

**Testimony of Genevieve McDonald**  
**Committee on Health Coverage, Insurance and Financial Services**  
**Testifying in FAVOR of L.D. 2110**  
**An Act to Amend the Laws Governing Licensing of Payroll Processors**

March 7, 2024

Senator Bailey, Representative Perry, and Respected Members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services, I am Genevieve McDonald. I am a Senior Policy Advisor with Preti Strategies, and I am before you today testifying on behalf of the Independent Payroll Providers Association (IPPA) in favor of **L.D. 2110, An Act to Amend the Laws Governing Licensing of Payroll Processors.**

IPPA's membership includes local, Maine-based payroll processors, as well as payroll processors that are licensed to do business in Maine serving Maine companies. Many payroll processors in our state are small businesses with less than 20 employees. The payroll service industry has proven itself to be a trustworthy and reliable service provider to employers in our state.

I was engaged by IPPA last year because they were concerned about rulemaking by the Bureau of Consumer Credit Protection and their offer to meet with the Bureau prior to the adoption of the rule was declined. Agency rule Chapter 710 requiring payroll processors to register for licensure using the Nationwide Mortgage Licensing System (NMLS) was adopted on September 2nd, 2023. In the rulemaking adoption certification provided in my written materials the Bureau stated, "the only expected effect of this rule is to require entities to apply for and renew licenses through the NMLS."

However, NMLS is not configured to accommodate simple registration, such as what Maine has historically required. You have before you a copy of the final rule with the changes in requirements highlighted. The rule contains strenuous new application criteria

fiscal impact by \$20,000 and respectfully, raises concerns about many people approved adoption of this rule without understanding what it does.

This oversight is a violation of 5 MRS §8052 (5-A) of the Maine Administrative Procedure Act which requires that: "Prior to the adoption of any proposed rule that may have an adverse impact on small businesses, the agency shall prepare an economic impact statement..."

The Bureau's failure to do so, invalidates this rule under 5 MRS §8057 (1) which reads, "Rules adopted in a manner other than that prescribed by section 8052, subsections 1, 2, 3, 4, 5-A and 7 and by sections 8053 and 8054 are void and of no legal effect."

The misperception of the fiscal impact by the Bureau has resulted in uncertainty for businesses who perform payroll processing services, and for the Maine companies who rely on these services. If the burden becomes too great, there may not be many local, Maine-based payroll processors left to service Maine companies.

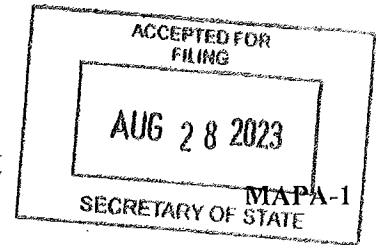
The Bureau has recognized the rule is flawed and does not intend to enforce the rule as adopted. However, the unenforced requirements remain in the rule, there is no assurance they will not be enforced in the future, and which requirements will be enforced presently have been the source of a great deal of speculation. The Bureau has proposed different requirements based on whether a licensee is renewing an existing license or applying for a new license, the definition of what constitutes a renewal and whether that is a payroll processor who has been licensed previously *in Maine*, or been licensed previously *in NMLS* is unclear, the treatment of remote workers remains problematic, it is unclear when applicants enter the NMLS system which sections they are required to complete, and throughout this process, the Bureau has not communicated comprehensive guidance to the business community. This has created a great deal of concern for payroll processors who want to be compliant, and also want to do so responsibly and sustainably.

As this is an ongoing issue with no clear resolution, and the validity of rule itself is questionable by virtue of the Maine Administrative Procedure Act, we are respectfully requesting a legislative solution that engages stakeholders in crafting a licensure process that is equitable and achievable.

Thank you for your time and consideration.

**2023-141**

Rulemaking Cover Sheet

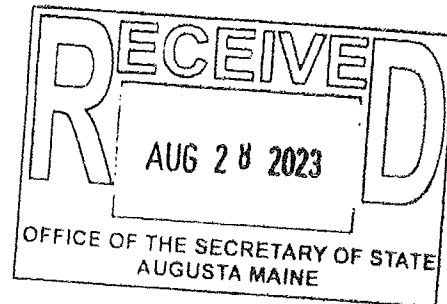


TO: Secretary of State  
ATTN: Administrative Procedure Officer,  
State House Station 101, Augusta, Maine 04333.

1. Agency: Bureau of Consumer Credit Protection
2. Agency umbrella and unit number: 02 030  
(2 digit umbrella # and 3 digit unit #)
3. Title of rule: ESTABLISHMENT OF LICENSE AND RENEWAL FEES AND APPLICATION REQUIREMENTS FOR MAINE'S PAYROLL PROCESSOR LICENSING AND REQUIREMENT FOR LICENSING THROUGH THE NATIONWIDE MULTISTATE LICENSING SYSTEM (NMLS)
4. Chapter number assigned to the rule: 710  
(must be 3 digits or less)
5. Date(s)/method(s) of notice: May 17, 2023 by publication in the Bangor Daily News, Kennebec Journal, Portland Press Herald, Lewiston Sun-Journal and the Central Maine Morning Sentinel and posting on the Bureau of Consumer Credit Protection website.
6. Date(s)/place(s) of hearing(s): N/A
7. Type:  new rule  partial amendment(s) of existing rule  
 suspension of existing rule  repeal of rule  emergency rule  
 repeal and replace: complete replacement of existing chapter, with former version simultaneously repealed.
8. Name/phone of agency contact person: Mark Susi, (207) 624-8527
9. If a major substantive rule under Title 5, c. 375, sub-CII-A, check one of the following  
 Provisional adoption  Final adoption  
(prior to Legislative review)  
 emergency adoption of major-substantive rule

EFFECTIVE DATE:

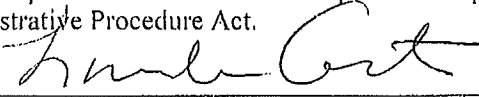
SEP - 2 2023



10. **Certification Statement:** I, Linda Conti hereby certify that the attached is a true copy of the rule(s) described above and lawfully adopted by

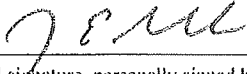
the Bureau of Consumer Credit Protection on 7/10/23.  
(name of agency) (date)

I further certify that all portions of this rule are adopted in compliance with the requirements of the Maine Administrative Procedure Act.

Signature:   
(original signature, personally signed by the head of agency)

Printed name & title: Linda Conti, Superintendent

11. Approved as to form and legality by the Attorney General on 8/22/2023.  
(date)

Signature:   
(original signature, personally signed by an Assistant Attorney General)

Printed Name: John E. Belisle

02 DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION

030 BUREAU OF CONSUMER CREDIT PROTECTION

Chapter 710: ESTABLISHMENT OF LICENSE AND RENEWAL FEES AND APPLICATION REQUIREMENTS FOR MAINE'S PAYROLL PROCESSOR LICENSING AND REQUIREMENT FOR LICENSING THROUGH THE NATIONWIDE MULTISTATE LICENSING SYSTEM (NMLS)

---

## SUMMARY

This Chapter makes the modifications necessary to transition licensing of all payroll processors currently licensed by the State of Maine to a multi-state system administered by the Nationwide Multistate Licensing System (NMLS). As authorized by law, this Chapter eliminates the current January 31 licensing date, substituting an annual license effective from January 1 through December 31 of each year; and sets application and renewal fees and application requirements for payroll processors. The rule permits currently licensed payroll processors to transition as renewals onto the system for a limited period of time starting November 1, 2023 and permits applicants for new licenses to apply through the NMLS as of August 1, 2023.

---

## I. AUTHORITY

Pursuant to 10 M.R.S. §1495-D(1-A), the Administrator may establish, by rule, fees to apply for or renew licenses, except that the fee for an initial application may not exceed \$1,200.00, and the fee for a renewal may not exceed \$1,200.00 for any licensed location. Renewal applications received after the license expiration date are subject to a late fee of \$100.00.

Title 10 M.R.S. §1495-D(1-A) authorizes the Administrator to establish routine, technical rules to establish licensing requirements, transition payroll processor licensing to the Nationwide Multistate Licensing System (NMLS), including rules authorizing the NMLS to collect fees and remit those fees to the Bureau; authorizing collection of fees by the NMLS for its processing costs; authorizing the NMLS to process and maintain license records; and authorizing the use of NMLS uniform forms.

## II. PURPOSE

The purpose of this Chapter is to permit the State of Maine to use the NMLS for licensing of all payroll processors. Use of the system will provide improved oversight over the activities of the licensed companies and will simplify recordkeeping and standardize processes for all payroll processors licensed in Maine. This Chapter does not modify the standards for licensing or the applicability of the provisions of the Maine Payroll Processor Act, but rather sets forth the licensing provisions to be utilized henceforth by the Bureau.

### III. DEFINITIONS

For the purpose of this Chapter, the following terms have the following meanings

1. “Administrator” means the Superintendent of the Bureau of Consumer Credit Protection.
2. “Bureau” means the Maine Bureau of Consumer Credit Protection.
3. “Nationwide Multistate Licensing System,” herein referred to as “NMLS,” means the nationwide multi-state licensing system and registry for mortgage lender licensing and loan brokering referred to in 9-A M.R.S. §13-102(8) (previously the “Nationwide Mortgage Licensing System”).
4. “Payroll processor” has the same meaning as set forth in 10 M.R.S. §1495(3).

### IV. GENERAL PROVISIONS

1. **Administrative authority granted to NMLS.** To effectuate the transition of all payroll processor licensing to NMLS, NMLS is authorized to collect fees and remit those fees to the Bureau, collect fees for its processing costs, process and maintain license records, and require use of NMLS uniform electronic and paper forms.
2. **Licensing periods.**  
**Payroll processor.** Previously, licenses for payroll processors were granted for a 1-year period and expired on January 31. Effective beginning January 1, 2024, licenses are granted for a one-year period commencing on January 1 and expiring on December 31<sup>st</sup>.
3. **Payroll processors that hold a valid Maine license as of September 30, 2023.**
  - a. **Transitional period.** The period from November 1, 2023 through December 31, 2023 is considered a transitional period, during which all currently licensed payroll processors will have the obligation to transition from the State of Maine’s licensing system and must obtain licenses through NMLS.
  - b. **One-month late transitional period.** All renewal applications from existing licensees received between January 1, 2024 and January 31, 2024 will be processed, but applicants will be assessed a late fee equal of \$100.00.
  - c. **Deadline.** Renewal applications for calendar year 2024 will not be accepted after January 31, 2024. All renewal applications received after that date will be considered new applications.
  - d. **NMLS processing fees.** At the time existing licensees apply to NMLS for a renewal license, they must pay NMLS processing fee directly to NMLS.

- e. **State of Maine renewal license application fees.** Fees for yearly renewals commencing January 1, 2024 are as follows:
  - i. For a limited and full-service payroll processor having fewer than 25 employers as clients: \$300.00
  - ii. For a limited and full-service payroll processor having from 25 to 500 employers as clients: \$600.00
  - iii. For a limited and full-service payroll processor having more than 500 employers as clients: \$900.00
  - iv. For a restricted payroll processor: \$200.00
- 4. **For applicants that do *not* hold a valid Maine payroll processor license as of November 1, 2023**
  - a. **NMLS processing fees.** Applicants that submit initial applications after November 1, 2023 will do so through NMLS and pay NMLS the processing fee directly to NMLS.
  - b. **Terms of licenses.** All licenses will be for the term of the calendar year. New licenses issued November 1 or later each year shall be valid through December 31 of the following year.
  - c. **State of Maine new license application fees.** As of the effective date of this rule, fees assessed to new applicants are as follows:
    - i. For limited and full-service payroll processors having fewer than 25 employers as clients: \$300.00
    - ii. For limited and full-service payroll processors having from 25 to 500 employers as clients: \$600.00
    - iii. For limited and full-service payroll processors having more than 500 employers as clients: \$900.00
    - iv. For restricted payroll processors: \$200.00.
- 5. **New applicants prior to November 1, 2023.**

New applicants after the effective date of this rule that are granted a license prior to November 1, 2023, will be issued a license valid until December 31, 2023. Such applications shall be made on forms as required by the Administrator and filed with the appropriate fees directly with the Bureau.
- 6. **New licenses and renewal licenses issued following completion of the transition to NMLS.**



- a. **NMLS to determine license and renewal procedures.** New licenses and renewal licenses issued after the effective date of this rule shall be processed pursuant to the procedures established by NMLS.
  - b. **NMLS to determine time periods for license validity.** New licenses and renewal licenses issued after the effective date of this rule shall be valid for the time periods established by NMLS.
  - c. **Payment of fees.** Application, renewal and processing fees will be paid directly to NMLS.
  - d. **Late renewal.** Renewal applications received after December 31 of any year will be considered late. The status of such licenses will be changed to “terminated – failed to renew” or an equivalent status. Such licenses may be reinstated if a renewal application is received between January 1 and the end of February, together with all renewal fees and late fee of \$100.00. Beginning March 1 of any year, renewal requests for companies that did not renew their license by March 1 will not be processed and the company must apply for a new license.
7. **Application Contents.** Applicants for new and renewal licenses shall provide the following information and documentation as required by the Administrator either for in-office filings or on NMLS:
- a. Legal name and address, telephone number, website, federal id number or social security number as applicable.
  - b. All locations in Maine from which business will be transacted.
  - c. Any assumed or fictitious names under which business will be transacted.
  - d. Name, address and account number(s) for each financial institution in which customer funds will be held.
  - e. The name, address and account number(s) for each account which the applicant will use to conduct business.
  - f. A description of the activities conducted by the business and a history of operations.
  - g. A business plan.
  - h. The name, title, address, telephone number and email address of the person to contact if the Bureau receives consumer complaints regarding the activities of the company.
  - i. The name, title, address, telephone number and email address of the person to contact for the scheduling of routine compliance examinations.
  - j. For corporations: the date and state of incorporation; a certificate of good standing from the state of incorporation; a complete description of corporate structure, including parents and subsidiaries, and whether any are publicly traded on any stock exchange; a certified copy of authority to do business in Maine as a foreign corporation, LLC, LLP, or other foreign entity required to register with the State of Maine before doing business, including any assumed or fictitious names; the name and address of designated agent upon whom service of process may be made in this State

- k. For all entities, including partnerships and sole proprietorships: a copy of the most recent audited financial statement and, if available, audited financial statements for the immediately preceding two-year period.
- l. All applicants must provide the names, business addresses, residential addresses, and employment positions held for the last 10 years of each owner, partner, executive officer, manager who will be in charge of the offices to be licensed, managers of an LLC or similar entity, and any holder of a controlling interest in the applicant.
- m. Whether any owner, partner, executive officers, manager who will be in charge of
  - i. the location to be licensed, or holder of a controlling interest has been involved in
  - ii. material litigation and/or convicted of a crime for the ten (10) year
  - iii. period prior to the application date. If so, for each such instance, provide the
  - iv. title of the action, jurisdiction, date of disposition, and a detailed explanation of the
  - v. individual's involvement.
- n. A management chart displaying the applicant's directors, officers, and managers
  - i. by name and title. The chart must also identify compliance reporting and internal
  - ii. audit structure.
  - iii. For limited and full-service licenses, a written authorization signed by an appropriate officer, partner or owner authorizing the Bureau to examine each trust account in which the applicant will hold customer funds.
- o. A consumer report for each owner, partner, executive officers, manager who will be in charge of the location to be licensed or holder of a controlling interest.
- p. A criminal history report for each owner, partner, executive officer, manager who will be in charge of the location to be licensed or holder of a controlling interest.
- q. Whether the applicant has ever been denied a license in another jurisdiction, had a license revoked, been the subject of an administrative proceeding relating to the business for which it seeks to be licensed, or been convicted of a crime related to the business of money transmission, forgery, theft or false representation. If so, for each such instance, provide the title of the action, jurisdiction, date of disposition, and a detailed explanation of the applicant's involvement.
- r. Whether the applicant prepares and issues payroll checks.
- s. Whether the applicant prepares and files state income tax withholding or unemployment insurance reports.
- t. Whether the applicant collects, holds, and turns over to the State Tax Assessor income withholding taxes or unemployment insurance contributions.
- u. Whether the applicant has the authority to access, control, direct, transfer or disburse a client's funds other than arranging for the transfer of funds from an employer's account directly to taxing authorities for payment of the employer's taxes.
- v. If the applicant will be issuing and preparing payroll, proof of fidelity coverage as required by 10 MRSA § 1495-D(2).

- w. The total amount of all local, state and federal tax payments and unemployment insurance premiums processed by the payroll processor on behalf of employers in this State in each quarter of the previous calendar year
  
  - x. If the applicant collects, holds and turns over to the State Tax Assessor income withholding taxes or unemployment insurance contributions or has the authority to access, control, direct, transfer or disburse a client's funds other than arranging for the transfer of funds from an employer's account directly to taxing authorities for payment of the employer's taxes
    - i. surety coverage in the form of an original surety bond or irrevocable letter of credit, in form satisfactory to the Administrator in the amount required pursuant to 10 M.R.S. § 1495-E(1); or
    - ii. a surety bond in form satisfactory to the Administrator in the amount of \$10,000.00 and the required payment to the Payroll Processor Recovery Fund as set out in 10 M.R.S. § 1495-E (2-A).
  
  - 8. **Changes to existing licensing information.** If any information reported by a licensee changes during a period of licensure, the licensee must amend its information on file with NMLS within 30 days of the occurrence of the change or such shorter period as required by NMLS rules or procedures. Notice of a change of control of the licensee must be provided to the Bureau by advance change notice on NMLS and the Bureau must approve any change of control before the same becomes effective.
  
  - 9. **Routine, technical rule.** This is a routine technical rule as authorized by 10 M.R.S. § 1495-D(1-A).
- 

STATUTORY AUTHORITY: 10 M.R.S. §1495-D(1-A)

EFFECTIVE DATE:

SEP - 2 2023

## FACTUAL AND POLICY BASIS FOR RULE

**Agency:** Department of Professional and Financial Regulation, Bureau of Consumer Credit Protection

**Title of Rule:** ESTABLISHMENT OF LICENSE AND RENEWAL FEES AND APPLICATION REQUIREMENTS FOR MAINE'S PAYROLL PROCESSOR LICENSING AND REQUIREMENT FOR LICENSING THROUGH THE NATIONWIDE MULTISTATE LICENSING SYSTEM (NMLS)

**Chapter No. Assigned to the Rule:** 710

**Factual and Policy Basis:** The purpose of this Chapter is to permit the State of Maine to use the NMLS for licensing of all payroll processors. Use of the system will provide improved oversight over the activities of the licensed companies and will simplify recordkeeping and standardize processes for all payroll processors licensed in Maine. This Chapter does not modify the standards for licensing or the applicability of the provisions of the Maine Payroll Processor Act, but rather sets forth the licensing provisions to be utilized henceforth by the Bureau.

**Persons Commenting:** Cheryl Whelan, Executive Director, Independent Payroll Providers Association (IPPA)

### **Comments Received:**

The Bureau should not require payroll processors currently licensed in Maine to transition to a new license that will require them to identify as a "money services" business or similar designation in the Nationwide Multistate Licensing System ("NMLS") and similarly should not require payroll processors that intend to obtain a license from Maine in the future to identify as a "money services" business or similar designation in the NMLS. Doing so will require many payroll processors to legally attest to an inaccurate business designation.

In order to transition an existing license or apply for a new license, a payroll processor will have to legally attest to engaging in money services business activities.

Money services businesses are regulated federally, in 49 states and in the District of Columbia, as well as in certain territories of the United States and IPPA is greatly concerned about the multi-state implications of members being forced to inaccurately attest to engaging in regulated activity.

The Bureau should not require the officers of payroll processors currently licensed in Maine to submit extensive personal information and similarly should not require payroll processors that intend to be licensed in Maine in the future to submit extensive application materials that exceed the needs of the state.

Individual officers of payroll processors currently licensed in Maine will become subject to extensive personal disclosures.

New payroll processors seeking licensure in Maine will have to submit onerous application materials and may be dissuaded from doing business in the state, and in particular, in smaller rural communities.

The business plan requirements are not set forth in the Proposed Rule, but the business plan descriptor from the multistate license includes an extensive amount of information such as:

- Marketing strategies;
- Target markets;
- All products and services, including jurisdictions in which such products and services are offered;
- Fee schedule;
- Corporate history;
- Organizational structure;
- Management structure; and
- Operational plans addressing:
  - o Daily operations;
  - o Business processes;
  - o Typical flow of funds;
  - o Settlement, reconciliation, & reimbursement processes;
  - o Methods used to account for funds received in each state;
  - o Use of authorized agents;
  - o Use of paying agents or correspondents; and
  - o Types of payments accepted

IPPA is concerned the Bureau will adopt similar requirements for the payroll processing business plan and urges the Bureau not to do so. These are not materials small to medium-sized payroll processors have historically formalized as part of their ordinary course of business and the preparation of such materials would divert significant resources from these companies to provide information Maine has not historically found necessary to successfully oversee the payroll processing industry.

It is unclear from the Proposed Rule whether Maine's payroll processing licensees will be subject to standards and procedures applicable to other licenses administered via the NMLS, including quarterly call reporting. IPPA is aware of the existence of a quarterly "money services businesses" call report that provides financial and transactional information to states on both a quarterly and annual basis.

We are concerned that these quarterly reports will now be mandated for all payroll processing licensees, given the categorization of "payroll processing services" as one of the money services business activities within the NMLS. IPPA respectfully requests that the Bureau not adopt completion of these quarterly reports as a requirement for the payroll processing license. Currently, Maine regularly examines payroll processors at least every eighteen months.<sup>13</sup> Moving to a quarterly reporting system will administratively burden payroll processors and may significantly increase operational costs for these businesses due to the potential need to hire additional staff to comply with these new requirements. Further, we note the state of Maine would likely incur increased costs in connection with the review of increased reporting materials, as well as application materials, if the Proposed Rule is adopted as proposed.

**Rationale for Adopting or Failing to Adopt Proposed changes:** The BCCP did not accept the argument that payroll processors should not be required to apply and renew through NMLS because they must certify they are "money services businesses". Some states already require at least some types of payroll processors to register on NMLS as money transmitters. NMLS has expanded the categories of businesses that can be licensed thereon. The BCCP will work with NMLS to alleviate the attestation concerns raised by IPPA.

The BCCP also declines to accept the argument that executive officers and owners of payroll processor licensees should not be required to provide extensive personal information and background checks. Maine's payroll processor statute was enacted in response to several significant misappropriations of funds by unlicensed and unregulated payroll processors. The information regarding owners and officers required under the proposed rule is reasonable and necessary for the regulation and supervision of entities entrusted with funds ultimately belonging to Maine employees.

The business plan descriptors cited by IPPA are just that, descriptors not requirements. The BCCP will not require items to be included in a business plan which are not relevant to the industry being regulated.

The BCCP made no changes regarding “quarterly call reporting” as that is optional with the state and Maine is not requiring such. Other states licensing such entities on NMLS may however require such reports.

**Impact on Small Businesses:** The Bureau of Consumer Credit Protection does not anticipate any adverse impact on small businesses from adoption of this rule.

**Form and Legality Review:** This text differs from the rule as proposed because of the removal of the single sentence provision in IV.8 that permitted the Bureau to immediately revoke NMLS registration based on a registrant’s failure to timely notify the Bureau of changes in ownership or control. The provision was removed to reduce any inconsistency with 5 M.R.S. § 10003, which affords licensees an opportunity for a hearing when an agency amends or modifies a license.

# Rulemaking Fact Sheet

(5 MRS A §8057-A)

AGENCY: Professional and Financial Regulation, Bureau of Consumer Credit Protection

NAME, ADDRESS, PHONE NUMBER, EMAIL OF AGENCY CONTACT PERSON:

Mark E. Susi, Staff Attorney  
Bureau of Consumer Credit Protection  
35 State House Station  
Augusta, ME 04333  
(207) 624-8527  
[mark.e.susi@maine.gov](mailto:mark.e.susi@maine.gov)

CHAPTER NUMBER AND RULE TITLE: Chapter 710

**ESTABLISHMENT OF LICENSE AND RENEWAL FEES AND APPLICATION REQUIREMENTS FOR MAINE'S PAYROLL PROCESSOR LICENSING AND REQUIREMENT LICENSING THROUGH THE NATIONWIDE MULTISTATE LICENSING SYSTEM (NMLS)**

TYPE OF RULE (*check one*):     Routine Technical     Major Substantive

STATUTORY AUTHORITY: 10 M.R.S. § 1495-D(1-A)

DATE, TIME AND PLACE OF PUBLIC HEARING: N/A

COMMENT DEADLINE: June 19, 2023

PRINCIPAL REASON(S) OR PURPOSE FOR PROPOSING THIS RULE: [*see* §8057-A(1)(A)&(C)]

The rule is proposed to effectuate recent changes to 10 M.R.S. § 1495 et seq. allowing the Bureau of Consumer Credit Protection to require licensing of payroll processors through the Nationwide Multistate Licensing System (NMLS) and to establish, by rule, fees for initial licensing and renewal of such licenses and the requirements for application.

IS MATERIAL INCORPORATED BY REFERENCE IN THE RULE?   X   NO [§8056(1)(B)]

ANALYSIS AND EXPECTED OPERATION OF THE RULE: [*see* §8057-A(1)(B)&(D)]

The only expected effect of this rule is to require entities to apply for and renew licenses through the NMLS. This simplifies and standardizes the application and renewal process for entities that are licensed in more than one state. It establishes fees for licensing and renewal which reflect consideration of prior fees charged for such licenses and the experience of the Bureau in the time and effort dealing with such licensing categories. It establishes by rule the requirements for application.

BRIEF SUMMARY OF RELEVANT INFORMATION CONSIDERED DURING DEVELOPMENT OF THE RULE (including up to 3 primary sources relied upon) [*see* §§8057-A(1)(E) & 8063-B]

The relevant information considered during development of the rule included the experience of the Bureau in dealing with this license type for the last 25 years, the Bureau's experience with licensing entities through



NMLS for the last 13 years, and review of other states' use of the NMLS for licensing and fees charged for such license types.

ESTIMATED FISCAL IMPACT OF THE RULE: [see §8057-A(1)(C)]

There will be a minor impact on the Bureau in that revenues from fees should increase slightly, as license and renewal fees for the license will increase by \$100.00 per year.

Licensees will be impacted by the \$100 per year increase in licensing fees and the annual fee charged by the NMLS for licensing through the system, currently \$100.00.

**FOR EXISTING RULES WITH FISCAL IMPACT OF \$1 MILLION OR MORE, ALSO INCLUDE:**

ECONOMIC IMPACT, WHETHER OR NOT QUANTIFIABLE IN MONETARY TERMS:  
[see §8057-A(2)(A)]

INDIVIDUALS, MAJOR INTEREST GROUPS AND TYPES OF BUSINESSES AFFECTED  
AND HOW THEY WILL BE AFFECTED: [see §8057-A(2)(B)]

BENEFITS OF THE RULE: [see §8057-A(2)(C)]

*Note: If necessary, additional pages may be used.*

# Administrative Procedure Act

## CHECKLIST

Agency: Bureau of Consumer Credit Protection

Chapter Number and Title of Rule: Chapter 710

ESTABLISHMENT OF LICENSE AND RENEWAL FEES AND APPLICATION REQUIREMENTS FOR MAINE'S PAYROLL PROCESSOR LICENSING AND REQUIREMENT FOR LICENSING THROUGH THE NATIONWIDE MULTISTATE LICENSING SYSTEM (NMLS)

### PROPOSED RULE:

1. Was this rule listed on the last regulatory agenda? Yes
2. Date of notification of: Anyone on mailing list None
  - Any trade, industry or professional group May 17, 2023
  - Any trade publications May 17, 2023
3. Date Notice of Rulemaking Proposal (MAPA-3) sent to Secretary of State: May 9, 2023
4. Date Fact Sheet sent to Executive Director of Legislative Council: May 11, 2023
5. Date of publication in Secretary of State's rulemaking ad.: May 17, 2023
6. Date of hearing(s): N/A 7. Comment deadline: June 19, 2023

### ADOPTED RULE:

8. Was comment deadline extended or comment period reopened? No  
If yes, date of second notice publication in Secretary of State's rulemaking ad: \_\_\_\_\_
9. Is adopted rule consistent with what was proposed? Yes  
(If not, please address the changes in the comments and responses section of your filing.)
10. Is the person signing the Certification Statement (MAPA-1, #9) authorized to do so as stated in your statutes or in 5 MRSA, c.71? Yes
11. Was the rule adopted within 120 days of the comment deadline? Yes
12. Was the rule approved and signed by the Office of the Attorney General within 150 days of the comment deadline? Yes

13. Is a Basis Statement included? Yes\_\_\_\_\_ Is a copy of the Fact Sheet included? Yes\_\_\_\_\_  
Are comments, with names and organizations, and your responses included? Yes\_\_\_\_\_

## Notice of Agency Rulemaking Adoption

02-030-

AGENCY: Bureau of Consumer Credit Protection

CHAPTER NUMBER AND TITLE: Chapter 710

ESTABLISHMENT OF LICENSE AND RENEWAL FEES AND APPLICATION REQUIREMENTS FOR MAINE'S PAYROLL PROCESSOR LICENSING AND REQUIREMENT FOR LICENSING THROUGH THE NATIONWIDE MULTISTATE LICENSING SYSTEM (NMLS)

ADOPTED RULE NUMBER: **2023-141**

**CONCISE SUMMARY:** This Chapter makes the modifications necessary to transition licensing of all payroll processors currently licensed by the State of Maine to a multi-state system administered by the Nationwide Multistate Licensing System (NMLS). As authorized by law, this Chapter eliminates the current January 31 licensing date, substituting an annual license effective from January 1 through December 31 of each year; and sets application and renewal fees and application requirements for payroll processors. The rule permits currently licensed payroll processors to transition as renewals onto the system for a limited period of time starting November 1, 2023 and permits applicants for new licenses to apply through the NMLS as of August 1, 2023.

EFFECTIVE DATE: **SEP - 2 2023**

AGENCY CONTACT PERSON: Mark Susi  
AGENCY NAME: Bureau of Consumer Credit Protection  
ADDRESS: 35 SHS  
Augusta, ME 04333

TELEPHONE: (207) 624-8527

