

Alaska Bankers Association

ELECTRONIC MAIL

March 23, 2023

Senator Jesse Bjorkman, Chair
Senate Labor & Commerce Committee
State Capitol
Juneau, AK 99801

Representative Jesse Sumner, Chair
House Labor & Commerce Committee
State Capitol
Juneau, AK 99801

Re: Support the Alaska Uniform Money Transmission Modernization Act

Dear Senator Bjorkman and Representative Sumner:

The Alaska Bankers Association (AKBA) appreciates the opportunity to support SB 84 and HB 86, legislation to modernize the Alaska Uniform Money Services Act. AKBA is the voice of the state's banking industry, which is composed of seven state and national banks that together employ more than 2,200 proud professionals, safeguard \$17 billion in deposits, and extend over 85 percent of non-public commercial lending in Alaska.


The Act's focus on modernizing the existing framework for money transmission is critical in light of the rapid evolution of financial technology and the increasing use of digital payments. AKBA subscribes to the idea that "same activity, same risk, same regulation"; businesses engaging in similar activities should be subject to the same level of regulation. This principle is critical in ensuring a level playing field for businesses and promoting fair competition, while protecting Alaska consumers.

The Act includes important provisions to protect consumers from fraud and other forms of financial abuse. For example, the requirement for criminal background checks through the Nationwide Multistate Licensing System and Registry will ensure that individuals with a history of financial crimes or other criminal activities are not involved in the money transmission business. The requirement for money transmitters to maintain a surety bond or other form of security will ensure that consumers are protected in the event of insolvency or other financial difficulties. The Act also enables state regulators to coordinate with other states in areas of regulation, licensing, and supervision to reduce regulatory burden on the industry.

AKBA recognizes that as the money transmission industry grows, regulatory costs associated with supervision must keep pace with that growth. The Act addresses this issue by allowing state regulators to adjust supervision fees to reflect changes in the size and complexity of the money transmission industry.

AKBA believes SB 84 and HB 86, as currently drafted, are well-crafted and necessary pieces of legislation that will benefit both businesses and consumers. We urge the Legislature to support passage into law.

Thank you,



Todd MacManus, President
Alaska Bankers Association