

HCS HB 2412 -- FOREIGN REMITTANCE TRANSFERS

SPONSOR: Keathley

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Financial Institutions by a vote of 10 to 5.

The following is a summary of the House Committee Substitute for HB 2412.

Currently, persons licensed under Missouri's money transmitter laws may initiate foreign remittance transfers without a state-level verification requirement related to the immigration status of the sender.

Beginning August 28, 2026, this bill prohibits a money transmitter licensee from initiating a foreign remittance transfer unless the licensee has verified that the sender is not an "unauthorized alien", as defined in Federal law. Verification must be completed using documentation and forms developed by the Division of Finance, within the Department of Commerce and Insurance.

The bill requires licensees to submit confirmation of such verification, no later than the 45th day following June 30th and December 31st.

If a licensee initiates a foreign remittance transfer in violation of the verification requirement, the licensee must pay a civil penalty equal to 25% of the United States dollar amount that was transferred, excluding fees. Penalties must be remitted no later than the 45th following June 30th and December 31st and deposited into the county public school fund as required by Article IX, Section 7 of the Constitution of Missouri.

The bill also requires licensees to retain specified transactions, verifications, and penalty records for three years and to make such records available for inspection by the Division of Finance. Knowingly filing a false or frivolous complaint related to compliance with these provisions is a Class B misdemeanor.

Beginning July 1, 2028, the Division will conduct random examinations of licensees to ensure compliance with these provisions. A licensee will only be examined once every two years, unless the examination finds that the licensee not in compliance. If a licensee fails to comply with an examination

the Division may suspend all licenses issued by the Division to the licensee.

The licensee may appeal the suspension to the State Banking and Saving and Loan Board. The Board will must make a decision within 90 days from the date of receiving an appeal.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that this bill will only affect transfers originating from Missouri and does not leave the United States, and only impacts those individuals that are an illegal alien. This bill creates a mechanism for the State to track the amount of money that is leaving Missouri's economy. The bill addresses a critical loophole in the transfer of funds by illegal aliens in the State. This bill ensures that Missouri is keeping businesses accountable and enforces federal law.

Testifying in person for the bill were Representative Keathley; Look To The States; Vivek Malek, State Treasurer's Office; Arnie C. Dienoff; and Remitly.

OPPONENTS: Those who oppose the bill say that Financial Crimes Enforcement Network already requires and enforces "know your customer" regulations. Some say this bill is an attack on immigrants and will hurt the individuals who are receiving the money. This bill does not outline what documents are needed to prove legal status or how these documents are stored, raising privacy concerns. Opponents of the bill also raised concerns that this bill does not address in-person transactions.

Testifying in person against the bill were Electronic Transactions Association; Brittany Hughes; Gabriela Stark, Immigrant Justice Collaborative; The Money Services Roundtable; Miles Pearson, Immigrant Justice Collaborative; and American Civil Liberties Union of Missouri.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.