

My name is Meryl Chertoff, and I am an Adjunct Professor at Georgetown University Law Center teaching on state and local government public law. I am also the past director of the Georgetown Project on State and Local Government Policy and Law. Thank you for the opportunity to testify in favor of HB 191.

“We are cash-free” signs blast at some Maryland businesses. Who is hurt? Disproportionately, it is the unbanked and people of color. But it hurts everyone, because the more transactions we are forced to do cashless, the less privacy each one of us has.

Having cash in your pocket gives a person dignity. But today, even \$50 in your wallet may no longer buy you a cup of coffee, and it is not because prices have gone up at the corner coffee shop. It is because an increasing number of businesses in Maryland and around the country won't accept cash. The tech and financial services industries have decided they would prefer that the legal currency of the United States be unwelcome in a growing number of commercial establishments.

Around the country, advocates for consumer protection are responding with measures to protect Americans from yet another effort to make some of us second class citizens, and to harvest data from everyone else.

Colorado, Connecticut, Delaware, Massachusetts, Montana, New Jersey, Oregon and Rhode Island have enacted laws which, subject to some exceptions, require commercial establishments for transactions up to a certain amount. Local jurisdictions have done the same.

In New York City, for instance, a local ordinance prohibiting food stores and retail establishments from refusing cash payments goes into effect in March of 2026. These stores are also barred from charging higher prices to customers who pay with physical money rather than cards. Washington, DC has begun to enforce its own ordinance, after a delay during the pandemic. Proponents note that in DC, about 30 percent of residents are unbanked or underbanked.

Nationally, 30% of households with an income of under \$50,000 are unbanked. According to a [2023 FDIC survey](#) in Maryland, 3.4 percent of all residents are unbanked, with the proportion rising at the lower end of the household income scale. The current economic crisis will increase the number of unbanked households. Those households don't have credit and debit cards.

While being low-income is not itself a category protected by Federal civil rights laws, the fact that an increasing number of businesses are going cashless means that they effectively discriminate against those below the poverty line, and the working poor, especially people of color and undocumented immigrants.

The refusal of some commercial establishments to accept cash as payment also contributes to a sense that some are less equal citizens than others. Cash is an equalizer. It gives anyone holding it dignity. A cashless model creates two tiers of retail: those reserved exclusively for the banked and those where everyone else can shop, eat and receive basic services. Plain and simple, cashless perpetuates inequality.

Then there is the question of privacy. It is no surprise that the drivers of cashless business are largely big tech. For each transaction you do without cash, more data is harvested about your location, purchasing habits and preferences. A cash purchase-- be it of coffee, cigarettes or medicine-- allows you to maintain your anonymity. The swipe of a card lets someone, somewhere know what you have just bought. And if you think this sort of surveillance society based on your cashless purchases are far off, consider that in China, purchases are monitored and become part of the [social credit score](#) that determine your access to a variety of benefits.

Cashless means that the real world increasingly mirrors the online one: where every click, or in this case every swipe, allows the marketers to build a more granular profile of who you are. HB 191 is good for consumer privacy and for the dignity and financial viability of those in Maryland who are unbanked or underbanked.