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**Representative Jennifer Gross
The Ohio House of Representatives**

Representative Jennifer Gross - HB 163 Sponsor Testimony: November 14, 2023

Chairman Lare, Vice Chairman Puzzulli, and Ranking Member Dell'Aquila, thank you for the opportunity to testify today on HB 163 which addresses the financial security risk of Central Bank Digital Currency, better known as CBDC. Central Bank Digital Currency is a digital currency which would be given directly to consumers by a Central Bank. Never in the history of the United States has there been a direct link between the Federal Reserve and private citizens. This direct link poses a serious threat to our entire financial system as we know it and is a threat to all banks, credit unions, and financial institutions. Central bankers want to micromanage your money, the economy, and take away your anonymity. Implementing CBDC is an attempt to nationalize our financial infrastructure. Visualize the federal government managing your bank account. Even Loretta Mester, President of the Federal Reserve Bank of Cleveland, stated that this money would be just like physical money issued by central banks, but in digital form with potentially none of the anonymity of physical currency.

All Americans who use internet banking to pay bills, use credit/debit cards and online payment services are called the "banked" and those of us who use them have traded part of our privacy by using these services. As of right now, 5%, roughly 7 million people in the United States, are unbanked, meaning they do not use these services. They are not unbanked because they cannot get an account, but because they do not want one. CBDC undermines the fundamental right to privacy. We as legislators must not allow our citizens to be tracked by their government by allowing it to watch and control their financial transactions. CBDC poses significant threat to individual privacy, free markets, and cybersecurity.

CBDCs would give the federal government complete and total control over our money and give the Federal Reserve the ability to block access to someone's money, set an expiration date on that money, and allow the government to track what citizens buy. Implementing CBDCs would be a huge privacy risk for the people of Ohio.

The people's bank of China has a CBDC called DCEP which allows the government to immediately fine you for speeding. It then flashes your fine and your account number on road signs so that your neighbors know what you have just done. Do we want to mirror China in this way? CBDC would allow a user to be completely frozen out of their assets and left to starve. China's form of CBDC is attractive to authoritarian governments and therefore there is incentive for the Ohio legislature to robustly push against anything even remotely resembling such currency.

HB 163 would prevent the implementation of CBDCs in Ohio by putting the definition of CBDC in the Uniform Commercial Code and preventing it from being recognized as a form of currency in the State of Ohio.

HB 163 is the same bill that has already been signed into law in Florida and North Carolina to stop Central Bank Digital Currency. Both states passed this legislation with

overwhelming bipartisan support because both parties understand that Central Bank Digital Currency poses a serious risk to citizens' right to privacy and threatens financial liberty.

I humbly ask for support on this crucial legislation, and I look forward to your questions regarding HB163.