

**HB 191 - Consumer Protection – Retail Transactions – Cash Payments**

Economic Matters Committee

February 10, 2026

**Position: OPPOSED**

*MHLA is the sole statewide organization dedicated to advocacy on behalf of Maryland's lodging industry. Our industry is a powerful economic engine - **765 hotels** support more than **115,000 jobs** statewide, generate **\$7.2 billion in wages and salaries**, contribute **\$2.4 billion in state and local tax revenue**, and drive **\$10.6 billion in guest spending** that strengthens communities across Maryland.*

HB 191 would require merchants to accept cash for in-person retail transactions between \$5 and \$300. While well-intentioned, this mandate is **highly problematic for the lodging industry** due to the long-standing and essential practice of requiring a credit card to secure a guest's stay.

Hotels routinely require a **security deposit** to cover incidentals, potential damages, theft, or violations such as smoking in non-smoking rooms. This deposit is not a payment, but a pre-authorization "hold" placed on a credit card to ensure funds are available if charges are incurred. This system protects both the guest and the hotel by avoiding immediate charges while ensuring accountability at checkout.

**Cash deposits are not a viable substitute.** They create significant operational, security, and administrative challenges, including the need for secure storage, increased risk of theft and fraud, and additional handling and reconciliation requirements. Credit card authorizations are safer, more efficient, and are the industry standard nationwide.

More broadly, **decisions about cash-free policies should remain with individual business owners**, who are best positioned to assess their operational needs and security risks. Many businesses adopt cash-free policies to reduce theft, protect employees, and streamline operations. In the hospitality industry, for example, many hotels accept cash at check-out, and those that operate on a cashless basis often accommodate cash-preferring customers by providing on-site access to reverse ATMs or cash-to-card kiosks.

If HB 191 advances, MHLA urges the Committee to **include a clear exclusion for security deposits**, which serve a distinct purpose from ordinary consumer transactions. We draw the Committee's attention to existing statutory language in Philadelphia, where § 9-1132(2)(e) expressly excludes "transactions for the rental of...accommodations for which posting of collateral or security is typically required" from its cash-acceptance mandate. Adopting similar language would preserve the bill's intent while avoiding serious unintended consequences for lodging providers.

Additionally, if this bill advances, MHLA requests consideration of an **exemption for businesses that have elected to operate on a cashless basis but provide a reverse ATM or cash-to-card kiosk** as a reasonable accommodation for customers who wish to pay with cash.

The Maryland Hotel Lodging Association opposes **HB 191** as drafted and respectfully requests an **unfavorable report**.

**For more information, please contact:**

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