



Chair Burdick, Vice-Chair Baertschiger, and Members of the Committee,

On behalf of the thousands of small-business members of NFIB in Oregon, I would like to share with you our concerns regarding HB 4107 – and ask you to join Oregon’s small businesses in opposing Section 1 of this legislation.

Please keep in mind that NFIB represents small businesses in every industry of Oregon’s private sector, and although 90 percent of our members have fewer than 25 employees – and 70 percent have fewer than 10 employees, the small businesses we represent account for over 60,000 Oregon jobs.

HB 4107 A is a bill relating to discrimination, but Section 1 of the bill falls short of its stated intent. This is the portion of the legislation that would prohibit a place of public accommodation from refusing to accept U.S. currency in the form of cash and coin, except for the exemptions found in Section 1, Subsection 3.

In all its versions and proposed amendments, HB 4107 has always included a list of exclusions for certain businesses so that they can continue to operate on a cashless basis. The proponents have, correctly, always acknowledged that these exemptions demonstrate that there are legitimate business reasons why it may not be appropriate or pragmatic for a business to accept cash payments – reasons that have nothing to do with discrimination, but rather for reasons relating to efficiency, security, and overall customer experience.

Cash is a labor-intensive process. As more and more customers pay electronically, employees will still have to make bank deposits and count out cash registers, before and after shifts, accounting for every transaction down to the last penny, even if the business makes very few, or even no cash sales in an average day. Having cash on hand can also prove to be a security risk, exposing employees to the risk of robbery and employers to internal theft. As customer behaviors change, businesses respond by meeting those changing expectations in ways that will keep customers coming back again and again. Customers expect quick check-out lines and fast transactions. Section 1 of HB 4107 limits the ability of a business to safely operate at peak efficiency with customer experiences in mind, except at those businesses that are included in the list of exemptions.

With the limited amount of time we’ve had to consider this bill, there is little doubt that this list of exemptions is incomplete at best and does not adequately differentiate between actual discrimination and legitimate cashless business practices. What criteria are we applying to determine when it is appropriate to utilize a cashless payment system – and when is it not?



Have we applied these criteria to the list of exemptions? Have we inevitably missed some? After all, there is a big difference between choosing to go cashless for legitimate business reasons and intentionally telling a customer, "We won't take *your* cash."

On a final note, it should be noted that most NFIB members currently accept cash. Many are enthusiastic about receiving cash as payment and spending that cash at other businesses. Some are innovating and thinking about moving to cashless systems – and some may already have. The one thing that NFIB members overwhelmingly agree on is that the state should not be dictating which forms of payments private businesses should or should not be required to accept.

Considering these many factors, our preference would be to remove Section 1 from HB 4107 completely.

Thank you for your consideration,

A handwritten signature in blue ink, appearing to read "Anthony K. Smith".

Anthony K. Smith  
Oregon State Director