



State of Connecticut

HOUSE OF REPRESENTATIVES STATE CAPITOL

REPRESENTATIVE HOLLY CHEESEMAN
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RANKING MEMBER
FINANCE, REVENUE AND BONDING COMMITTEE

MEMBER
GENERAL LAW COMMITTEE
ENERGY AND TECHNOLOGY COMMITTEE

January 28, 2021 * 9:30am * Zoom

Testimony in Support of Raised HB 5312 AN ACT CONCERNING ACCEPTABLE FORMS OF CURRENCY AS PAYMENT IN LOCAL BUSINESSES.

Dear Chairmen Maroney and D'Agostino, Ranking Members Witkos and Rutigliano, and distinguished members of the General Law Committee:

I appreciate having the opportunity to submit testimony in support of Raised HB 5312 on your public hearing agenda today. An increasing number of businesses are refusing cash as payment and demanding payment by credit card, debit card, or digital wallet. This practice is highly discriminatory and harmful.

According to the 2017 FDIC National Survey of Unbanked and Underbanked Households, approximately 25% of the population are either “unbanked”, meaning that no one in the household had a checking or savings account or “underbanked”, meaning that the household had an account at an insured institution but also obtained financial products or services outside of the banking system, such as check cashing services, payday loans or rent-to-own services. As a result, they have little or no access to credit cards. They are effectively shut out when cash is declined. Data shows that unbanked and underbanked households are predominantly low income. In addition, during the pandemic, I, along with numerous other representatives, have been contacted by constituents complaining that businesses either refused their cash, insisting they pay with a credit or debit card, as well as being gift cards as change, instead of cash.

Businesses may claim that they are motivated by safety concerns. However, according to the Bank of International Settlements: COVID-19, cash, and the future of payments, April 2020 report, scientific evidence suggests that the probability of transmission via banknotes is low when compared with other frequently-touched objects, such as credit card terminals or PIN pads. ***And that to date, there are no known cases of COVID-19 transmission via banknotes or coins.***

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

There are also significant privacy issues. In a cashless society, there is no financial transaction that will not be traceable and recorded digitally. This should be of great concern to civil libertarians. There is an anonymity to cash transactions that simply does not exist with electronic transactions of any kind. When transactions are conducted electronically, that anonymity no longer exists. Whether it's by credit card, debit card, or bank wire transfer, there is a record somewhere of what was done. Absent cash, there will be virtually no transaction we engage in that won't be traceable and stored on a server somewhere.

Finally, the refusal to accept cash hurts victims of domestic abuse. Abusers may track and monitor credit card purchases to control their victim's financial behavior. Abusers have also been known to cancel credit cards or run up such huge balances that the cards are canceled without the knowledge of the victim. A state law on the books in Massachusetts since 1978 states that no retailer "shall discriminate against a cash buyer by requiring the use of credit". Since 2018, there have been 27 local and state bills introduced and or laws enacted to prohibit merchants from not accepting cash for brick and mortar purchases. Since 2019, the District of Columbia, Berkeley, New Jersey, New York City, Philadelphia, Rhode Island, and San Francisco have enacted similar laws, banning businesses from not accepting cash. Connecticut should follow suit.

I respectfully urge you to support Raised HB 5312. Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Holly Cheeseman". The signature is fluid and cursive, with a long horizontal stroke at the end.

Holly Cheeseman
State Representative – 37th District