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Testimony of Rep. Lydia Crafts presenting

**LD 1180, An Act to Prohibit Persons from Providing Incentives to Customers
for Opting Out of Paper Billing**

*Before the Joint Standing Committee on Health Coverage, Insurance and Financial
Services*

Good afternoon, Senator Bailey, Representative Gramlich and members of the Health Coverage, Insurance and Financial Services Committee. My name is Lydia Crafts and I represent House District 46, which includes Bristol, Damariscotta, Monhegan Plantation, Newcastle and Nobleboro. Today, I am pleased to present **LD 1180, An Act to Prohibit Persons from Providing Incentives to Customers for Opting Out of Paper Billing**.

Many of us use electronic bill payment features, whether from our utility company, bank or credit card company. By processing our payments online, we avoid the hassle of tracking paper statements, writing checks and mailing bills simply by using an online platform to process our payments.

In the 125th Legislature, understanding the benefits of modernization, postage and paper processing costs as well as consumer ease, they passed a bill that specifically stated companies accepting electronic payments could not charge additional fees for this service. Fast-forward 14 years, and we now find ourselves in the opposite predicament. Companies are now charging paper processing fees for monthly bills.

In August 2024, I received notice that my credit card company would begin assessing a \$1.99 monthly fee to provide me with paper copies of my bill. In reviewing industry practices, I was surprised to find that some companies charge as much as \$5 a month for paper billing. Last fall, I began hearing from constituents who were also concerned about such fees. They cited the older average age of Mainers, reduced reliance on electronic devices, limited internet/cell data coverage in geographically rural parts of the state and general privacy concerns about online banking transactions.

The statistics support these concerns. According to a federal survey, 64% of Americans in their 70s use online banking and/or bill pay. That number drops to below 50% for Americans over 80

years of age. In contrast, 85% of those in their 20s and 30s are likely to use these services.¹ Maine also ranks 40th in the country for internet speed, availability and coverage.² These, combined with our ranking as the demographically oldest state in the nation, demonstrate how fees like these unfairly target older, rural Mainers.

This bill approaches the problem from two directions, stating that a company cannot charge a fee for paper billing but also that it cannot provide a financial incentive for electronic billing. My reason for this is simple: younger generations are adept at and motivated to use these services, making it more efficient for companies and reducing additional waste of paper billing. There is no longer a need to incentivize this behavior. If we ban fees without removing incentives, companies can simply offer reduced costs to those enrolled in electronic payments, thus leaving paper bill users with a higher cost of doing business. While there is no explicit fee, the results are the same.

I urge the committee to support this bill and protect consumers' right to choose how they receive their bills without financial consequence.

Thank you for your time and consideration. I would be happy to answer any questions.

¹ <https://www.nytimes.com/2024/12/07/health/elderly-cash-electronic-payments.html>

² <https://broadbandnow.com/Maine>