
SENATE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY TO EXAMINE THE USE AND EFFECTS OF TRANSACTION MEDIUM EQUITY, WHICH INCLUDES ELECTRONIC TRANSACTIONS AND CASH TRANSACTIONS, ON CONSUMERS AND BUSINESSES IN THE STATE OF HAWAII.

1 WHEREAS, as the world faces rapid changes to technology,
2 consumers and businesses alike have increasingly turned toward a
3 cashless environment where electronic transactions involving
4 credit cards or other digital transactions are used instead of
5 cash; and

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7 WHEREAS, cash transactions are advantageous and convenient
8 in some respects for consumers as most businesses accept cash
9 payments, and consumers do not have to worry about or keep track
10 of repaying a credit card bill; and

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12 WHEREAS, consumers using cash transactions are limited to
13 in-person transactions and cash transactions are more readily
14 subject to theft as cash is easier to steal and there is little
15 protection for consumers; and

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17 WHEREAS, for consumers, credit cards or other electronic
18 transactions can also be advantageous because they are able to
19 make transactions both in-person and remotely, earn reward
20 points in the form of cash back payments, receive protection in
21 the case of fraud or theft, and are an efficient form of
22 payment; and

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24 WHEREAS, consumers also face disadvantages in using credit
25 cards or other electronic transactions because it is difficult
26 to monitor or manage credit card spending and credit card
27 companies impose fees, interest rates, and other terms that may
28 be confusing or misleading resulting in missed payments or
29 excess interest; and



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WHEREAS, on the other hand, for businesses, cash transactions guarantee payment for immediate deposit or spending; and

WHEREAS, because more consumers are using credit cards or electronic transactions, including digital payments, such as ApplePay, GooglePay, AliPay, etc., cash-only businesses are losing billions of dollars in revenue merely because they do not accept other forms of payment; and

WHEREAS, the acceptance of credit card payments or other electronic transactions help businesses maximize their profits because an increasing number of high-income consumers favor using credit cards or other electronic transactions when shopping; and

WHEREAS, many credit card companies impose a transaction fee or processing fee that is normally paid by the retailer, but it is becoming more common for retailers to transfer the cost of the processing fee to consumers in the form of a surcharge; and

WHEREAS, while processing fee surcharges are relatively insignificant to consumers when making large purchases, the processing fee surcharges are more evident for small purchases as they can quickly add up over time; and

WHEREAS, for some small business owners it is not advantageous to accept credit cards or other electronic payments because the processing fees negatively impact their profit margins making cash-only transactions more convenient and cost effective; and

WHEREAS, it is important to gather information on the use of electronic and cash transactions in Hawaii to determine their transaction medium equity and how they can benefit both consumers and businesses; now, therefore,

BE IT RESOLVED by the Senate of the Thirty-first Legislature of the State of Hawaii, Regular Session of 2021, the House of Representatives concurring, that this body requests the Legislative Reference Bureau to conduct a study to gather



1 information on the use of electronic transactions and cash
2 transactions in the State to determine how these transactions
3 benefit consumers and businesses and to help guide future
4 legislation, policy recommendations, and decision-making; and
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6 BE IT FURTHER RESOLVED that the Legislative Reference
7 Bureau is requested to address the following issues:
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- 9 (1) Determine whether electronic transactions (including
10 credit cards and digital transactions) or cash
11 transactions are more prevalent in Hawaii;
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- 13 (2) Determine who benefits from or is harmed or
14 disadvantaged by electronic transactions;
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- 16 (3) Determine who benefits from or is harmed or
17 disadvantaged by cash transactions;
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- 19 (4) Identify how the information gathered can be used to
20 benefit both consumers and businesses;
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- 22 (5) Identify how certain transactions can be balanced or
23 incentivized so that both consumers and businesses
24 benefit from electronic or cash transactions; and
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- 26 (6) Suggest recommendations for future legislation that
27 benefits both consumers and businesses; and
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29 BE IT FURTHER RESOLVED that the Legislative Reference
30 Bureau is requested to submit a report of its findings and
31 recommendations, including any proposed legislation, to the
32 Legislature no later than twenty days prior to the convening of
33 the Regular Session of 2022; and
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35 BE IT FURTHER RESOLVED that a certified copy of this
36 Concurrent Resolution be transmitted to the Director of the
37 Legislative Reference Bureau.

