



**House Bill 451
Opponent Testimony
MoneyGram International
June 4, 2024**

Chair, Vice Chair, Ranking Member and members of the Ohio Ways and Means Committee. Thank you for allowing me on behalf of MoneyGram International to testify in opposition to House Bill (H.B.) 451.

As one of the largest money transfer companies in the world, MoneyGram International would like to express our strong opposition to H.B. 451. MoneyGram is certain this bill will have a detrimental impact to the financial industry, small businesses, and consumers in Ohio.

MoneyGram provides money transfer and other financial services around the globe with both digital platforms and retail locations. MoneyGram is trusted by 150+ million consumers who can choose how they send money – online or at one of our 430,000+ locations. MoneyGram has been serving consumers around the globe for more than 80 years. We are headquartered in Dallas, TX, with offices around the world. MoneyGram Payment Systems, Inc is licensed in all U.S. states and several territories.

MoneyGram partners with large retail stores such as Walmart and CVS, mid-size grocery stores, community banks, and other local businesses to offer its money transfer services. These partners are known as authorized delegates or agents. Ohio is home to more than 1,500 agents of MoneyGram. These agents are often local Ohio supermarkets, dollar stores, and service providers such as internet and tax vendors. The ability to transfer money is critically important to our Ohio consumers and to our Ohio agents, many of which are independent small businesses relying on MoneyGram services to increase revenue and attract additional customers. From paying utility bills to sending money to college students for study abroad programs, Ohio residents utilize MoneyGram for a key financial service.

The fee proposed by H.B. 451 imposes a 7% tax on funds transfers abroad facilitated by a money transmitter or the money transmitter's authorized delegate. This 7% tax represents a significant financial burden. A new tax would place a burden on these Ohio businesses, who may choose to cease offering such services instead of subjecting themselves to a burdensome process to comply with the law. Making money transmission services more expensive could also significantly impact the number and frequency of customers who patronize these stores which would disproportionately affect smaller businesses. Financial institutions are exempt from the requirements in this legislation, so grocery, convenience and other stores would be at a distinct competitive disadvantage. H.B. 451 not only makes the money transfer process more expensive for Ohio agents and residents who already face a tax burden on this financial service but would also limit consumer choice.

A key component of licensed money transmission providers is that they are subject to strict oversight by state and federal authorities and must comply with detailed record keeping and reporting requirements. These include strict anti-terrorism and anti-money laundering regulations. MoneyGram has robust compliance and anti-money laundering efforts resulting in the ability to track transactions and provide timely assistance to local, state, and federal law enforcement on a wide range of security issues including terrorist financing, drug trafficking, human trafficking, and fraud. We enforce a rigorous Anti-Money Laundering (AML) program that requires our agents to detect and prevent money laundering and terrorist financing; comply with all local regulatory requirements; and identify suspicious activity and transactions.

If enacted, H.B. 451 will encourage illicit money to move underground and outside of reputable, regulated money transmitters. This would negatively impact law enforcement's ability to stay one step ahead of unscrupulous actors. Furthermore, MoneyGram's and its agent's transaction volumes will continue to decrease, limiting law enforcement's visibility of these transactions. The state will capture far less revenue than projected and there will be a devastating impact on small businesses which will see further loss of revenue as customers find other methods to transfer money.



Many Ohioans depend on money transmission services like MoneyGram, especially during economic challenges when costs for essential services are rising. We offer a low-cost, reliable way to transfer funds globally. This tax increase would distort behaviors, depress consumption, and negatively impact Ohio businesses and consumers.

We appreciate your consideration of our opposition to H.B. 451 and hope to work towards a more consumer-friendly proposal. We believe H.B. 451 should not be adopted. Thank you for your time and consideration. I am available to discuss these issues further or answer any questions you may have. I can be contacted at the information below

Sincerely,

A handwritten signature in black ink, appearing to read "Bahar DS", with a horizontal line extending from the end of the signature.

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