

State of Arizona  
Senate  
Fifty-first Legislature  
Second Regular Session  
2014

**CHAPTER 254**  
**SENATE BILL 1408**

AN ACT

AMENDING SECTIONS 6-1201, 6-1241, 13-2301 AND 13-2317, ARIZONA REVISED  
STATUTES; RELATING TO MONEY TRANSMITTERS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 6-1201, Arizona Revised Statutes, is amended to  
3 read:

4 6-1201. Definitions

5 In this chapter, unless the context otherwise requires:

6 1. "Authorized delegate" means a person designated by the licensee  
7 under section 6-1208.

8 2. "Check cashing" means exchanging for compensation a check, debit  
9 card payment order, draft, money order, traveler's check or payment  
10 instrument of a licensee for money delivered to the presenter at the time and  
11 place of the presentation.

12 3. "Control" means ownership of fifteen per cent or more of a licensee  
13 or controlling person, or the power to vote fifteen per cent or more of the  
14 outstanding voting securities of a licensee or controlling person. For the  
15 purpose of determining the percentage controlled by any one person, that  
16 person's interest shall be aggregated with the interest of any other person  
17 controlled by that person, ~~or~~ BY an officer, partner or authorized delegate of  
18 that person, or by a spouse, parent or child of that person.

19 4. "Controlling person" means a person directly or indirectly in  
20 control of a licensee.

21 5. "Engage in the business" means conducting activities regulated  
22 under this chapter more than ten times in any calendar year for compensation  
23 or in the expectation of compensation. For purposes of this paragraph,  
24 "compensation" means any fee, commission or other benefit.

25 6. "Foreign money exchange" means exchanging for compensation money of  
26 the United States government or a foreign government to or from money of  
27 another government at a conspicuously posted exchange rate at the time and  
28 place of the presentation of the money to be exchanged.

29 7. "Licensee" means a person licensed under this chapter.

30 8. "Location" means a place of business at which activity regulated by  
31 this chapter occurs.

32 9. "Money" means a medium of exchange that is authorized or adopted by  
33 a domestic or foreign government as a part of its currency and that is  
34 customarily used and accepted as a medium of exchange in the country of  
35 issuance.

36 10. "Money accumulation business" means obtaining money from a money  
37 transmitter as part of any activity that is carried on for financial gain if  
38 the money that is obtained by all persons acting in concert in the activity,  
39 in amounts of one thousand dollars or more, totals over fifty thousand  
40 dollars in the preceding twelve-month period. Money accumulation business  
41 does not include a person who is subject to the reporting requirements under  
42 31 United States Code section 5313. The exception that is established by 31  
43 United States Code section 5331, subsection (c), paragraph 1 does not apply  
44 to persons who are engaged in the money accumulation business.

1           11. "Money transmitter" means a person who is located or doing business  
2 in this state, including a check casher and a foreign money exchanger, and  
3 who does any of the following:

4           (a) Sells or issues payment instruments.

5           (b) Engages in the business of receiving money for the transmission of  
6 or transmitting money.

7           (c) Engages in the business of exchanging payment instruments or money  
8 into any form of money or payment instrument.

9           (d) Engages in the business of receiving money for obligors for the  
10 purpose of paying that obligor's bills, invoices or accounts.

11           (e) Meets the definition of a bank, financial agency or financial  
12 institution as prescribed by 31 United States Code section 5312 or 31 Code of  
13 Federal Regulations section ~~103.11~~ 1010.100.

14           12. "Outstanding payment instruments" means unpaid payment instruments  
15 whose sale has been reported to a licensee.

16           13. "Payment instrument" means a check, draft, money order, traveler's  
17 check or other instrument or order for the transmission or payment of money  
18 sold to one or more persons whether or not that instrument or order is  
19 negotiable. Payment instrument does not include an instrument that is  
20 redeemable by the issuer in merchandise or service, a credit card voucher or  
21 a letter of credit.

22           14. "Permissible investment" means any of the following:

23           (a) Money on hand or on deposit in the name of the licensee.

24           (b) Certificates of deposit or other debt instruments of a bank,  
25 savings and loan association or credit union.

26           (c) Bills of exchange or time drafts that are drawn on and accepted by  
27 a bank, otherwise known as banker's acceptances, and that are eligible for  
28 purchase by member banks of the federal reserve system.

29           (d) Commercial paper bearing a rating of one of the three highest  
30 grades as defined by a nationally recognized organization that rates these  
31 securities.

32           (e) Securities, obligations or other instruments whose payment is  
33 guaranteed by the general taxing authority of the issuer, of the United  
34 States or of any state or by any other governmental entity or any political  
35 subdivision or instrumentality of a governmental entity and that bear a  
36 rating of one of the three highest grades by a nationally recognized  
37 investment service organization that has been engaged regularly in rating  
38 state and municipal issues for at least five years.

39           (f) Stocks, bonds or other obligations of a corporation organized in  
40 any state of the United States, the District of Columbia, the Commonwealth of  
41 Puerto Rico or the several territories organized by Congress that bear a  
42 rating of one of the three highest grades by a nationally recognized  
43 investment service organization that has been engaged regularly in rating  
44 corporate securities for at least five years.

45           (g) Any receivable that is due to a licensee from its authorized  
46 delegate pursuant to a contract between the licensee and authorized delegate

1 as prescribed in section 6-1208 if the amount of investment in those  
2 receivables does not exceed ninety per cent of the total amount of those  
3 receivables after subtracting the amount of those receivables that ~~are~~ IS  
4 past due or doubtful of collection.

5 15. "Responsible individual" means a person who is employed by a  
6 licensee and who has principal active management authority over the business  
7 of the licensee in this state that is regulated under this chapter.

8 16. "Trade or business" has the same meaning prescribed in section 162  
9 of the internal revenue code of 1954 and includes the money accumulation  
10 business.

11 17. "Transmitting money" means the transmission of money by any means  
12 including transmissions within this country or to or from locations abroad by  
13 payment instrument, wire, facsimile, internet or any other electronic  
14 transfer, courier or otherwise.

15 18. "Traveler's check" means an instrument identified as a traveler's  
16 check on its face or commonly recognized as a traveler's check and issued in  
17 a money multiple of United States or foreign currency with a provision for a  
18 specimen signature of the purchaser to be completed at the time of purchase  
19 and a countersignature of the purchaser to be completed at the time of  
20 negotiation.

21 Sec. 2. Section 6-1241, Arizona Revised Statutes, is amended to read:

22 6-1241. Reports to the attorney general; investigation;  
23 violation; classification

24 A. Within thirty days after any transaction or series or pattern of  
25 transactions that is conducted or attempted by, at or through the business  
26 and that involves or aggregates five thousand dollars or more in funds or  
27 other assets, each licensee and authorized delegate of a licensee and each  
28 money transmitter shall file with the attorney general's office in a form  
29 prescribed by the attorney general a report of the transaction or series or  
30 pattern of transactions if the licensee, authorized delegate or money  
31 transmitter knows, suspects or has reason to suspect that the activity  
32 either:

33 1. Involves funds that are derived from illegal activities, is  
34 intended or conducted in order to hide or disguise funds or other assets that  
35 are derived from illegal activities, including, without limitation, the  
36 ownership, nature, source, location or control of the funds or other assets,  
37 as part of a plan to violate or evade any law or regulation or to avoid any  
38 transaction reporting requirement under this chapter or may constitute a  
39 possible money laundering violation under section 13-2317 or another  
40 racketeering violation as defined in section 13-2301.

41 2. Has no business or apparent lawful purpose or is not the sort of  
42 activity in which the particular customer would normally be expected to  
43 engage and the licensee, authorized delegate or money transmitter knows of no  
44 reasonable explanation for the activity after examining the available facts,  
45 including the background and possible purpose of the activity.

1 B. A licensee, authorized delegate or money transmitter that is  
2 required to file a report regarding business conducted in this state pursuant  
3 to the currency and foreign transactions reporting act (31 United States Code  
4 sections 5311 through 5326, including any special measures that are  
5 established under 31 United States Code section 5318A, and 31 Code of Federal  
6 Regulations ~~part-103~~ CHAPTER X or 12 Code of Federal Regulations section  
7 21.11) shall file a duplicate of that report with the attorney general.

8 C. All persons who are engaged in a trade or business and who receive  
9 more than ten thousand dollars in money in one transaction or who receive  
10 more than ten thousand dollars in money through two or more related  
11 transactions shall complete and file with the attorney general the  
12 information required by 31 United States Code section 5331 and the federal  
13 regulations relating to this section concerning reports relating to cash  
14 received in trade or business.

15 D. A licensee, authorized delegate or money transmitter that is  
16 regulated under the currency and foreign transactions reporting act (31  
17 United States Code section 5325 and 31 Code of Federal Regulations ~~part-103~~  
18 CHAPTER X) and that is required to make available prescribed records to the  
19 secretary of the United States department of treasury on request at any time  
20 shall follow the same prescribed procedures and create and maintain the same  
21 prescribed records relating to each transaction.

22 E. In addition to the requirements under subsection D of this section  
23 and in connection with each transaction that involves transmitting money in  
24 an amount of one thousand dollars or more, whether sending or receiving, a  
25 licensee or, for transactions conducted through an authorized delegate, an  
26 authorized delegate shall retain a record of each of the following:

27 1. The name and social security or taxpayer identification number, if  
28 any, of the individual presenting the transaction and the person and the  
29 entity on whose behalf the transaction is to be effected.

30 2. The type and number of the customer's verified photographic  
31 identification, as described in 31 Code of Federal Regulations section ~~103-28~~  
32 1010.312.

33 3. The customer's current occupation.

34 4. The customer's current residential address.

35 5. The customer's signature.

36 F. Subsection E of this section does not apply to transactions by  
37 which the licensee's customer is making a bill payment either to a commercial  
38 creditor pursuant to a contract between the licensee and the commercial  
39 creditor or to a utility company.

40 G. Each licensee shall create records that reflect the provision of  
41 updated operating policies and procedures pursuant to section 6-1208,  
42 subsection B and of instruction that promotes compliance with this chapter,  
43 title 13, chapter 23 and 31 United States Code section 5318, including the  
44 identification of the provider and the material and instruction that were  
45 provided.

1 H. On request of the attorney general, a county attorney or the  
2 superintendent, a licensee, authorized delegate or money transmitter shall  
3 make any records that are created pursuant to this section available to the  
4 attorney general, a county attorney or the superintendent at any time.

5 I. A licensee or, for transactions conducted through an authorized  
6 delegate, an authorized delegate shall maintain any customer identification  
7 records that are created pursuant to subsection E of this section for three  
8 years. After three years, the licensee or, for transactions conducted  
9 through an authorized delegate, the authorized delegate shall deliver the  
10 customer identification records to the attorney general. The attorney  
11 general shall make the records available on request to the superintendent or  
12 a county attorney but shall not otherwise distribute the customer  
13 identification records without a court order. The customer identification  
14 records shall not be used for any purpose other than for criminal and civil  
15 prosecution and the prevention and detection of fraud and other criminal  
16 conduct.

17 J. If the superintendent or the attorney general finds that reasonable  
18 grounds exist for requiring additional record keeping and reporting in order  
19 to carry out the purposes of this chapter and to prevent the evasion of this  
20 chapter, the superintendent or the attorney general may:

21 1. Issue an order requiring any group of licensees, authorized  
22 delegates or money transmitters in a geographic area to do any of the  
23 following:

24 (a) Obtain information regarding transactions that involve total  
25 dollar amounts or denominations of five hundred dollars or more, including  
26 the names of any persons participating in those transactions and any persons  
27 or entities on whose behalf they are to be effected.

28 (b) Maintain records of that information for at least five years and  
29 make those records available to the attorney general and the superintendent.

30 (c) File a report with the attorney general and the superintendent  
31 regarding any transaction in the manner prescribed in the order.

32 2. Issue an order exempting any group of licensees or authorized  
33 delegates from the requirements of subsection E of this section based on the  
34 geographic area, the volume of business conducted, the record of compliance  
35 with the reporting requirements of this chapter and other objective criteria.

36 K. An order issued pursuant to subsection J of this section is not  
37 effective for more than one hundred eighty days unless renewed after finding  
38 that reasonable grounds exist for continuation of the order.

39 L. The timely filing of a report required by this section with the  
40 appropriate federal agency shall be deemed compliance with the reporting  
41 requirements of this section, unless the attorney general has notified the  
42 superintendent that reports of that type are not regularly and  
43 comprehensively transmitted by that federal agency to the attorney general.

44 M. This chapter does not preclude a licensee, authorized delegate,  
45 money transmitter, financial institution or person engaged in a trade or  
46 business from instituting contact with and disclosing customer financial

1 records to appropriate state or local law enforcement agencies if the  
2 licensee, authorized delegate, money transmitter, financial institution or  
3 person has information that may be relevant to a possible violation of any  
4 criminal statute or to the evasion or attempted evasion of any reporting  
5 requirement of this chapter.

6 N. A licensee, authorized delegate, money transmitter, financial  
7 institution, person engaged in a trade or business or director, officer,  
8 employee, agent or authorized delegate of any of them that keeps or files a  
9 record as prescribed by this section, that communicates or discloses  
10 information or records under subsection M of this section or that requires  
11 another to make any such disclosure is not liable to any person under any law  
12 or rule of this state or any political subdivision of this state or under any  
13 contract or other legally enforceable agreement, including any arbitration  
14 agreement, for the disclosure or for the failure to provide notice of the  
15 disclosure to the person who is the subject of the disclosure or to any other  
16 person who is identified in the disclosure. This subsection shall be  
17 construed to be consistent with 31 United States Code section 5318(g)(3).

18 O. The attorney general may report any possible violations indicated  
19 by analysis of the reports required by this chapter to any appropriate law  
20 enforcement agency for use in the proper discharge of its official  
21 duties. If an officer or employee of this state or any political subdivision  
22 of this state receives a report pursuant to 31 United States Code section  
23 5318(g), the report shall be disclosed only as provided in 31 United States  
24 Code section 5318(g). A person who releases information received pursuant to  
25 this subsection except in the proper discharge of official duties is guilty  
26 of a class 2 misdemeanor.

27 P. The requirements of this section shall be construed to be  
28 consistent with the requirements of the currency and foreign transactions  
29 reporting act (31 United States Code sections 5311 through 5326 and federal  
30 regulations prescribed under those sections) unless the context otherwise  
31 requires.

32 Q. A person who refuses to permit any lawful investigation by the  
33 superintendent, a county attorney or the attorney general or who refuses to  
34 make records available to the superintendent, a county attorney or the  
35 attorney general pursuant to subsection H of this section is guilty of a  
36 class 6 felony.

37 Sec. 3. Section 13-2301, Arizona Revised Statutes, is amended to read:  
38 13-2301. Definitions

39 A. For the purposes of sections 13-2302, 13-2303 and 13-2304:

40 1. "Collect an extension of credit" means to induce in any way any  
41 person to make repayment of that extension.

42 2. "Creditor" means any person making an extension of credit or any  
43 person claiming by, under or through any person making an extension of  
44 credit.

45 3. "Debtor" means any person to whom an extension of credit is made or  
46 any person who guarantees the repayment of an extension of credit, or in any

1 manner undertakes to indemnify the creditor against loss resulting from the  
2 failure of any person to whom an extension is made to repay the extension.

3 4. "Extend credit" means to make or renew any loan or to enter into  
4 any agreement, tacit or express, whereby the repayment or satisfaction of any  
5 debt or claim, whether acknowledged or disputed, valid or invalid, and  
6 however arising, may or shall be deferred.

7 5. "Extortionate extension of credit" means any extension of credit  
8 with respect to which it is the understanding of the creditor and the debtor  
9 at the time the extension is made that delay in making repayment or failure  
10 to make repayment could result in the use of violence or other criminal means  
11 to cause harm to the person or the reputation or property of any person.

12 6. "Extortionate means" means the use, or an express or implicit  
13 threat of use, of violence or other criminal means to cause harm to the  
14 person or the reputation or property of any person.

15 7. "Repayment of any extension of credit" means the repayment,  
16 satisfaction or discharge in whole or in part of any debt or claim,  
17 acknowledged or disputed, valid or invalid, resulting from or in connection  
18 with that extension of credit.

19 B. For the purposes of section 13-2305, 13-2306 or 13-2307:

20 1. "Dealer in property" means a person who buys and sells property as  
21 a business.

22 2. "Stolen property" means property of another as defined in section  
23 13-1801 that has been the subject of any unlawful taking.

24 3. "Traffic" means to sell, transfer, distribute, dispense or  
25 otherwise dispose of stolen property to another person, or to buy, receive,  
26 possess or obtain control of stolen property, with the intent to sell,  
27 transfer, distribute, dispense or otherwise dispose of the property to  
28 another person.

29 C. For the purposes of this chapter:

30 1. "Animal activity" means a commercial enterprise that uses animals  
31 for food, clothing or fiber production, agriculture or biotechnology.

32 2. "Animal facility" means a building or premises where a commercial  
33 activity in which the use of animals is essential takes place, ~~which may~~  
34 ~~include~~ INCLUDING a zoo, rodeo, circus, amusement park, hunting preserve and  
35 horse and dog event.

36 3. "Animal or ecological terrorism" means any felony in violation of  
37 section 13-2312, subsection B that involves at least three persons acting in  
38 concert, that involves the intentional or knowing infliction of property  
39 damage in an amount of more than ten thousand dollars to the property that is  
40 used by a person for the operation of a lawfully conducted animal activity or  
41 to a commercial enterprise that is engaged in a lawfully operated animal  
42 facility or research facility and that involves either:

43 (a) The use of a deadly weapon or dangerous instrument.

44 (b) The intentional or knowing infliction of serious physical injury  
45 on a person engaged in a lawfully conducted animal activity or participating  
46 in a lawfully conducted animal facility or research facility.

1           4. "Biological agent" means any microorganism, virus, infectious  
2 substance or biological product that may be engineered through biotechnology  
3 or any naturally occurring or bioengineered component of any microorganism,  
4 virus, infectious substance or biological product and that is capable of  
5 causing any of the following:

6           (a) Death, disease or physical injury in a human, animal, plant or  
7 other living organism.

8           (b) The deterioration or contamination of air, food, water, equipment,  
9 supplies or material of any kind.

10          5. "Combination" means persons who collaborate in carrying on or  
11 furthering the activities or purposes of a criminal syndicate even though  
12 such persons may not know each other's identity, membership in the  
13 combination changes from time to time or one or more members may stand in a  
14 wholesaler-retailer or other arm's length relationship with others as to  
15 activities or dealings between or among themselves in an illicit operation.

16          6. "Communication service provider" has the same meaning prescribed in  
17 section 13-3001.

18          7. "Criminal syndicate" means any combination of persons or  
19 enterprises engaging, or having the purpose of engaging, on a continuing  
20 basis in conduct that violates any one or more provisions of any felony  
21 statute of this state.

22          8. "Explosive agent" means an explosive as defined in section 13-3101  
23 and flammable fuels or fire accelerants in amounts over fifty gallons but  
24 excludes:

25           (a) Fireworks as defined in section 36-1601.

26           (b) Firearms.

27           (c) A propellant actuated device or propellant actuated industrial  
28 tool.

29           (d) A device that is commercially manufactured primarily for the  
30 purpose of illumination.

31           (e) A rocket having a propellant charge of less than four ounces.

32          9. "Material support or resources" includes money or other financial  
33 securities, financial services, lodging, sustenance, training, safehouses,  
34 false documentation or identification, communications equipment, facilities,  
35 weapons, lethal substances, explosives, personnel, transportation, disguises  
36 and other physical assets but does not include medical assistance, legal  
37 assistance or religious materials.

38          10. "Public establishment" means a structure that is owned, leased or  
39 operated by this state or a political subdivision of this state or a health  
40 care institution as defined in section 36-401.

41          11. "Research facility" means a laboratory, institution, medical care  
42 facility, government facility, public or private educational institution or  
43 nature preserve at which a scientific test, experiment or investigation  
44 involving the use of animals is lawfully carried out, conducted or attempted.

45          12. "Terrorism" means any felony, including any completed or  
46 preparatory offense, that involves the use of a deadly weapon or a weapon of

1 mass destruction or the intentional or knowing infliction of serious physical  
2 injury with the intent to either:

3 (a) Influence the policy or affect the conduct of this state or any of  
4 the political subdivisions, agencies or instrumentalities of this state.

5 (b) Cause substantial damage to or substantial interruption of public  
6 communications, communication service providers, public transportation,  
7 common carriers, public utilities, public establishments or other public  
8 services.

9 13. "Toxin" means the toxic material of plants, animals,  
10 microorganisms, viruses, fungi or infectious substances or a recombinant  
11 molecule, whatever its origin or method of reproduction, including:

12 (a) Any poisonous substance or biological product that may be  
13 engineered through biotechnology and that is produced by a living organism.

14 (b) Any poisonous isomer or biological product, homolog or derivative  
15 of such substance.

16 14. "Vector" means a living organism or molecule, including a  
17 recombinant molecule or biological product that may be engineered through  
18 biotechnology, that is capable of carrying a biological agent or toxin to a  
19 host.

20 15. "Weapon of mass destruction" means:

21 (a) Any device or object that is designed or that the person intends  
22 to use to cause multiple deaths or serious physical injuries through the use  
23 of an explosive agent or the release, dissemination or impact of a toxin,  
24 biological agent, poisonous chemical, or its precursor, or any vector.

25 (b) Except as authorized and used in accordance with a license,  
26 registration or exemption by the radiation regulatory agency pursuant to  
27 section 30-672, any device or object that is designed or that the person  
28 intends to use to release radiation or radioactivity at a level that is  
29 dangerous to human life.

30 D. For the purposes of sections 13-2312, 13-2313, 13-2314 and 13-2315,  
31 unless the context otherwise requires:

32 1. "Control", in relation to an enterprise, means the possession of  
33 sufficient means to permit substantial direction over the affairs of an  
34 enterprise and, in relation to property, means to acquire or possess.

35 2. "Enterprise" means any corporation, partnership, association, labor  
36 union or other legal entity or any group of persons associated in fact  
37 although not a legal entity.

38 3. "Financial institution" means any business under the jurisdiction  
39 of the department of financial institutions or a banking or securities  
40 regulatory agency of the United States, a business coming within the  
41 definition of a bank, financial agency or financial institution as prescribed  
42 by 31 United States Code section 5312 or 31 Code of Federal Regulations  
43 section ~~103.11~~ 1010.100 or a business under the jurisdiction of the  
44 securities division of the corporation commission, the state real estate  
45 department or the department of insurance.

1           4. "Racketeering" means any act, including any preparatory or  
2 completed offense, that is chargeable or indictable under the laws of the  
3 state or country in which the act occurred and, if the act occurred in a  
4 state or country other than this state, that would be chargeable or  
5 indictable under the laws of this state if the act had occurred in this  
6 state, and that would be punishable by imprisonment for more than one year  
7 under the laws of this state and, if the act occurred in a state or country  
8 other than this state, under the laws of the state or country in which the  
9 act occurred, regardless of whether the act is charged or indicted, and the  
10 act involves either:

11           (a) Terrorism, animal terrorism or ecological terrorism that results  
12 or is intended to result in a risk of serious physical injury or death.

13           (b) Any of the following acts if committed for financial gain:

14           (i) Homicide.

15           (ii) Robbery.

16           (iii) Kidnapping.

17           (iv) Forgery.

18           (v) Theft.

19           (vi) Bribery.

20           (vii) Gambling.

21           (viii) Usury.

22           (ix) Extortion.

23           (x) Extortionate extensions of credit.

24           (xi) Prohibited drugs, marijuana or other prohibited chemicals or  
25 substances.

26           (xii) Trafficking in explosives, weapons or stolen property.

27           (xiii) Participating in a criminal syndicate.

28           (xiv) Obstructing or hindering criminal investigations or  
29 prosecutions.

30           (xv) Asserting false claims including, but not limited to, false  
31 claims asserted through fraud or arson.

32           (xvi) Intentional or reckless false statements or publications  
33 concerning land for sale or lease or sale of subdivided lands or sale and  
34 mortgaging of unsubdivided lands.

35           (xvii) Resale of realty with intent to defraud.

36           (xviii) Intentional or reckless fraud in the purchase or sale of  
37 securities.

38           (xix) Intentional or reckless sale of unregistered securities or real  
39 property securities.

40           (xx) A scheme or artifice to defraud.

41           (xxi) Obscenity.

42           (xxii) Sexual exploitation of a minor.

43           (xxiii) Prostitution.

44           (xxiv) Restraint of trade or commerce in violation of section 34-252.

45           (xxv) Terrorism.

46           (xxvi) Money laundering.

1 (xxvii) Obscene or indecent telephone communications to minors for  
2 commercial purposes.

3 (xxviii) Counterfeiting marks as proscribed in section 44-1453.

4 (xxix) Animal terrorism or ecological terrorism.

5 (xxx) Smuggling of human beings.

6 5. "Records" means any book, paper, writing, computer program, data,  
7 image or information that is collected, recorded, preserved or maintained in  
8 any form of storage medium.

9 6. "Remedy racketeering" means to enter a civil judgment pursuant to  
10 this chapter or chapter 39 of this title against property or a person who is  
11 subject to liability, including liability for injury to the state that is  
12 caused by racketeering or by actions in concert with racketeering.

13 E. For the purposes of sections 13-2316, 13-2316.01 and 13-2316.02:

14 1. "Access" means to instruct, communicate with, store data in,  
15 retrieve data from or otherwise make use of any resources of a computer,  
16 computer system or network.

17 2. "Access device" means any card, token, code, account number,  
18 electronic serial number, mobile or personal identification number, password,  
19 encryption key, biometric identifier or other means of account access,  
20 including a canceled or revoked access device, that can be used alone or in  
21 conjunction with another access device to obtain money, goods, services,  
22 computer or network access or any other thing of value or that can be used to  
23 initiate a transfer of any thing of value.

24 3. "Computer" means an electronic device that performs logic,  
25 arithmetic or memory functions by the manipulations of electronic or magnetic  
26 impulses and includes all input, output, processing, storage, software or  
27 communication facilities that are connected or related to such a device in a  
28 system or network.

29 4. "Computer contaminant" means any set of computer instructions that  
30 is designed to modify, damage, destroy, record or transmit information within  
31 a computer, computer system or network without the intent or permission of  
32 the owner of the information, computer system or network. Computer  
33 contaminant includes a group of computer instructions, such as viruses or  
34 worms, that is self-replicating or self-propagating and that is designed to  
35 contaminate other computer programs or computer data, to consume computer  
36 resources, to modify, destroy, record or transmit data or in some other  
37 fashion to usurp the normal operation of the computer, computer system or  
38 network.

39 5. "Computer program" means a series of instructions or statements, in  
40 a form acceptable to a computer, that permits the functioning of a computer  
41 system in a manner designed to provide appropriate products from the computer  
42 system.

43 6. "Computer software" means a set of computer programs, procedures  
44 and associated documentation concerned with the operation of a computer  
45 system.

1           7. "Computer system" means a set of related, connected or unconnected  
2 computer equipment, devices and software, including storage, media and  
3 peripheral devices.

4           8. "Critical infrastructure resource" means any computer or  
5 communications system or network that is involved in providing services  
6 necessary to ensure or protect the public health, safety or welfare,  
7 including services that are provided by any of the following:

8           (a) Medical personnel and institutions.

9           (b) Emergency services agencies.

10          (c) Public and private utilities, including water, power,  
11 communications and transportation services.

12          (d) Fire departments, districts or volunteer organizations.

13          (e) Law enforcement agencies.

14          (f) Financial institutions.

15          (g) Public educational institutions.

16          (h) Government agencies.

17          9. "False or fraudulent pretense" means the unauthorized use of an  
18 access device or the use of an access device to exceed authorized access.

19          10. "Financial instrument" means any check, draft, money order,  
20 certificate of deposit, letter of credit, bill of exchange, credit card or  
21 marketable security or any other written instrument as defined in section  
22 13-2001 that is transferable for value.

23          11. "Network" includes a complex of interconnected computer or  
24 communication systems of any type.

25          12. "Property" means financial instruments, information, including  
26 electronically produced data, computer software and programs in either  
27 machine or human readable form, and anything of value, tangible or  
28 intangible.

29          13. "Proprietary or confidential computer security information" means  
30 information about a particular computer, computer system or network that  
31 relates to its access devices, security practices, methods and systems,  
32 architecture, communications facilities, encryption methods and system  
33 vulnerabilities and that is not made available to the public by its owner or  
34 operator.

35          14. "Services" includes computer time, data processing, storage  
36 functions and all types of communication functions.

37          Sec. 4. Section 13-2317, Arizona Revised Statutes, is amended to read:  
38 13-2317. Money laundering; classification; definitions

39          A. A person is guilty of money laundering in the first degree if the  
40 person does any of the following:

41           1. Knowingly initiates, organizes, plans, finances, directs, manages,  
42 supervises or is in the business of money laundering in violation of  
43 subsection B of this section.

44           2. Violates subsection B of this section in the course of or for the  
45 purpose of facilitating terrorism or murder.

1           B. A person is guilty of money laundering in the second degree if the  
2 person does any of the following:

3           1. Acquires or maintains an interest in, transacts, transfers,  
4 transports, receives or conceals the existence or nature of racketeering  
5 proceeds knowing or having reason to know that they are the proceeds of an  
6 offense.

7           2. Makes property available to another by transaction, transportation  
8 or otherwise knowing that it is intended to be used to facilitate  
9 racketeering.

10          3. Conducts a transaction knowing or having reason to know that the  
11 property involved is the proceeds of an offense and with the intent to  
12 conceal or disguise the nature, location, source, ownership or control of the  
13 property or the intent to facilitate racketeering.

14          4. Intentionally or knowingly makes a false statement,  
15 misrepresentation or false certification or makes a false entry or omits a  
16 material entry in any application, financial statement, account record,  
17 customer receipt, report or other document that is filed or required to be  
18 maintained or filed under title 6, chapter 12.

19          5. Intentionally or knowingly evades or attempts to evade any  
20 reporting requirement under section 6-1241, whether by structuring  
21 transactions as described in 31 Code of Federal Regulations ~~part-103~~ CHAPTER  
22 X, by causing any financial institution, money transmitter, trade or business  
23 to fail to file the report, by failing to file a required report or record or  
24 by any other means.

25          6. Intentionally or knowingly provides any false information or fails  
26 to disclose information that causes any licensee, authorized delegate, money  
27 transmitter, trade or business to either:

28           (a) Fail to file any report or record that is required under section  
29 6-1241.

30           (b) File such a report or record that contains a material omission or  
31 misstatement of fact.

32          7. Intentionally or knowingly falsifies, conceals, covers up or  
33 misrepresents or attempts to falsify, conceal, cover up or misrepresent the  
34 identity of any person in connection with any transaction with a financial  
35 institution or money transmitter.

36          8. In connection with a transaction with a financial institution or  
37 money transmitter, intentionally or knowingly makes, uses, offers or presents  
38 or attempts to make, use, offer or present, whether accepted or not, a forged  
39 instrument, a falsely altered or completed written instrument or a written  
40 instrument that contains any materially false personal identifying  
41 information.

42          9. If the person is a money transmitter, a person engaged in a trade  
43 or business or any employee of a money transmitter or a person engaged in a  
44 trade or business, intentionally or knowingly accepts false personal  
45 identifying information from any person or otherwise knowingly incorporates

1 false personal identifying information into any report or record that is  
2 required by section 6-1241.

3 10. Intentionally conducts, controls, manages, supervises, directs or  
4 owns all or part of a money transmitting business for which a license is  
5 required by title 6, chapter 12 unless the business is licensed pursuant to  
6 title 6, chapter 12 and complies with the money transmitting business  
7 registration requirements under 31 United States Code section 5330.

8 C. A person is guilty of money laundering in the third degree if the  
9 person intentionally or knowingly does any of the following:

10 1. In the course of any transaction transmitting money, confers or  
11 agrees to confer anything of value on a money transmitter or any employee of  
12 a money transmitter that is intended to influence or reward any person for  
13 failing to comply with any requirement under title 6, chapter 12.

14 2. Engages in the business of receiving money for transmission or  
15 transmitting money, as an employee or otherwise, and receives anything of  
16 value upon an agreement or understanding that it is intended to influence or  
17 benefit the person for failing to comply with any requirement under title 6,  
18 chapter 12.

19 D. In addition to any other criminal or civil remedy, if a person  
20 violates subsection A or B of this section as part of a pattern of violations  
21 that involve a total of one hundred thousand dollars or more in any twelve  
22 month period, the person is subject to forfeiture of substitute assets in an  
23 amount that is three times the amount that was involved in the pattern,  
24 including conduct that occurred before and after the twelve month period.

25 E. Money laundering in the third degree is a class 6 felony. Money  
26 laundering in the second degree is a class 3 felony. Money laundering in the  
27 first degree is a class 2 felony.

28 F. For the purposes of this section:

29 1. The following terms have the same meaning prescribed in section  
30 6-1201:

- 31 (a) "Authorized delegate".
- 32 (b) "Licensee".
- 33 (c) "Money accumulation business".
- 34 (d) "Money transmitter".
- 35 (e) "Trade or business".
- 36 (f) "Transmitting money".

37 2. The following terms have the same meaning prescribed in section  
38 13-2001:

- 39 (a) "Falsely alters a written instrument".
- 40 (b) "Falsely completes a written instrument".
- 41 (c) "Falsely makes a written instrument".
- 42 (d) "Forged instrument".
- 43 (e) "Personal identifying information".
- 44 (f) "Written instrument".

45 3. The following terms have the same meaning prescribed in section  
46 13-2301:

- 1 (a) "Financial institution".  
2 (b) "Financial instrument".  
3 (c) "Racketeering", except that for the purposes of civil remedies  
4 sought by the attorney general, racketeering includes any act, regardless of  
5 whether the act would be chargeable or indictable under the laws of this  
6 state or whether the act is charged or indicted, that is committed for  
7 financial gain, punishable by imprisonment for more than one year under the  
8 laws of the United States and described in section 274(a)(1)(A)(i), (ii) or  
9 (iii) or (a)(2) of the immigration and nationality act (8 United States Code  
10 section 1324(a)(1)(A)(i), (ii) or (iii) or (a)(2)) if persons acting in  
11 concert in the conduct acquire a total of more than five thousand dollars  
12 through the conduct in a one month period. For the purpose of forfeiture of  
13 property other than real property, the conduct must involve more than three  
14 aliens in a one month period. For the purpose of forfeiture of real  
15 property, the conduct must involve more than fifteen aliens in a one month  
16 period.  
17 4. The following terms have the same meaning prescribed in section  
18 13-2314:  
19 (a) "Acquire".  
20 (b) "Proceeds".  
21 G. For the purposes of this section:  
22 1. "Offense" has the same meaning prescribed in section 13-105 and  
23 includes conduct for which a sentence to a term of incarceration is provided  
24 by any law of the United States.  
25 2. "Superintendent" has the same meaning prescribed in section 6-101.  
26 3. "Transaction" means a purchase, sale, trade, loan, pledge,  
27 investment, gift, transfer, transmission, delivery, deposit, withdrawal,  
28 payment, transfer between accounts, exchange of currency, extension of  
29 credit, purchase or sale of any financial instrument or any other acquisition  
30 or disposition of property by whatever means.

APPROVED BY THE GOVERNOR APRIL 30, 2014.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 30, 2014.