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**OFFICE OF THE ATTORNEY GENERAL**  
**CONSUMER PROTECTION DIVISION**

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January 27, 2021

To: The Honorable Dereck E. Davis  
Chair, Economic Matters Committee

From: Steven M. Sakamoto-Wengel  
Consumer Protection Counsel for Regulation, Legislation and Policy

Re: House Bill 340 – Commercial Law – Retail Transactions – Cash Payments (SUPPORT)

The Consumer Protection Division of the Office of the Attorney General submits the following written testimony in support of House Bill 340, sponsored by Delegate Pena-Melnyk, which would ensure that Maryland consumers without access to credit and debit cards are still able to purchase essential goods and services.

House Bill 340 would prohibit a merchant from refusing to accept cash payments or from adding a surcharge to a consumer who pays with cash. Although the Division appreciates that the COVID-19 pandemic has made electronic payment the preferred method, businesses that do not accept cash disadvantage low-income consumers who do not have credit or debit cards they can use to pay for essential goods and services. The Federal Reserve found that, in 2019, about one-fourth of American adults were unbanked or under-banked, meaning that they lacked a bank account or had to rely upon check cashing services. These consumers, who already tend to pay more for basic goods and services, are further disadvantaged by businesses that do not accept cash payments.

For the past six months, more than 300 stakeholders across the public and private sector have been meeting as part of the Attorney General's COVID-19 Access to Justice Task Force to confront this growing disaster by developing strategies for reforming longstanding inequities in housing access and several other civil legal areas. The resulting [Report](#), "Confronting the COVID-19 Access to Justice Crisis" is available online [here](#). House Bill 340 arose from a recommendation of the Consumer Protection Committee of the Access to Justice Task Force. As Attorney General Frosh noted in his introduction to the Report:

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COVID-19 did not create the systemic failings and inequities of our social safety net and civil justice system. Those most vulnerable to any setback have disproportionately experienced the effects of these deficiencies for generations. Yet the pandemic exacerbated and brought to light with painful clarity these deficiencies and the suffering that they cause. We must, therefore, seize this unprecedented chance and collectively work together to fix them.

Other jurisdictions already require brick and mortar stores to accept cash payment, including New York City, San Francisco, Philadelphia, New Jersey and Massachusetts. The Consumer Protection Division encourages Maryland to join those jurisdictions in protecting low-income consumers who do not have access to electronic payment methods.

For these reasons, we ask that the Economic Matters Committee return a favorable report House Bill 340.

cc: The Honorable Joseline Pena-Melnyk  
Members, Economic Matters Committee