

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON CONSUMER AFFAIRS AND BUSINESS LICENSING

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January 23, 2020
Start: 10:45 AM
Recess: 10:49 AM

HELD AT: Committee Room - City Hall

B E F O R E: RAFAEL L. ESPINAL, JR.
Chairperson

COUNCIL MEMBERS: Justin L. Brannan
Margaret S. Chin
Peter A. Koo
Karen Koslowitz
Brad S. Lander
Keith Powers

A P P E A R A N C E S (CONTINUED)

2 (sound check) (pause)

3 CHAIRPERSON ESPINAL: Good morning. My
4 name is Rafael Espinal. I'm the Chair of the
5 Committee on Consumer Affairs and Business Licensing.
6 I'm joined today by my colleagues on the committee.
7 We have Justin Brannan from Brooklyn. We have
8 Margaret Chin from Manhattan, Peter Koo from Queens,
9 Karen Koslowitz from Queens and Keith Powers from
10 Manhattan. Today the Committee will be voting on
11 Intro Bill No. 1281-A, which would prohibit retail
12 establishments from refusing to accept payment in
13 cash. As a co-sponsor of this bill I'm happy that we
14 can draw attention to some of the unintended
15 consequences of new cashless technologies, and how
16 they impact marginalized populations. Cashless
17 transactions can be beneficial for businesses.
18 Eliminating cash from the premises removes the
19 incentive for robbery and store owners don't have to
20 worry about having change for customer transactions
21 or making deposits at days end. Businesses also
22 report that card transactions happen faster. That
23 means less wait times for customers who appreciate
24 speed and efficiency. However, there are also
25 unintended negative consequences that flow on from a

1 policy that relies exclusively on cashless payments.

2 In a modern financial hub like New York City it might

3 be easier to assume that everyone has easy access to

4 the banking facilities and technology that allows

5 cashless transactions. Unfortunately, however, this

6 is not the case. Across the city there are large

7 populations who are disconnected from formal banking

8 institutions. In 2013, close to 12% of the city's

9 population were completely unbanked. Additionally,

10 more than 25% of the population were under-banked

11 meaning that they relied on services such as pay day

12 loans or check cashing facilities rather than banks.

13 These households may have a savings or a checking

14 account, but in most cases the fees or overdraft

15 fines make them too cost prohibitive to use

16 regularly. The share of unbanked and under-banked

17 households is also closely linked to poverty rates.

18 According to a 2015 report, the boroughs with the

19 highest percentages of unbanked and under-banked

20 households were the Bronx and Brooklyn. Both of

21 these boroughs had rates way above the national,

22 state and city rates and both also high levels of

23 poverty. In terms of neighborhoods, in Brownsville,

24 which falls partly in my district 28% of households

25

1 had no bank account in 2015. They also had a
2 poverty—a poverty rate of 33%. In addition to
3 creating barriers for poorer communities,
4 establishments that solely limit transactions to
5 cashless purchases may also impact immigrant
6 communities and survivors of domestic violence. Both
7 populations face specific challenges when opening
8 bank accounts, whether that be a lack of documents
9 or identifying information, language barriers or
10 safety fears, cashless technology clearly brings
11 important benefits to businesses and to the customers
12 who are able to make use of it, and while it can seem
13 counterintuitive to challenge innovation, that
14 streamline process and—and make business more
15 efficient, it is important to ensure that these
16 changes do not cause unintended harm. With attitudes
17 towards cash money equated with being dirty,
18 antiquated or unsophisticated, we risk stigmatizing
19 the communities who rely on. We want to make sure
20 the people who have no other form of legal tender can
21 fully make use of it. If not, we risk segregating
22 customers and perpetuating the divide between the
23 haves and have-nots. I, therefore, encourage my
24 colleagues to join me in voting in the affirmative
25

1 COMMITTEE ON CONSUMER AFFAIRS AND BUSINESS LICENSING

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2 for this bill. I will now call the vote. Mr. Clerk,
3 can you please call the roll.

4 CLERK: William Martin, Committee Clerk.

5 Roll call vote Committee on Consumer Affairs and
6 Business Licensing, Introduction 1281-A. Chair
7 Espinal.

8 CHAIRPERSON ESPINAL: I vote aye.

9 CLERK: Chin.

10 COUNCIL MEMBER CHIN: Aye.

11 CLERK: Koo.

12 COUNCIL MEMBER KOO: Aye.

13 CLERK: Koslowitz.

14 COUNCIL MEMBER KOSLOWITZ: Aye.

15 CLERK: Brannan.

16 COUNCIL MEMBER BRANNAN: Aye.

17 CLERK: Powers.

18 COUNCIL MEMBER POWERS: Aye.

19 CLERK: By a vote of 6 in the
20 affirmative, zero in the negative and no abstentions,
21 the item has been adopted by the committee.

22 CHAIRPERSON ESPINAL: Alright, with that
23 said, this meeting has been adjourned [gavel] with
24 enough time for Keith Powers to get to where he needs
25 to go.

COUNCIL MEMBER POWERS: That's right.

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C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date February 4, 2020