

April 26, 2021

The Honorable Stuart J. Bishop
Chairman, House Ways and Means Committee
Louisiana State Legislature
900 North 3rd Street
Baton Rouge, LA 70804

Re: ETA Opposition to House Bill 539

Dear Chairman Bishop and Distinguished Members of the Committee,

On behalf of the Electronic Transactions Association (ETA), the leading trade association for the payments industry, I write to express our opposition to House Bill 539 because it seeks to impose a substantial fee on certain money transmission transactions. **If enacted, H.B. 539 would be: harmful to consumers, including the underserved; Louisiana businesses; and law enforcement efforts.**

H.B. 539: The Harmful Effects

Section 2 of H.B. 539 would have an enormous negative effect on the growing unbanked and underbanked population in Louisiana. Consumers count on money transmitters for a number of services including, but not limited to, bill payment, online and app-based peer-to-peer transfers, domestic and international remittances, stored value (prepaid) cards, and other devices which can serve as a substitute or supplement for holding funds in a bank checking account. Many consumers use these services as integral parts of their daily lives and additional fees can quickly erode limited funds for consumers. In short, this bill would disproportionately harm those Louisianans who can least afford it.

H.B. 539 would also hinder law enforcement efforts as money transmission is subject to an extensive regulatory framework designed to root-out and stop money laundering as well as document individuals who use money transmitters and ensure those records are preserved for use by law enforcement, as necessary. This bill would make money transmission transactions arbitrarily expensive or onerous to carry out and could create an underground market as consumers look to avoid exorbitant fees. If H.B. 539 were to be enacted, it is possible, if not probable, that many individuals could turn to more informal or unregulated networks which are unmonitored, thereby hampering the efforts of law enforcement to detect and prevent money laundering and other illicit activity. Keeping transactions in a formal, regulated market is an issue of national security and should not be treated lightly.

As the trade association of the payments industry, ETA stands in opposition to H.B. 539 because, if enacted, it would be harmful to consumers, Louisiana businesses, and law enforcement efforts. As such, the negative impact greatly outweighs the benefits, if any, of such fee.

We appreciate you taking the time to consider these important issues. If you have any questions or wish to discuss any aspect of our comments, please contact me or ETA Senior Vice President, Scott Talbott at Stalbott@electran.org.

Respectfully,



Max Behlke
Director, State Government Relations
Electronic Transactions Association
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ETA is the leading trade association for the payments industry, representing over 500 companies that offer electronic transaction processing products and services. ETA's members include banks, mobile payment service providers, mobile wallet providers, money transmitters and non-bank FinTech companies that provide access to credit, primarily to small businesses, either directly or in partnership with other lenders.

ETA member companies are creating innovative offerings in financial services, revolutionizing the way commerce is conducted with safe, convenient, and rewarding payment solutions and lending alternatives – facilitating over \$22 trillion in payments in 2019 worldwide.