

General Law Committee JOINT FAVORABLE REPORT

Bill No.: HB-5312

AN ACT CONCERNING ACCEPTABLE FORMS OF CURRENCY AS PAYMENT

Title: IN LOCAL BUSINESSES.

Vote Date: 2/2/2021

Vote Action: Joint Favorable

PH Date: 1/28/2021

File No.: 5

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SPONSORS OF BILL:

General Law Committee

REASONS FOR BILL:

This bill will protect those in our society who are unbanked, underbanked or those who do not wish to leave a digital trail.

This bill would prohibit retailers to refuse cash as a form of payment, post signs stating cash is not accepted or charge higher prices for patrons who pay with cash, there are a few exceptions.

The prohibitions would apply to retailers selling goods or services in person, except if the transactions are conducted over the phone, mail or internet, also parking lots, or member-based stores where members are required to have an affiliated phone app.

Please refer to HB5172 (2020) which passed out of the General Law Committee and HB5703 with Amendment House A from 2019 as it is identical, which passed out of the House of Representatives in 2019.

RESPONSE FROM ADMINISTRATION/AGENCY:

None

NATURE AND SOURCES OF SUPPORT:

Cheeseman, Holly Representative, House of Representatives, State of Connecticut

According to a 2017 survey from the FDIC 25% of the population are either unbanked or underbanked. Many people in this population use check cashing services, payday loans or use rent to own services. Data shows that this group of people are predominantly low

income. As a result, they have little or no access to credit cards. Also, in a cashless society all financial transactions are traceable which should be of great concern to libertarians. The refusal of cash also impacts those who suffer from domestic abuse. Abusers can track and monitor credit card use, etc. Several states including Massachusetts has state laws that state "no retailer shall discriminate against a cash buyer." Currently, businesses are claiming safety concerns over COVID-19, however there is not scientific proof that there is a higher probability with banknotes when compared with credit cards or PIN pads. Please support this bill.

Moore, Kelly McConney, Interim Senior Policy Counsel, American Civil Liberties Union of CT

A cashless society is bad for privacy, many electronic payments have a middleman which learns about the purchase and can potentially mine that information. The marginalized people in society, very often the low income do not have the necessary information, or the funds needed to have bank accounts or credit cards. Approximately 6% of people in the United States have no bank accounts while an additional 19% are underbanked. These are all problems of living in a cashless society.

Weir, Alison, Policy Advocate and Staff Attorney, Greater Hartford Legal Aid

This bill will offer protection for the many low-income individuals served at the GHLA. Many people are unbanked or underbanked and those who by choice prefer cash, very often people cannot get a credit card or those who are victims of domestic violence; do not want to leave a digital paper trail for their abusers to track them. Early in the pandemic there were concerns that cash spread the coronavirus, the most recent research has found this risk to be extremely low.

Wright, Crystal, External Affairs and Community Outreach Consultant, Cardtronics

We applaud Rep. Cheeseman for re-introducing this bill. One in four American households are unbanked or underbanked and a cashless only retail policy adversely impact these customers. Many people have cash only in their pockets and this happens to be disproportionately black and Hispanic. We are pleased that Connecticut looks to join the ranks of 27 municipalities and states that have sought to protect payment choice.

NATURE AND SOURCES OF OPPOSITION:

Moran, Brian P., Director of Government Affairs, New England Convenience Store and Energy Marketers Association

HB5312 stifles how convenience stores, gasoline retailers, independent transportation fuel distributors and businesses who supply them accept payment and this bill runs counter to the entrepreneurialism spirit which drives businesses to grow and invest in future technology. The younger generation aren't really carrying cash and retailers are adapting to a reality in all aspects of their business. As of today, HB5312 is not a problem for our members, however if this bill passes it will stand in the way that commerce is trending. Retailers will probably accept cash as long as cash is used in society, however retailers don't want to be told what they can and cannot do as no one knows what the future will look like.

Reported by: Bonnie Gray, Asst.Clerk

Date: 02/18/2021