

TO: Maryland House Economic Matters Committee
cc: Members and Committee Staff

FROM: Crystal Wright
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RE: Cardtronics Testimony Supporting HB0340-Cash Transactions Preservation Act

DATE: January 27, 2021

Chair, Delegate Dereck E. Davis, Vice Chair, Delegate Kathleen M. Dumais, and members of the Maryland House Economic Matters Committee, Cardtronics would like to share our support for House Bill 0340 (Cash Transactions Preservation Act) and expound upon the vital importance of cash to our society. As the largest independent ATM owner and operator in the world, and as a champion of financial inclusion, our purpose is to provide convenient, reliable, and safe access to cash for individuals and the communities whom we serve. Through our partnerships with financial institutions and retailers, Cardtronics operates 285,000 ATMs globally, including more than 200,000 in the U.S., and of the approximately 40,000 ATMs we own in the U.S., the transactions are surcharge free to the consumer.

One in four American households is unbanked or underbanked. Cashless-only retail policies adversely impact these customers, who have only cash in their wallets, and happen to be disproportionately black and Hispanic. We applaud Delegate Joseline A. Peña-Melnyk for introducing HB0340 and recognizing the consumer harm this causes.

Because no federal law exists mandating that a business accept cash, Democratic and Republican lawmakers in the United States Congress, and 26 municipalities and states combined, have sought to protect consumer payment choice. Cardtronics commends Maryland for joining the ranks of these other municipalities and states. Since 2018, Alabama,¹ California,² Connecticut,³ Delaware,⁴ Maryland,⁵ Michigan,⁶ Milwaukee,⁷ Minnesota,⁸ Mississippi,⁹ New Hampshire,¹⁰ New York,¹¹ North Dakota,¹²

¹ http://alisondb.legislature.state.al.us/Alison/SESSBillStatusResult.aspx?BILL=HB28&WIN_TYPE=BillResult

² http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB926

³ <https://search.cga.state.ct.us/r/basic/>

⁴ <https://legis.delaware.gov/BillDetail?legislationId=48046>

⁵ <http://mgaleg.maryland.gov/2021RS/bills/hb/hb0340f.pdf>

⁶ <http://www.legislature.mi.gov/documents/2019-2020/billintroduced/Senate/pdf/2019-SIB-0310.pdf>

⁷ <https://milwaukee.legistar.com/LegislationDetail.aspx?ID=4427407&GUID=3149E370-6FCA-4128-9E2D-F01205557C4A&Options=ID%7cText%7c&Search=200021>

⁸ <https://www.revisor.mn.gov/bills/bill.php?b=Senate&f=SF3860&ssn=0&y=2020>

⁹ <http://billstatus.ls.state.ms.us/documents/2021/pdf/SB/2200-2299/SB2266IN.pdf>

¹⁰ http://www.gencourt.state.nh.us/bill_status/billText.aspx?id=1304&txtFormat=html&sy=2020

¹¹ <https://legislation.nysenate.gov/pdf/bills/2019/S4574>

¹² <https://www.legis.nd.gov/assembly/67-2021/documents/21-0437-01000.pdf>



Oregon,¹³ Pennsylvania,¹⁴ St. Louis,¹⁵ Vermont,¹⁶ West Hollywood¹⁷, and Wisconsin¹⁸ introduced bills to prohibit merchants from shunning cash-paying customers.

In 1978, Massachusetts became the first state to enact a law that prohibits businesses from not accepting cash.¹⁹ Since 2019, Berkeley,²⁰ the District of Columbia,²¹ New Jersey,²² New York City,²³ Philadelphia,²⁴ Rhode Island,²⁵ and San Francisco²⁶ enacted similar laws banning businesses from not accepting cash.

The United States Congress also has taken action. Rep. Donald Payne (D-NJ) and Rep. Chris Smith (R-NJ) introduced the Payment Choice Act, (H.R. 2650)²⁷, in 2019; and Senator Robert Menendez (D-NJ) and Senator Kevin Cramer (R-ND) introduced a companion bill, (S. 4145),²⁸ in 2020.

Demand for Cash Is Strong

Currency in circulation has topped an historic record of \$2.09 trillion.²⁹ While COVID-19 continues to dramatically change the way we shop, work, and live, cash remains one of the preferred forms of payment, next to debit, providing certainty and resilience in times of crisis. The Federal Reserve Bank of San Francisco published a report on consumer payments during the COVID-19 pandemic and found a 17% increase of the amount of cash that people carried in their wallets -- from \$69 to \$81—since the pre-pandemic amount reported a year ago. This report also found that of the individuals who made in-person payments during the pandemic, slightly more reported using cash to make that in-person payment during the COVID period, versus the year before.³⁰

Private and Secure

When consumers pay with cash, they control what they buy and their purchases remain private. Conversely, when an individual uses electronic payments, he or she leaves behind digital breadcrumbs of all purchases for merchants, financial institutions, and technology companies to track, collect, and sell. Each time someone uses an electronic payment, he or she exposes their personal data, making that person

¹³ <https://olis.oregonlegislature.gov/liz/2020R1/Measures/Overview/HB4107>

¹⁴

<https://www.legis.state.pa.us/cfdocs/Legis/CSM/showMemoPublic.cfm?chamber=H&cosponId=32154&SPick=20190>

¹⁵ <https://www.stlouis-mo.gov/internal-apps/legislative/upload/boardbill/BB47-wd13.pdf>

¹⁶ <https://legislature.vermont.gov/Documents/2020/Docs/BILLS/H-0902/H-0902%20As%20Introduced.pdf>

¹⁷ <https://www.weho.org/Home/ShowDocument?id=41637>

¹⁸ <http://docs.legis.wisconsin.gov/2019/related/proposals/ab364>

¹⁹ <https://malegislature.gov/laws/generallaws/partiii/titleiv/chapter255d/section10a>

²⁰ https://www.cityofberkeley.info/.../2019-12-10_Item_A_Ordinance_7681_pdf.aspx

²¹ https://lims.dccouncil.us/downloads/LIMS/41809/Signed_Act/B23-0122-Signed_Act.pdf

²² https://www.njleg.state.nj.us/2018/Bills/PL19/50_.PDF

²³ <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=3763665&GUID=7800AFC9-D8B1-41FD-9C31-172565712686>

²⁴ <https://phila.legistar.com/LegislationDetail.aspx?ID=3710586&GUID=FD85947F-8151-4DB5-9949-AF6FEF14A9C9&Options=ID%7CText%7C&Search=180943>

²⁵ <http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H5116A.pdf>

²⁶ <https://sfbos.org/sites/default/files/o0100-19.pdf>

²⁷ <https://www.congress.gov/bill/116th-congress/house-bill/2650/cosponsors>

²⁸ <https://www.congress.gov/bill/116th-congress/senate-bill/4145/text>

²⁹ https://www.federalreserve.gov/faqs/currency_12773.htm

³⁰ <https://www.frbsf.org/cash/publications/fed-notes/2020/july/consumer-payments-covid-19-pandemic-2020-diary-consumer-payment-choice-supplement/>



vulnerable to data breaches. Juniper Research estimated that cybercrime cost businesses \$2.1 trillion globally in 2019.³¹

Safe to Use

Before the pandemic, the increase in cashless stores was troubling: but now even more retailers, stadiums, and concert venues are using misinformation about cash and COVID-19 as an excuse not to accept cash. Medical experts, government agencies, and central banks alike indicate there is no evidence of the disease being transmitted via bank notes or coins.³² The science behind the research indicates that cotton and linen, of which U.S. banknotes are made, are porous substances and weak transmitters of particles, as compared to glass, plastic and metal, such as your phone or payment card.³³

In recently updated guidance, the U.S. Centers for Disease Control and Prevention noted COVID-19 does not spread easily from touching surfaces or objects.³⁴ The agency emphasized that the virus spreads primarily from person to person, between people who are within approximately six feet of one another, and through droplets produced by a sick or infected person's cough or sneeze.

Choice is Freedom

In closing, Cardtronics believes that merchants should accept all forms of payment, digital, card, or cash, for brick-and-mortar purchases. Cash is the most inclusive, reliable, secure, safe, and fee-free payment method that exists. Cardtronics looks forward to working with the Maryland House Economic Matters Committee to swiftly pass HB0340. Thank you for your attention to this important matter.

For more information, please contact Crystal Wright, External Affairs and Community Outreach Consultant, Cardtronics at 202/549-8072 or cwright@cardtronics.com

³¹ <https://www.juniperresearch.com/press/press-releases/cybercrime-cost-businesses-over-2trillion>

³² <https://www.bis.org/publ/bisbull03.htm>

³³ <https://www.globenewswire.com/news-release/2020/05/06/2028611/0/en/COVID-19-Currency-Poses-No-Greater-Risks-Than-Bank-Cards-or-Mobile-Phones.html>

³⁴ <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/how-covid-spreads.html>