



Senate Finance Committee

HB 353 – Proponent Testimony

10 April 2018

The Ohio Bankers League would like to thank Chairman Oelslager, Vice Chair Manning, Ranking Minority Member Skindell and other members of the committee for the opportunity to address HB 353, legislation that would exempt certain open loop cards and rewards cards from the Unclaimed Funds Law in Ohio. My testimony today is brief and to the point.

Representative Reineke approached the OBL about this proposal before introduction and we were immediately supportive. This is, in part, because of the increased number of rewards, loyalty, promotional cards my members, and other companies offer for the opening of a checking account or purchase of other products for promotional purposes, and the competitive edge it would bring to banks in Ohio

This legislation exempts certain open-loop prepaid cards, rewards cards, and certain electronic payment devices purchased or loaded on a prepaid basis and redeemable to a single merchant from Ohio's Unclaimed Funds Law's remittance provision. The bill also expands an existing gift certificate exemption from the Unclaimed Funds Law to include an "obligation" due a retail customer, not just a credit, and specifies that the gift certificate be redeemable only for "goods and services" rather than merchandise.

We believe this good-government bill will allow institutions in Ohio to be more competitive with their brethren in other states without the restrictive escheatment laws or a remittance requirement – not found in states where this business practice is prevalent.

The bill passed the House FIHUD Committee and the House unanimously. We ask for your support on this measure as well.

I will now answer any questions the committee may have.