

**Testimony to the House Economic Matters Committee  
HB 340: Commercial Law-Retail Transactions-Cash Payments  
Cash Transactions Preservation Act  
Position: Favorable**

January 27, 2020

Delegate Dereck Davis, Chair  
House Economic Matters Committee  
Room 231, House Office Building  
Annapolis, Maryland 21401  
Cc: Members, House Economic Matters Committee

Honorable Chair Davis and Members of the Committee:

The Maryland Consumer Rights Coalition (MCRC) is a statewide coalition of individuals and organizations that advances financial inclusion and economic justice for Maryland consumers through research, education, direct service, and advocacy. Our 8,500 supporters include consumer advocates, practitioners, and low-income and working families throughout Maryland.

We are here today in strong support of HB340. HB340 would require retail establishments to permit the use of cash to purchase goods and services. The legislation would also prohibit charging customers who use cash a fee for their choice of payment and make any violation of the act an unfair and deceptive practice.

This legislation was also endorsed by the Consumer Protection Committee of AG Frosh/Access to Justice's COVID-19 Task Force.

This legislation is particularly important today as we grapple with a global pandemic and accompanying recession in Maryland. As the United Way's 2020 ALICE report notes, 39% of Maryland households struggle to make ends meet<sup>1</sup>. Thousands of households have lost jobs, with Black and Latinx households grappling with greater job loss and a higher risk of contracting COVID, and with it, the healthcare costs and potential loss of earnings.

A cashless economy is not an inclusive economy. A cashless economy is not an equitable economy. Prohibiting cash discriminates against low-income consumers, particularly Black and Latinx consumers. In order to obtain a credit or debit card, a consumer must have an id, a utility or other bill in their name, as well as a financial history. In Maryland, about 21% of households are unbanked or underbanked<sup>2</sup>. For older adults who prefer cash, immigrants who may lack identification, and low-income customers, requiring a cashless payment effectively discriminates against them.

---

<sup>1</sup> [United Way ALICE report, 2020](#)

<sup>2</sup> [Federal Reserve, Economic Inclusion, 2017](#)

Options to serve low-income consumers such as reloadable debit cards are more costly than carrying cash. Many of these debit cards charge fees to reload while others charge fees if the consumer doesn't use the card within a certain time period, while still others expire altogether.

Moreover, some consumers prefer to use cash because this protects them from identity theft or a digital hack. In recent years, JPMorgan Chase, Equifax, and Target were among the many businesses that were hacked, revealing customers' personal and payment card information. Using cash helps small businesses as well since these businesses are charged a 'swipe fee' for many of the payments that are processed.

Sixteen states have introduced or passed legislation to prohibit this harmful practice. In fact, Massachusetts has required retailers to accept cash since 1978 and retail establishments remain competitive throughout the state.

HB340 protects consumers who choose to use cash from discriminatory treatment, supports small businesses, and promotes an inclusive economy.

For all of these reasons, we support HB340 and urge a favorable report.

Best,

Marceline White  
Executive Director