



Dear Members of the Florida Senate Banking and Insurance Committee,

On behalf of a broad coalition of industry, including the American Fintech Council (AFC), Electronic Transactions Association (ETA), Financial Technology Association (FTA), Money Services Business Association (MSBA), and The Money Services Round Table (TMSRT), we write to urge legislators not to advance SB 1380. Our organizations' collective memberships encompass hundreds of companies engaging in money services and payments activity throughout the United States, including in Florida.

Summary:

While we share your objective of combating illicit finance, this proposal would not advance that goal and would instead push transactions into unregulated channels, reducing transparency and making law enforcement jobs harder. By conditioning access to lawful money transmission services on verification of immigration or work-authorization status, the bill deputizes private financial companies to enforce federal immigration law—an authority they do not have and are not required to exercise under federal AML rules. If enacted, the law would subject all Florida consumers and businesses to increased surveillance, significant compliance risk, and operational burdens, while ultimately impeding law enforcement efforts.

Current Process:

Licensed remittance providers already operate under one of the most stringent compliance frameworks in the financial system. They are licensed, examined, and supervised at the state level by the Florida Office of Regulation (OFR), and at the federal level they are subject to the Remittance Transfer Rule, which mandates detailed disclosures and error-resolution procedures, and to the Bank Secrecy Act (BSA), which requires extensive Anti-Money Laundering (AML), Know Your Customer (KYC), sanctions screening, recordkeeping, and suspicious-activity reporting. Providers invest heavily in these programs and work closely with law-enforcement agencies to detect and disrupt illicit finance. Imposing an additional identification verification regime on top of these obligations would create conflicting compliance requirements, confuse consumers—since federal rules require all taxes to appear as a single line item—and increase the likelihood that customers seek out unregulated channels that fall entirely outside BSA oversight.

Importantly, **there is no lawful or appropriate way for providers to verify citizenship or work authorization** in a real-time mode. Money transmitters already collect information to comply with AML and KYC requirements, but identity verification is not citizenship verification. Many lawfully present individuals possess valid IDs and Social Security numbers, making status impossible to determine from standard AML data. Federal citizenship and work-authorization databases are intentionally restricted under privacy laws, including the Privacy Act of 1974, and are not designed for access by private financial companies.

Requiring providers to perform this verification would either force over-collection of highly sensitive documents, such as passports or birth certificates, or deny service to lawful users. This process will expand surveillance without adequate protections, or the creation of a national database linking lawful remittance transactions to immigration or work-authorization status.

The proposal also **raises serious concerns about state-mandated surveillance of lawful financial activity**. Licensed providers already collect required information under federal AML law. SB 1380 goes further by conditioning access to wire transfer services on status verification and mandatory reporting to the state, effectively creating a government-directed database to track who sends money abroad, despite no allegation of wrongdoing. This approach moves beyond risk-based oversight into monitoring ordinary, lawful behavior, without clear limits or demonstrated enforcement benefit. Military families, those working abroad, and students

are just some of the individuals that use wire transfer services regularly. SB 1380 would require tracking those who use services other than a bank and reduce the choices that all consumers have in conducting their financial transactions. Over time, this newly created database system invites scope creep, erodes trust in regulated financial services, and pushes lawful users away from the transparent channels law enforcement relies on.

Rather than deterring illicit activity, increased barriers to access will push customers into unregulated channels. When remittance providers are required to verify immigration or work-authorization status—something federal AML law does not require—lawful users face higher friction and risk of denial. Many respond by turning to informal or unregulated alternatives, where there is little or no oversight. Once activity leaves the regulated system, law enforcement visibility is lost. Licensed money transmitters provide law enforcement with audit trails, transaction monitoring, and Suspicious Activity Reports. Informal networks provide none of these. Mandates that push users away from licensed providers directly reduce law enforcement visibility. The U.S. Government Accountability Office found that similar legislation in Oklahoma led providers to experience lower transaction volumes and highlighted that such measures risk pushing transfers into “unregulated transfer methods”—directly undermining their intended purpose. The Financial Action Task Force (FATF) has likewise warned that informal networks are far more vulnerable to money laundering, sanctions evasion, and terrorist financing.

The bill would also harm small businesses and consumers. Many licensed money transmitters offer services through a network of retail agent locations such as grocery stores, pharmacies, and other small businesses, which are not equipped to collect, store, and safeguard highly sensitive immigration-status documentation. The bill’s complaint-driven enforcement structure and 25 percent penalty create substantial liability risk, incentivizing businesses to stop offering remittance services altogether. Reduced access will decrease foot traffic, suppress sales, and ultimately lower income and gross-receipts tax revenue for the state.

Notably, **SB 1380 applies to all senders, including U.S. citizens and lawful residents.** Many Floridians—including seniors, military families, missionaries, and Americans living or working abroad—may not readily have passports, birth certificates, or similar documentation available for routine transactions. In fact, only half of Americans hold a valid passport, underscoring how uncommon these documents are in daily life. Conditioning access to lawful financial services on the presentation of such documents will deny service to lawful users and push them toward informal alternatives. We are unaware of any other area of the American economy where law-abiding individuals must repeatedly prove status to conduct routine financial transactions.

For these reasons, we urge you not to advance **Florida Senate Bill 1380**. We would be happy, however, to continue facilitating discussions with key stakeholders involved in the money transmission industry, including small businesses and remittance providers, to help reach a shared understanding of the importance of this industry, the harmful effects of a new identification verification regime, and the objective of a safe and secure American payments system.

Sincerely,

The concerned organizations listed above.