



**Cardtronics' Testimony Submitted to the Senate Committee On Labor and Business
Hearing on SB 746 that Prohibits a Place of Public Accommodation to Refuse to Accept United
States Cash as Payment for Goods and Services**

April 8, 2021, 8:00a.m.

Cardtronics would like to share its support for SB 746 that would make it unlawful for businesses operating in the state of Oregon to refuse to accept United States coins or currency from consumers as payment for in-person goods and services. As the largest independent ATM owner and operator in the world, and as a champion of financial inclusion, Cardtronics' purpose is to provide convenient, reliable, and safe access to cash for individuals and the communities whom we serve. Through our partnerships with financial institutions and retailers, Cardtronics operates 285,000 ATMs globally, including more than 200,000 in the U.S.; and of the approximately 40,000 ATMs we own in the U.S., the transactions are surcharge free to the consumer.

Cardtronics is an ardent advocate for payment choice and believes that merchants should treat all forms of payment equally, be they digital, card, or cash, for brick-and-mortar purchases.

Local, State, and Federal Legislation

Every U.S. paper denomination of currency includes the words "This note is legal tender for all debts, public and private." Because no federal law exists mandating that a business accept cash, Democratic and Republican lawmakers in the United States Congress, and 31 municipalities and states combined, have sought to protect consumer payment choice.

Since 2018, Arizona,¹ Alabama,² California,³ Colorado,⁴ Connecticut,⁵ Delaware,⁶ Idaho,⁷ Maine,⁸ Maryland,⁹ Michigan,¹⁰ Milwaukee,¹¹ Minnesota,¹² Mississippi,¹³ New Hampshire,¹⁴ New York,¹⁵ North Dakota,¹⁶ Oklahoma,¹⁷ Oregon,¹⁸ Pennsylvania,¹⁹ St. Louis,²⁰ Vermont,²¹ and Wisconsin²² introduced bills to prohibit merchants from discriminating against cash-paying customers. In 1978, Massachusetts²³ became the first state to enact a law that prohibits businesses from not accepting cash. Since 2019, the

¹ <https://www.azleg.gov/legtext/55leg/1R/bills/HB2433P.pdf>

² http://alisondb.legislature.state.al.us/Alison/SESSBillStatusResult.aspx?BILL=HB28&WIN_TYPE=BillResult

³ http://leginfo.ca.gov/faces/billNavClient.xhtml?bill_id=20190200SB926

⁴ http://leg.colorado.gov/sites/default/files/documents/2021A/bills/2021a_1048_eng.pdf

⁵ <https://www.cga.ct.gov/2021/TOB/H/PDF/2021HB-05312-R00-HB.PDF>

⁶ <https://legis.delaware.gov/BillDetail?legislationId=48046>

⁷ <https://legis.idaho.gov/wp-content/uploads/sessioninfo/2021/legislation/H0256.pdf>

⁸ <http://www.mainelegislature.org/legis/bills/getPDF.asp?paper=HP0892&ssn=130&item=1>

⁹ <http://mgaleg.maryland.gov/2021RS/bills/hb/hb0340f.pdf>

¹⁰ <https://legislature.mi.gov/documents/2021-2022/billintroduced/Senate/pdf/2021-SIB-0059.pdf>

¹¹ <https://milwaukee.legistar.com/LegislationDetail.aspx?ID=4427407&GUID=3149E370-6FCA-4128-9E2D-F01205557C4A&Options=ID%7cText%7c&Search=200021>

¹² <https://www.revisor.mn.gov/bills/bill.php?b=Senate&f=SF3860&ssn=0&y=2020>

¹³ <http://billstatus.ls.state.ms.us/documents/2021/pdf/SB/2200-2299/SB2266IN.pdf>

¹⁴ http://www.gencourt.state.nh.us/bill_status/billText.aspx?id=1304&txtFormat=html&sy=2020

¹⁵ <https://legislation.nysenate.gov/pdf/bills/2021/S4134>

¹⁶ <https://www.legis.nd.gov/assembly/67-2021/documents/21-0437-01000.pdf>

¹⁷ http://webserver1.lsb.state.ok.us/cf_pdf/2021-22%20INT/hB/HB2175%20INT.PDF

¹⁸ https://leg.colorado.gov/sites/default/files/documents/2021A/bills/2021a_1048_ren.pdf

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¹⁹ <https://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&pn=0270&sessYr=2021&sessInd=0&billBody=H&billTyp=B&billNbr=0301>

²⁰ <https://www.stlouis-mo.gov/internal-apps/legislative/upload/boardbill/BB47-wd13.pdf>

²¹ <https://legislature.vermont.gov/Documents/2020/Docs/BILLS/H-0902/H-0902%20As%20Introduced.pdf>

²² <http://docs.legis.wisconsin.gov/2019/related/proposals/ab364>

²³ <https://malegislature.gov/laws/generallaws/partiii/titleiv/chapter255d/section10a>

District of Columbia,²⁴ Berkeley,²⁵ New Jersey,²⁶ New York City,²⁷ Philadelphia,²⁸ Rhode Island,²⁹ San Francisco,³⁰ and West Hollywood,³¹ enacted similar laws, banning businesses from not accepting cash.

Recognizing the threat of ‘cashless creep’ to our nation, the United States Congress also has taken action. Rep. Donald Payne (D-NJ) and Rep. Chris Smith (R-NJ) introduced the Payment Choice Act, (H.R. 2650)³², in 2019; and Senator Robert Menendez (D-NJ) and Senator Kevin Cramer (R-ND) introduced a companion bill, (S. 4145),³³ in 2020. Both bills would impose a federal ban on cashless retail establishments. All levels of government are working assiduously to ensure that consumers have the right to choose cash.

Financial Exclusion

Unlike other forms of payment, cash is an equal opportunity payment option: meaning anyone, regardless of age, race, or income can access cash. Conversely, cashless retail acceptance policies are non-inclusive. When merchants mandate cashless payment policies for whatever reason, they are picking and choosing which ‘type’ of customers they want to serve, effectively engaging in payment discrimination.

This is wrong. And the practice is particularly harmful to marginalized groups, such as unbanked and underbanked Americans.

There are 8.4 million unbanked households in the U.S., and 66% of those unbanked households use only cash to pay their monthly bills. Of the other 24.2 million households in the U.S. that are underbanked, nearly one in four households uses cash to pay their monthly bills.³⁴ According to the FDIC, roughly a quarter (24.3%) of Oregonians are either unbanked or underbanked.

“For many minorities, [who are disproportionately unbanked and underbanked], the barriers of neighborhood segregation and racial profiling already make shopping extremely difficult—bans on cash can make it all but impossible,”³⁵ wrote Aaron Ross Coleman in *How Cashless Restaurants Reinforce Systemic Racism*, published in GQ Magazine recently.

Payments have become the new digital divide.³⁶ If consumers don’t have access to credit cards, prepaid cards or bank accounts that provide them with a debit card, how can they buy goods or services from merchants who refuse to accept cash? Cashless retail deepens the economic wedge between the ‘haves’ and ‘have-nots.’

Privacy

There is no better form of payment than cash for protecting one’s privacy and security. Cash can’t be hacked or tracked. Paying with cash doesn’t involve sharing personal financial information with a third

²⁴ https://lms.dccouncil.us/downloads/LIMS/41809/Signed_Act/B23-0122-Signed_Act.pdf

²⁵ https://www.cityofberkeley.info/.../2019-12-10_Item_A_Ordinance_7681_pdf.aspx

²⁶ https://www.njleg.state.nj.us/2018/Bills/PL19/50_.PDF

²⁷ <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=3763665&GUID=7800AFC9-D8B1-41FD-9C31-172565712686>

²⁸ <https://phila.legistar.com/LegislationDetail.aspx?ID=3710586&GUID=FD85947F-8151-4DB5-9949-AF6FEF14A9C9&Options=ID%7CText%7C&Search=180943>

²⁹ <http://webserver.rilin.state.ri.us/BillText/BillText19/HouseText19/H5116A.pdf>

³⁰ <https://sfbos.org/sites/default/files/o0100-19.pdf>

³¹ <https://qcode.us/codes/westhollywood/revisions/19-1085.pdf>

³² <https://www.congress.gov/bill/116th-congress/house-bill/2650/cosponsors>

³³ <https://www.congress.gov/bill/116th-congress/senate-bill/4145/text>

³⁴ <https://www.fdic.gov/householdsurvey/2017/2017report.pdf>

³⁵ <https://www.gq.com/story/cashless-restaurants-reinforce-systemic-racism>

³⁶ <https://docs.house.gov/meetings/BA/BA00/20200130/110420/HHRG-116-BA00-Wstate-KleinA-20200130-U1.pdf>

party, who may store it on a cloud or server, possibly exposing it to future cyber-attacks. The cost of online data breaches was expected to reach a staggering \$2.1 trillion globally in 2019.³⁷

When consumers use electronic payments, a private company not only dictates the terms and conditions of how they use that payment tool, but also may profit from selling the consumer's personal transaction data. By using cash for legitimate, lawful transactions, consumers have more control over their financial transactions—empowering them to determine with whom they choose to share that personal data.

Demand for Cash Is Strong

Currency in circulation has topped an historic record of \$2.09 trillion.³⁸ While COVID-19 continues to dramatically change the way we shop, work, and live, cash remains one of the preferred forms of payment, next to debit, providing certainty and resilience in times of crisis. The Federal Reserve Bank of San Francisco published a report on consumer payments during the COVID-19 pandemic and found a 17% increase of the amount of cash that people carried in their wallets—from \$69 to \$81—since the pre-pandemic amount reported a year ago. This report also found that of the individuals who made in-person payments during the pandemic, slightly more reported using cash to make that in-person payment during the COVID period, versus the year before.³⁹

Safe to Use

Before the pandemic, the increase in cashless stores was troubling; but now even more retailers, stadiums, and concert venues are using misinformation about cash and COVID-19 as an excuse not to accept cash. Medical experts, government agencies, and central banks alike indicate there is no evidence of the disease being transmitted via bank notes or coins.⁴⁰ The science behind the research indicates that cotton and linen, of which U.S. banknotes are made, are porous substances and weak transmitters of particles, as compared to glass, plastic and metal, such as your phone or payment card.⁴¹

In updated guidance, the U.S. Centers for Disease Control and Prevention noted COVID-19 does not spread easily from touching surfaces or objects.⁴² The agency emphasized that the virus spreads primarily from person to person, between people who are within approximately six feet of one another, and through droplets produced by a sick or infected person's cough or sneeze.

Choice is Freedom

Innovation in payment systems is important; but should not be at the expense of financial inclusion. Cardtronics looks forward to working with Senate Committee On Labor and Business to ensure swift passage of SB 746 and urges members of the committee to limit the bill's exemptions which would weaken consumer payment choice protections.

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³⁷ <https://www.juniperresearch.com/press/press-releases/cybercrime-cost-businesses-over-2trillion>

³⁸ https://www.federalreserve.gov/faqs/currency_12773.htm

³⁹ <https://www.frbsf.org/cash/publications/fed-notes/2020/july/consumer-payments-covid-19-pandemic-2020-diary-consumer-payment-choice-supplement/>

⁴⁰ <https://www.bis.org/publ/bisbull03.htm>

⁴¹ <https://www.globenewswire.com/news-release/2020/05/06/2028611/0/en/COVID-19-Currency-Poses-No-Greater-Risks-Than-Bank-Cards-or-Mobile-Phones.html>

⁴² <https://www.cdc.gov/coronavirus/2019-ncov/prevent-getting-sick/how-covid-spreads.html>