

# List of states that offer such exemptions

📌 Status	Done
👤 Being worked on by	

Internal Comment: 25 states, some say 9 states, some say 16 states.

	State	Exemption	Source of Exemption	Legislation Reference	Standard to Qualify for Exemption	Predetermination Required for Exemption
1.	California	Yes	Statute	<a href="#">Link</a>	Preexisting written contract and delivery of the money or other monetary value to the agent satisfies the payor's obligation to the payee.	Yes
2.	Connecticut	Yes	No Action Position	<a href="#">Link</a>	1. A written agreement between the payee and the recipient of money or monetary value that: (a) expressly designates the recipient as an agent accepting payment on the payee's behalf, (b) provides that payment to the agent constitutes payment to the payee, and (c) evidences an understanding between the parties that the payee will be in control of the undertaking; and 2. The recipient of money or monetary value is (a) an agent of a merchant payee who receives payments for goods or services other than money transmission that has been or will be provided by the merchant payee and such merchant payee holds the agent out to the public as accepting payments on the payee's behalf; or (b) a person duly licensed with this department as a consumer collection agency, mortgage servicer, small loan licensee, or student loan servicer that receives money or monetary value on behalf of the payee in accordance with and within the scope of its regulatory scheme.	No. However, agents should at all times maintain the required documentation to qualify for the exemption.
3.	Idaho	Case-by-case	No-Action Letters	1. <a href="#">Link 1</a> 2. <a href="#">Link 2</a>	While decisions are fact-dependent, no-action determinations have been made when payments are deemed to have been made to the payee when received by the agent.	Yes
4.	Illinois	Yes	Interpretation	<a href="#">Link</a>	Preexisting written contract and delivery of the money or other monetary value to the agent satisfies the payor's obligation to the payee.	Suggested
5.	Kansas	Yes	Interpretation	<a href="#">Link</a>	1. There is a preexisting written agreement between the payee and the agent; 2. The payee expressly grants authority to the agent to accept payments on the payee's behalf in the preexisting written agreement; 3. Payment is treated as received by the payee upon receipt by the agent; and 4. Payment is for goods or services other than money transmission that has been provided or to be provided by the payee.	Required by law.
6.	Kentucky	Yes	Statute	<a href="#">Link</a>	6) A service provider that receives money or monetary value on behalf of an entity selling goods or services other than money transmission services if: (a) The entity, upon receipt of funds by the service provider, immediately either: 1. Provides the purchased goods or services to the purchaser; or 2. Credits the purchaser for the full amount of money or monetary value received by the service provider, which credit is not revocable by the entity, and evidences this credit in writing; and (b) The entity is obligated to provide the purchased goods or services to the purchaser regardless of whether or not the service provider transmits the money or monetary value to the entity	No

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7.	Louisiana	Yes	Statute	<a href="#">Link</a>	<p><b>§1034. Exemption from licensing:</b> (1) The following persons shall not be required to be licensed under this Chapter: A person acting as an agent for an entity excluded under Paragraphs (3) and (4) of this Section, to the extent of the person's actions in that capacity provided that: (a) The entity is liable for satisfying the money services obligation owed to the purchaser on the person's receipt of the purchaser's money. (b) The entity and person enter into a written contract that appoints the person as the entity's agent and the person acts only within the scope of authority conferred by the contract. <b>§1041. Agents and subagents</b> (2) No license under this Chapter shall be required of any agent or subagent of a licensee</p> <p><b>From the CSBS website:</b> An "Agent of a Payee" business model does not meet the definition of "Money Transmission" as defined in LSA-R.S. 6:1032 (13) of the Louisiana Sale of Checks and Money Transmission Act and does not require a license with the Louisiana Office of Financial Institutions. With this type of business model, the receipt of payment by the agent constitutes settlement of the consumer's obligation at the time of payment.</p>	
8.	Maine	Yes	Interpretation	<a href="#">Link</a>	<p>1. There is a preexisting written agreement between the payee and the agent; 2. The payee expressly grants authority to the agent to accept payments on the payee's behalf in the preexisting written agreement 3. Payment is treated as received by the payee upon receipt by the agent; and 4. Payment is for goods or services other than money transmission that has been provided or to be provided by the payee.</p>	Yes
9.	Missouri	Yes	Interpretation	<a href="#">Link</a> 361.720. Licensee may conduct business through unlicensed agents and employees.	<p>If payment is received for goods or services other than money transmission, and if the payment is treated as received by the payee upon receipt of the agent, then the agents are exempt.</p>	No
10.	Nebraska	Yes	Statute		<p>Bill payment services in which an agent of a payee receives money or monetary value on behalf of such payee is exempt.</p>	Suggested
11.	North Dakota	Yes	Statute	<a href="#">Link</a>	<p>Money transmission" means to engage in the business of the sale or issuance of payment instruments, stored value, or of receiving money or monetary value for transmission to a location within or outside the United States by any and all means, including wire, facsimile, or electronic transfer. Notwithstanding any other provision of law, "money transmission" also includes bill payment services not limited to the right to receive payment of any claim for another, but does not include payment processing activities conducted for a merchant under an agency relationship. 2. This chapter does not apply to Authorized delegates of a licensee, acting within the scope of authority conferred by a written contract as described in section 13-09-15.</p>	Yes
12.	North Carolina	Yes	Statute	<a href="#">Link</a>	<p>1. There exists a written agreement between the payee and agent directing the agent to collect and process payments on the payee's behalf. 2. The payee holds the agent out to the public as accepting payments on the payee's behalf. 3. Payment is treated as received by the payee upon receipt by the agent. This exemption extends to those otherwise engaged in money transmission as set forth in G.S. 53-208.42(13)b., including those transactions conducted in whole or in part in virtual currency.</p>	Yes

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13.	New York			<a href="#">Link 1</a> <a href="#">Link 2</a>	<p><b>From the CSBC website:</b> 1. There must be a written agency agreement under which the entity claiming exemption is unequivocally made the agent of the payee; 2. The agent of the payee must give customers a receipt which clearly indicates that payment to the agent is deemed payment to the payee; 3. There can be no risk of loss to the payor if the transmitter fails to remit the funds; 4. Whether or not the payee receives the funds, the payee must treat the payor as if, in effect, the payee received payment; and 5. In delivering funds to the agent, there must be no greater risks than if the funds were delivered directly to the payee. <b>My research:</b> No person shall engage in the business of selling or issuing checks, or engage in the business of receiving money for transmission or transmitting the same, without a license therefor obtained from the superintendent as provided in this article, nor shall any person engage in such business as an agent, <b>except as an agent of a licensee or as agent of a payee;</b> provided, however, that nothing in this article shall apply to a bank, trust company, private banker, foreign banking corporation licensed pursuant to article two of this chapter or foreign banking company authorized to operate pursuant to the International Banking Act of 1978 (12 USC 3101 et seq.), as amended, savings bank, savings and loan association, an investment company, a national banking association, federal reserve bank, corporation organized under the provisions of section twenty-five-a of an act of congress entitled the "Federal Reserve Act", federal savings bank, federal savings and loan association or state or federal credit union</p>	No. However, agents should at all times maintain the required documentation to qualify for the exemption.
14.	Nevada	Yes	Statute	<a href="#">Link</a>	As per Section NRS 671.040, A person shall not engage in such business as an agent except as an agent of a licensee or a payee.	Yes
15.	Ohio	Yes	Statute	<a href="#">Link</a>	Written agreement evidencing agent/payee relationship and that payor/customer's obligations are extinguished upon receipt by the agent.	Yes

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16.	Pennsylvania	Yes	Statute	<a href="#">Link</a>	<p><b>Section 3:</b> No license shall be required for any of the following: (2) Agents of a person licensed under this act (4) Agents that receive payments from individuals on behalf of persons that are creditors, public utilities or providers of goods or services. <b>Section 12:</b> (a) A licensee or exempted person may conduct business at one or more locations through such agents as the licensee or exempted person may from time to time appoint. No license or any license fee shall be required of any such agent. (b) An agent engaged in the business of money transmission under subsection (a) or subject to an exemption under section 3 shall be appointed pursuant to a written agreement between the agent and the person on whose behalf the agent is acting. (c) The written agreement shall contain at least the following provisions: (1) There is consent by the agent and the person on whose behalf the agent is acting. (2) The agent is acting on behalf of the person employing the agent's service for the transmission of money. (3) The agent is subject to the control of the person on whose behalf the agent is acting, meaning that the licensee or exempted person takes complete financial responsibility for the money being transmitted from the moment an individual initiates the transmission of money until the intended recipient receives the transmitted money. (4) There is no risk of loss to the individual initiating the transaction if the agent fails to remit the funds to the person on whose behalf the agent is acting. (5) Receipt of funds by the agent is deemed receipt of funds by the person on whose behalf the agent is acting. (6) The agent may not provide money transmission outside the scope of activity permissible under the written agreement between the agent and the person on whose behalf the agent is acting except to the extent that the agent is licensed itself or operating as an agent for another person. (7) Individuals doing business with the agent are aware that the agent is working on behalf of the person on whose behalf the agent is acting.</p>	No. However, agents should at all times maintain the required documentation to qualify for the exemption.
17.	Tennessee	Case-by-case	No Action Letters	<a href="#">Link</a>	<p>TCA Section 45-7-202(b) states that, "a licensee may conduct its business in Tennessee at one (1) or more locations, directly or indirectly owned, or through one (1) or more authorized agents, or both, pursuant to the single license granted to the licensee. Therefore, authorized agents of Tennessee money transmitter licensees are not required to obtain a license themselves provided that the money transmission they conduct is conducted based on authority granted through an applicable authorized agent contract with a Tennessee money transmitter licensee.</p>	Yes
18.	Texas	Yes	Common law	<a href="#">Link</a>	<p>(b) A dealer or dealer agent who, in the course of providing dealer or dealer agent services as to securities, receives or has control over a customer's money or monetary value, need not obtain a money transmission license if her or she is: (1) registered and in good standing with the Texas State Securities Board as a dealer or dealer agent; and (2) only conducting money transmission as defined by Finance Code, §151.301, to the extent reasonable and necessary to provide dealer or dealer agent services for contractual customers as to securities.</p>	Yes
19.	Vermont	Yes	Statute	<a href="#">Link</a>	<p>Licensing is exempted if a person facilitates payment for goods or services, not including money transmission itself, or bill payment through a clearance and settlement process using institutions regulated under the Bank Secrecy Act pursuant to a written contract with the payee and either payment to the person facilitating the payment processing satisfies the payor's obligation to the payee or that obligation is otherwise extinguished;</p>	No

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20.	Virginia	Yes	Regulation	<a href="#">Link</a>	"Money transmission" for purposes of Chapter 19 and this chapter shall have the meaning ascribed to it in § 6.2-1900 of the Code of Virginia. However, the term shall not include the actions of an agent who collects funds on behalf of a merchant or service provider, provided that (i) the agent has been explicitly designated in a written agreement as an agent of the merchant or service provider; (ii) any funds collected by the agent shall be deemed for all purposes to be received by the merchant or service provider, regardless of whether the agent actually remits such funds to the merchant or service provider; (iii) the agent provides the Virginia resident with a dated receipt indicating that payment to the agent constitutes payment to the merchant or service provider; and (iv) there is no risk of loss to the Virginia resident if the agent fails to remit such resident's funds to the merchant or service provider. This definition shall not be construed to prohibit the merchant or service provider from seeking indemnification from its agent for any direct losses incurred due to the agent's failure to remit funds in accordance with its agreement.	No
21.	Washington	Yes	Statute	<a href="#">Link</a>	This chapter does not apply to: (9) a person (c) That facilitates payment for goods or services (not including money transmission itself) or bill payment through a clearance and settlement process using bank secrecy act regulated institutions pursuant to a written contract with the payee and either payment to the person facilitating the payment processing satisfies the payor's obligation to the payee or that obligation is otherwise extinguished;	No
22.	West Virginia	Yes	Statute	<a href="#">Link</a>	(a) The following are exempt from the provisions of this article: (11)(A) Persons operating a payment system that provides processing, clearing, or settlement services, between or among persons who are all excluded by this section, in connection with wire transfers, credit card transactions, debit card transactions, prepaid access transactions, automated clearinghouse transfers, or similar funds transfers; (B) Contracted service providers of an entity set forth in §32A-2-3(a)(1) of this code that provide processing, clearing, or settlement services in connection with wire transfers, credit card transactions, debit card transactions, prepaid access transactions, automated clearinghouse transfers, or similar funds transfers; or (C) Persons facilitating payment for goods or services (not including currency transmission or money transmission itself) pursuant to a contract with the payee and either payment to the person or persons facilitating the payment processing satisfies the payor's obligation to the payee or that obligation is extinguished. (b) Any person who holds and maintains a valid license under this article may engage in the business of money transmission or currency exchange at one or more locations through or by means of an authorized delegate or delegates as set forth in §32A-2-27 of this code, as the licensee may designate and appoint from time to time. No such authorized delegate is required to obtain a separate license under this article, but the use of sub-delegates is prohibited and the authorized delegate may only conduct business on behalf of its licensee. (c) The issuance and sale of stored value cards or similar prepaid products which are intended to purchase items only from the issuer or seller of the stored value card is exempt from the provisions of this article. (d) Any person who is required and properly obtains a license under this article to transport currency is exempt from the requirements of §30-18-1 et seq. of this code.	Required when exemption is claimed by an entity offering bill payment services.

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23.	Wyoming	Yes	Interpretation		<p>An agent of payee exemption is not expressly provided in the Wyoming Money Transmitters Act ("the Act"). However, based on the definition of money transmission established in the Act, the agent of payee business model is recognized by the Wyoming State Banking Commissioner as not requiring a money transmitter's license to conduct these transactions with Wyoming consumers. The applicability of this business model is only recognized when the relationship between the "agent" and the "payee" has been memorialized through an express written agreement that establishes the responsibilities of each party. To assert the agent of payee business model the parties must maintain an established preexisting written agreement that shall confirm:</p> <ul style="list-style-type: none"> <li>· The payee expressly grants authority to the agent to accept payments on the payee's behalf; and</li> <li>· Consumer payments are treated as received by the payee upon receipt of the payment from the consumer to the agent.</li> </ul> <p>Consumer obligations must be considered satisfied once the consumer submits payment to an agent, and at no time thereafter could the payee seek recourse against the consumer if the payee does not receive the funds from their agent. 40-22-102(xiii) states, "Money transmission" means to engage in business to sell or issue payment instruments, stored value or receive money or monetary value for transmission to a location within or outside the United States [emphasis added] by any and all means, including but not limited to wire, facsimile or electronic transfer." In an agent of payee transaction the funds tendered by the consumer are for the express purpose of making a payment or settlement of an obligation directly with the payee. This business model does not appear to meet the definition of money transmission as the transaction in question is not intended for the "transmission of funds to another location."</p>	No