



January 26, 2021

Testimony of Brian Moran

Government Affairs Director, New England Convenience Store & Energy Marketers Association

Connecticut General Assembly
Joint Committee on General Law

HB 5312 – An Act concerning acceptable forms of currency as payment in local businesses.

Dear Co-Chair Maroney, Co-Chair D’Agostino, and Members of the Committee:

The New England Convenience Store & Energy Marketers Association (NECSEMA) represents convenience store and gasoline retailers, independent transportation fuel distributors, and the businesses which supply them. According to the National Association of Convenience Stores, Connecticut is home to almost 1,700 convenience stores employing over 25,000 people and accounting for approximately \$6.5 billion in total sales.

NECSEMA is opposed to HB 5312 because it dictates to retailers how they must run their businesses and, as a result, stifles innovation. Both of these issues run counter to entrepreneurialism and the spirit which drives business to grow and invest in future technologies to mirror market demand.

Credit card fees are the second highest expense at convenience stores, behind payroll. According to NACS, the average convenience store pays over \$65,000 in credit card fees each year. In addition, retailers experience credit card fraud and chargebacks with some degree of frequency and spend tens of thousands of dollars on PCI compliance and Point of Sales systems to mitigate such activity. Needless to say, while retailers would love to see more cash transactions and fewer credit card transactions, the reality is younger generations aren’t carrying cash as much as earlier generations – a trend not likely to reverse – so retailers must adapt to that reality in all aspects of their businesses.

Today, HB 5312 does not pose a problem for NECSEMA members as they all accept cash as legal tender for all goods and services. However, if this bill becomes law it will stand in the way of how commerce is trending and stifle how retailers may react to those trends. We are already seeing companies creating proprietary payment apps and/or utilizing third party platforms to accept payment. It is likely most retailers will accept cash as long as cash is used in society, however retailers simply don’t want to be told what they can and can’t do in a future nobody knows will look like.

NECSEMA encourages members of the Committee to vote against this bill to allow Connecticut retailers the opportunity to adapt to future commerce.

A handwritten signature in blue ink that reads "Brian P. Moran".

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