Standard and Poor's Corporation or the equivalent for any other
19 eligible rating service. Long-term credit ratings are deemed eligible if
20 the rating is equal to A- or higher by Standard and Poor's Corporation,
21 or the equivalent from any other eligible rating service. Short-term
22 credit ratings are deemed eligible if the rating is equal to or higher
23 than A-2 or SP-2 by Standard and Poor's Corporation or the equivalent
24 from any other eligible rating service. In the event that ratings differ
25 among eligible rating services, the highest rating shall apply when
26 determining whether a security bears an eligible rating.

27 (10) Eligible rating service means any nationally recognized
28 statistical rating organization approved by the Securities and Exchange
29 Commission and any other organization designated by the director by rule
30 or order;

31 (11) Federally insured depository financial institution means a

1 bank, credit union, savings and loan association, trust company, savings
2 association, savings bank, industrial bank, or industrial loan company
3 organized under the laws of the United States or any state of the United
4 States, when such bank, credit union, savings and loan association, trust
5 company, savings association, savings bank, industrial bank, or
6 industrial loan company has federally insured deposits;

7 (12) Foreign adversary person means:

8 (a) A foreign person that is domiciled in, is headquartered in, has
9 its principal place of business in, or is organized under the laws of any
10 country listed in 15 C.F.R. 791.4;

11 (b) An entity with respect to which a foreign person or combination
12 of foreign persons described in subdivision (12)(a) of this section
13 directly or indirectly own at least a twenty-five percent share; or

14 (c) A person subject to the direction or control of a foreign person
15 or entity described in subdivision (12)(a) or (b) of this section;

16 (13) (12) In this state means at a physical location within this
17 state for a transaction requested in person. For a transaction requested
18 electronically or by telephone, the provider of money transmission may
19 determine if the person requesting the transaction is in this state by
20 relying on other information provided by such person regarding the
21 location of the individual's residential address or the entity's
22 principal place of business or other physical address location and any
23 records associated with such person that the provider of money
24 transmission may have that indicate the location of the individual's
25 residential address or the entity's principal place of business or other
26 physical address location, including, but not limited to, an address
27 associated with an account;

28 (14) (13) Individual means a natural person;

29 (15)(a) Informal value transfer system services means services
30 provided by any system, mechanism, or network of persons or entities
31 that:

1 (i) Receives money for the purpose of making the funds or an
2 equivalent value payable to a third party in another geographic location,
3 whether or not in the same form; or

4 (ii) Facilitates the transfer of money domestically or
5 internationally outside the conventional money-transmission system.

6 (b) Informal value transfer system services includes hawala systems
7 or agencies or similar systems or agencies for transferring money by
8 payment to an agent who instructs a remote associate to pay a final
9 recipient.

10 (c) Informal value transfer system services does not include armored
11 car services or issuance of gift cards;

12 (16) (14) Key individual means any individual ultimately responsible
13 for establishing or directing policies and procedures of the licensee,
14 such as an executive officer, manager, director, or trustee;

15 (17) (15) Licensee means a person licensed under the Nebraska Money
16 Transmitters Act;

17 (18) (16) Material litigation means litigation, that according to
18 United States generally accepted accounting principles, is significant to
19 a person's financial health and would be required to be disclosed in the
20 person's annual audited financial statements, report to shareholders, or
21 similar records;

22 (19) (17) Model Money Transmission Modernization Act means the Model
23 Money Transmission Modernization Act approved for state adoption by the
24 Conference of State Bank Supervisors Board of Directors that sets
25 nationwide standards, including net worth, surety bond, and permissible
26 investments requirements, to modernize the supervision and regulation of
27 money transmitters;

28 (20) (18) Monetary value means a medium of exchange, whether or not
29 redeemable in money;

30 (21) (19) Money means a medium of exchange that is authorized or
31 adopted by the United States or a foreign government. Money includes a

1 monetary unit of account established by an intergovernmental organization
2 or by agreement between two or more governments;

3 (22)(a) (20)(a) Money transmission means any of the following:

4 (i) Selling or issuing payment instruments to a person located in
5 this state;

6 (ii) Selling or issuing stored value to a person located in this
7 state; and

8 (iii) Receiving money for transmission from a person located in this
9 state.

10 (b) Money transmission includes payroll processing services and
11 informal value transfer system services. Money transmission does not
12 include the provision solely of online or telecommunications services or
13 network access;

14 (23) (21) Multistate licensing process means any agreement entered
15 into by and among state regulators relating to coordinated processing of
16 applications for money transmission licenses, applications for the
17 acquisition of control of a licensee, control determinations, or notice
18 and information requirements for a change of key individuals;

19 (24) (22) Nationwide Mortgage Licensing System and Registry means
20 the Nationwide Mortgage Licensing System and Registry, also known as the
21 Nationwide Multistate Licensing System and Registry, developed by the
22 Conference of State Bank Supervisors and the American Association of
23 Residential Mortgage Regulators and owned and operated by the State
24 Regulatory Registry LLC, or any successor or affiliated entity, for the
25 licensing and registration of persons in financial services industries;

26 (25)(a) (23)(a) Outstanding money transmission obligation means:

27 (i) Any payment instrument or stored value issued or sold by the
28 licensee to a person located in the United States or reported as sold by
29 an authorized delegate of the licensee to a person that is located in the
30 United States that has not yet been paid or refunded by or for the
31 licensee or has been escheated in accordance with applicable abandoned

1 property laws; or

2 (ii) Any money received for transmission by the licensee or an
3 authorized delegate in the United States from a person located in the
4 United States that has not been received by the payee or refunded to the
5 sender or has been escheated in accordance with applicable abandoned
6 property laws.

7 (b) For purposes of subdivision (25) ~~(23)~~ of this section, in the
8 United States includes, to the extent applicable, a person in any state,
9 territory, or possession of the United States; the District of Columbia;
10 the Commonwealth of Puerto Rico; or a United States military installation
11 that is located in a foreign country;

12 (26) ~~(24)~~ Payment instrument means a written or electronic check,
13 draft, money order, traveler's check, or other written or electronic
14 instrument for the transmission or payment of money or monetary value,
15 whether or not negotiable. Payment instrument does not include stored
16 value or any instrument that:

17 (a) Is redeemable by the issuer only for goods or services provided
18 by the issuer or affiliates of such issuer or franchisees of the issuer
19 or affiliates of such franchisees except to the extent the instrument is
20 required by applicable law to be redeemable in cash for the cash value of
21 the instrument; or

22 (b) Is not sold publicly but issued and distributed as part of a
23 loyalty, rewards, or promotional program;

24 (27) ~~(25)~~ Payroll processing services means receiving money for
25 transmission pursuant to a contract with a person to deliver wages or
26 salaries, make payment of payroll taxes to state and federal agencies,
27 make payments relating to employee benefit plans, or make distributions
28 of other authorized deductions from wages or salaries. Payroll processing
29 services does not include an employer performing payroll processing
30 services on the employer's own behalf or on behalf of an affiliate of the
31 employer;

1 (28) ~~(26)~~ Person means any individual, general partnership, limited
2 partnership, limited liability company, corporation, trust, association,
3 joint stock corporation, or other corporate entity identified by the
4 director;

5 (29) ~~(27)~~ Receipt means a paper receipt, electronic record, or other
6 written confirmation;

7 (30) ~~(28)~~ Receiving money for transmission or money received for
8 transmission means receiving money or monetary value in the United States
9 for transmission within or outside the United States by electronic or
10 other means;

11 (31) ~~(29)~~ Remit means to make direct payments of money to a licensee
12 or a representative of a licensee authorized to receive money or to
13 deposit money in a bank in an account specified by the licensee; and

14 (32) ~~(30)~~ Stored value means monetary value representing a claim
15 against the issuer of the stored value evidenced by an electronic or
16 digital record, and that is intended and accepted for use as a means of
17 redemption for money or monetary value, or payment for goods or services.

18 Stored value includes, but is not limited to, prepaid access as defined
19 by 31 C.F.R. 1010.100. Notwithstanding the foregoing, stored value does
20 not include a payment instrument or closed loop stored value, or stored
21 value not sold publicly but issued and distributed as part of a loyalty,
22 rewards, or promotional program.

23 **Sec. 3.** Section 8-2711, Revised Statutes Supplement, 2025, is
24 amended to read:

25 8-2711 (1) Applicants for a license shall apply in a form and in a
26 medium as prescribed by the director. Each such form shall contain
27 content as set forth by rule, regulation, instruction, or procedure of
28 the director and may be changed or updated by the director in accordance
29 with applicable law in order to carry out the purposes of the Nebraska
30 Money Transmitters Act and maintain consistency with Nationwide Mortgage
31 Licensing System and Registry licensing standards and practices. The

1 application shall state or contain, as applicable:

2 (a) The legal name and residential and business addresses of the
3 applicant and any fictitious or trade name used by the applicant in
4 conducting the applicant's business;

5 (b) A list of any criminal conviction of the applicant and any
6 material litigation in which the applicant has been involved in the ten-
7 year period next preceding the submission of the application;

8 (c) A description of any money transmission previously provided by
9 the applicant and the money transmission that the applicant seeks to
10 provide in this state;

11 (d) A list of the applicant's proposed authorized delegates and the
12 locations in this state where the applicant and its authorized delegates
13 propose to engage in money transmission;

14 (e) A list of other states in which the applicant is licensed to
15 engage in money transmission and any license revocation, suspension, or
16 other disciplinary action taken against the applicant in another state;

17 (f) Information concerning any bankruptcy or receivership proceeding
18 affecting the applicant or a person in control of an applicant;

19 (g) A sample form of contract for authorized delegates, if
20 applicable;

21 (h) A sample form of payment instrument or stored value, as
22 applicable;

23 (i) The name and address of any federally insured depository
24 financial institution through which the applicant plans to conduct money
25 transmission; and

26 (j) A certification that the applicant is not a foreign adversary
27 person, along with sufficient information to enable the director to
28 verify the veracity of the certification;

29 (k) A certification that each key individual and person in control
30 of the applicant is not a foreign adversary person, along with sufficient
31 information to enable the director to verify the veracity of the

1 certification; and

2 (1) (j) Any other information the Director or the Nationwide
3 Mortgage Licensing System and Registry reasonably requires with respect
4 to the applicant.

5 (2) If an applicant is a corporation, limited liability company,
6 partnership, or other legal entity, the applicant shall also provide:

7 (a) The date of the applicant's incorporation or formation and state
8 or country of incorporation or formation;

9 (b) If applicable, a certificate of good standing from the state or
10 country in which the applicant was incorporated or formed;

11 (c) A brief description of the structure or organization of the
12 applicant, including any parents or subsidiaries of the applicant, and
13 whether any such parents or subsidiaries are publicly traded;

14 (d) The legal name, any fictitious or trade name, all business and
15 residential addresses, and the employment, as applicable, of each key
16 individual and person in control of the applicant in the ten-year period
17 preceding the submission of the application;

18 (e) A list of any criminal convictions and material litigation for a
19 person in control of the applicant that is not an individual that has
20 been involved with the applicant in the ten-year period preceding the
21 submission of the application;

22 (f) A copy of audited financial statements of the applicant for the
23 most recent fiscal year and for the two-year period preceding the
24 submission of the application or, if determined to be acceptable to the
25 director, certified unaudited financial statements for the most recent
26 fiscal year or any other period acceptable to the director;

27 (g) A certified copy of unaudited financial statements of the
28 applicant for the most recent fiscal quarter;

29 (h) If the applicant is a publicly traded corporation, a copy of the
30 most recent report filed with the Securities and Exchange Commission
31 pursuant to the Securities Exchange Act of 1934;

1 (i) If the applicant is a wholly owned subsidiary of:

6 (ii) A corporation publicly traded outside the United States, a copy
7 of similar documentation filed with the regulator of the parent
8 corporation's domicile outside the United States;

9 (j) The name and address of the applicant's registered agent in this
10 state; and

11 (k) Any other information the director reasonably requires with
12 respect to the applicant.

13 (3) A nonrefundable application fee of one thousand five hundred
14 dollars must accompany an application for a license under this section.

15 (4) Other than the nonrefundable application fee, the director may
16 waive one or more requirements of this section or permit an applicant to
17 submit other information in lieu of the required information.

18 **Sec. 4.** Section 8-2742, Revised Statutes Supplement, 2025, is
19 amended to read:

20 8-2742 For purposes of the Nebraska Money Transmitters Act:

21 (1) 15 C.F.R. 791.4 means 15 C.F.R. 791.4, as such regulation
22 existed on January 1, 2026;

23 (2) (1) 31 C.F.R. 1010.100 means 31 C.F.R. 1010.100, as such
24 regulation existed on January 1, 2025;

25 (3) (2) Bank Secrecy Act means the Bank Secrecy Act, 31 U.S.C. 5311
26 et seq., and the implementing regulations of such act, as such act and
27 regulations existed on January 1, 2025;

28 (4) (3) Bank Service Company Act means the Bank Service Company Act,
29 12 U.S.C. 1861 et seq., as such act existed on January 1, 2025;

30 (5) (4) Commodity Exchange Act means the Commodity Exchange Act, 7
31 U.S.C. 1 et seq., as such act existed on January 1, 2025;

1 (6) ~~(5)~~ Edge Act means the Edge Act, 12 U.S.C. 611 et seq., as such
2 act existed on January 1, 2025;

3 (7) ~~(6)~~ Federal Credit Union Act means the Federal Credit Union Act,
4 12 U.S.C. 1751 et seq., as such act existed on January 1, 2025;

5 (8) ~~(7)~~ Federal Deposit Insurance Act means the Federal Deposit
6 Insurance Act, 12 U.S.C. 1811 et seq., as such act existed on January 1,
7 2025;

8 (9) ~~(8)~~ Federal remittance rule means 12 C.F.R. part 1005, subpart
9 B, as such regulation existed on January 1, 2025;

10 (10) ~~(9)~~ Foreign Account Tax Compliance Act means the Foreign
11 Account Tax Compliance Act, 26 U.S.C. 1471 et seq., as such act existed
12 on January 1, 2025;

13 (11) ~~(10)~~ International Banking Act of 1978 means the International
14 Banking Act of 1978, 12 U.S.C. 3101 et seq., as such act existed on
15 January 1, 2025;

16 (12) ~~(11)~~ Securities Exchange Act of 1934 means the Securities
17 Exchange Act of 1934, 15 U.S.C. 78a et seq., as such act existed on
18 January 1, 2025;

19 (13) ~~(12)~~ United States Bankruptcy Code means 11 U.S.C. 101 et seq.,
20 as such sections existed on January 1, 2025; and

21 (14) ~~(13)~~ Uniting and Strengthening America by Providing Appropriate
22 Tools Required to Intercept and Obstruct Terrorism Act of 2001 means the
23 Uniting and Strengthening America by Providing Appropriate Tools Required
24 to Intercept and Obstruct Terrorism Act of 2001, Public Law 107-56, as
25 such act existed on January 1, 2025.

26 **Sec. 5. The Legislature finds and declares that:**

27 (1) The United States has determined that the governments of China,
28 Cuba, Iran, North Korea, Russia, and the Maduro Regime in Venezuela are
29 foreign adversaries of the United States because they have engaged in
30 long-term patterns or serious instances of conduct significantly adverse
31 to United States national security or the security and safety of United

1 States persons;

2 (2) China's effort to advance its technological capabilities poses
3 significant threats to the United States and its citizens;

4 (3) China is currently operating a Military-Civil Fusion strategy
5 with the goal of developing the most technologically advanced military in
6 the world. A key part of this strategy is removing barriers between
7 China's civilian sectors and its military and defense industrial sectors;

8 (4) China is also seeking to grow its technological dominance in
9 international markets;

10 (5) To advance its missions, China has increased its efforts to
11 collect foreign data;

12 (6) Under Article 7 of China's National Intelligence Law of 2017,
13 which states in part that any organization or citizen shall support,
14 assist, and cooperate with the state intelligence work, China may compel
15 its citizens and companies to assist with surveillance efforts or
16 surrender data to Chinese intelligence agencies, including data belonging
17 to the United States or its citizens;

18 (7) China's collection of data is a threat to national security and
19 the United States Department of Homeland Security and the National
20 Counterintelligence and Security Center have both issued publications
21 warning United States citizens and businesses of the potential threats
22 stemming from China's intelligence laws;

23 (8) In November 2025, the White House produced a security memo
24 asserting that a Chinese technology company shares its customers' data,
25 including customers' payment records, with the Chinese government and
26 concurrently the Pentagon sent a letter to Congress indicating intent to
27 list that Chinese technology company as a Chinese military company;

28 (9) The threat of data collection by foreign adversaries is not only
29 a national security threat but also a threat to consumers who provide
30 data and other information to foreign adversary-based companies;

31 (10) Pursuant to this state's supervisory authority over financial

1 transactions, the state has put in place a regulatory scheme for
2 licensing money transmitters;

3 (11) Money transmitters provide consumers with nonbank access to
4 sending and receiving funds, often internationally, and require access to
5 sensitive customer data;

6 (12) As a part of the licensing scheme, the state looks at the
7 character and general fitness of applicants to ensure that it is in the
8 interest of the public to permit the applicant to engage in money
9 transmission in the state; and

10 (13) Due to the risks posed by foreign adversaries to this state and
11 its citizens, the state finds that it should not grant money transmitter
12 licenses to companies with connections to foreign adversaries.

13 **Sec. 6.** (1)(a) For purposes of section 8-2713, if an applicant or
14 any key individual or person in control of the applicant fails to
15 establish that such applicant, key individual, or person is not a foreign
16 adversary person, the director shall presume that the character and
17 general fitness of such applicant, key individual, or person indicates
18 that it is not in the interest of the public to permit the applicant to
19 engage in money transmission.

20 (b) For purposes of section 8-2716, if a person, or group of persons
21 acting in concert, seeking to acquire control of a licensee or if any key
22 individual or person that would be in control of a licensee after
23 acquisition of control fails to establish that such person, group, or key
24 individual is not a foreign adversary person, the director shall presume
25 that the character and general fitness of such person, group, or key
26 individual indicates that it is not in the interest of the public to
27 permit the person, group of persons acting in concert, or key individual
28 to control the licensee.

29 (c) For purposes of section 8-2734, if a licensee or authorized
30 delegate or any key individual or persons in control of a licensee or
31 responsible person of the authorized delegate fails to establish that

1 such licensee, delegate, key individual, or person is not a foreign
2 adversary person, the director shall presume that the character and
3 general fitness of such licensee, delegate, key individual, or person
4 indicates that it is not in the interest of the public to permit the
5 licensee, delegate, key individual, or person to provide money
6 transmission.

7 (d) For purposes of section 8-2735, if an authorized delegate or a
8 person in control of the authorized delegate fails to establish that such
9 delegate or person is not a foreign adversary person, the director shall
10 presume that the character and general fitness of such delegate or person
11 indicates that it is not in the interest of the public to permit the
12 authorized delegate to provide money transmission.

13 (2) The presumptions described in subsection (1) of this section
14 shall only be rebutted by clear and convincing evidence that:

15 (a) The relevant foreign government or foreign nongovernment person
16 listed in 15 C.F.R. 791.4 has expressly exempted the relevant applicant,
17 licensee, authorized delegate, key individual, or person from all legal
18 obligations to share any information from an individual in this state
19 with any foreign adversary person;

20 (b) The exemption described in subdivision (2)(a) of this section
21 will be judicially enforceable within this state against the foreign
22 government and nongovernment person by any individual in this state who
23 uses the money transmitter services of the exempted individual or person;

24 (c) The exempted individual or person has established a relationship
25 with an auditor organized within, and with its primary place of business
26 within, the United States that will verify, through an external
27 compliance audit or similar process conducted at least quarterly and in
28 compliance with all applicable auditing standards, whether any
29 information is shared by the exempted individual or person with a foreign
30 adversary person during the duration of the license or at any point
31 within three years after the expiration of the license; and

1 (d) The exempted individual or person has adopted a policy that it
2 will promptly notify all affected individuals and the Attorney General if
3 it or its auditor concludes that information has been shared with a
4 foreign adversary person during the duration of the license or at any
5 point within three years after the expiration of the license.

6 **Sec. 7.** (1) On the effective date of this act, the changes made by
7 this legislative bill shall apply to all existing and future licenses and
8 applications for license under the Nebraska Money Transmitters Act.

9 (2) Within sixty days after the effective date of this act, the
10 director shall send a written request to each licensee and applicant with
11 a completed application that requests supplemental information necessary
12 for the director to investigate and determine compliance with the changes
13 made by this legislative bill, including the certifications required by
14 section 8-2711. For any licensee that does not provide such information
15 within sixty days after receiving such request or that the director has
16 reasonable suspicion to believe is a foreign adversary person or has any
17 key individual or person in control that is a foreign adversary person,
18 the director shall institute proceedings under section 8-2734 to revoke
19 the licensee's license.

20 **Sec. 8.** Within thirty days after the effective date of this act,
21 the director shall prescribe forms and instructions and issue an order
22 governing applications under the Nebraska Money Transmitters Act to
23 require information sufficient to show that the applicant is not a
24 foreign adversary person.

25 **Sec. 9.** Original sections 8-2701, 8-2702, 8-2711, and 8-2742,
26 Revised Statutes Supplement, 2025, are repealed.