
SENATE 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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1 WHEREAS, on the other hand, for businesses, cash
2 transactions guarantee payment for immediate deposit or
3 spending; and
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5 WHEREAS, because more consumers are using credit cards or
6 electronic transactions, including digital payments, such as
7 ApplePay, GooglePay, AliPay, etc., cash-only businesses are
8 losing billions of dollars in revenue merely because they do not
9 accept other forms of payment; and
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11 WHEREAS, the acceptance of credit card payments or other
12 electronic transactions help businesses maximize their profits
13 because an increasing number of high-income consumers favor
14 using credit cards or other electronic transactions when
15 shopping; and
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17 WHEREAS, many credit card companies impose a transaction
18 fee or processing fee that is normally paid by the retailer, but
19 it is becoming more common for retailers to transfer the cost of
20 the processing fee to consumers in the form of a surcharge; and
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22 WHEREAS, while processing fee surcharges are relatively
23 insignificant to consumers when making large purchases, the
24 processing fee surcharges are more evident for small purchases
25 as they can quickly add up over time; and
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27 WHEREAS, for some small business owners it is not
28 advantageous to accept credit cards or other electronic payments
29 because the processing fees negatively impact their profit
30 margins making cash-only transactions more convenient and cost
31 effective; and
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33 WHEREAS, it is important to gather information on the use
34 of electronic and cash transactions in Hawaii to determine their
35 transaction medium equity and how they can benefit both
36 consumers and businesses; now, therefore,
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38 BE IT RESOLVED by the Senate of the Thirty-first
39 Legislature of the State of Hawaii, Regular Session of 2021,
40 that this body requests the Legislative Reference Bureau to
41 conduct a study to gather information on the use of electronic
42 transactions and cash transactions in the State to determine how



1 these transactions benefit consumers and businesses and to help
2 guide future legislation, policy recommendations, and decision-
3 making; and
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5 BE IT FURTHER RESOLVED that the Legislative Reference
6 Bureau is requested to address the following issues:
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- 8 (1) Determine whether electronic transactions (including
9 credit cards and digital transactions) or cash
10 transactions are more prevalent in Hawaii;
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- 12 (2) Determine who benefits from or is harmed or
13 disadvantaged by electronic transactions;
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- 15 (3) Determine who benefits from or is harmed or
16 disadvantaged by cash transactions;
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- 18 (4) Identify how the information gathered can be used to
19 benefit both consumers and businesses;
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- 21 (5) Identify how certain transactions can be balanced or
22 incentivized so that both consumers and businesses
23 benefit from electronic or cash transactions; and
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- 25 (6) Suggest recommendations for future legislation that
26 benefits both consumers and businesses; and
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28 BE IT FURTHER RESOLVED that the Legislative Reference
29 Bureau is requested to submit a report of its findings and
30 recommendations, including any proposed legislation, to the
31 Legislature no later than twenty days prior to the convening of
32 the Regular Session of 2022; and
33

34 BE IT FURTHER RESOLVED that a certified copy of this
35 Resolution be transmitted to the Director of the Legislative
36 Reference Bureau.

