



**Ohio House Financial Institutions, Housing,
and Urban Development Committee**

HB 353 - Proponent Testimony

28 November 2017

The Ohio Bankers League would like to thank Chairman Dever, Vice Chair Sprague, Ranking Member Smith and other members of the Financial Institution, Housing, and Urban Development Committee for the opportunity to testify on HB 353, legislation that would exempt certain, open, closed, and rewards cards from the Unclaimed Funds Law. My testimony today is brief and straight to the point.

Representative Reineke approached the OBL about this proposal before introduction and we were immediately supportive considering the increased number of rewards, loyalty, and promotional cards my members, and other companies offer for opening of a checking account or purchase of other products for promotional purposes. In addition, OBL members participate in the facilitation of these cards and programs. This bill would allow those institutions to compete with others in states like North and South Dakota. We do not believe that unused amounts on these cards should be subjected to Unclaimed Funds Law because they are consumer specific and "earned" by participating in certain rewards programs, not just those provided by our membership.

As Rick Gillett of Sutton Bank noted in his testimony – passage of HB 353 will increase their work force; jobs in compliance, at the local call center, marketing review, and accounting. They also envision adding 20 employees to support an open-loop gift card business over the next 2-5 years which adds to the local revenue base, helping to increase local as well as state-wide spending. The same could occur for other financial institutions with a similar business model.

Our only suggestion for this legislation was to modify the exemption to include payment methods that may not be represented via traditional cards that we are all familiar with. This change reflects the potential for future methods of disbursement such as mobile phone app payment methods, internet-based reward accounts, and other non-card accounts. I believe all proponents and other interested parties are aware of our suggestion and have not opposed it.

Thank you for the opportunity to testify on this legislation today. I will now answer any questions the committee may have.