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Testimony of Nate Cloutier

Before the Joint Standing Committee on Housing and Economic Development

April 3, 2025

**In Opposition to LD 1159, “An Act to Prohibit Businesses from Refusing to Accept Cash for In-person Payments”**

Senator Curry, Representative Gere, and distinguished members of the Joint Standing Committee on Housing and Economic Development, my name is Nate Cloutier, and I am here today on behalf of HospitalityMaine, representing Maine’s restaurant and lodging industries. I am also submitting comment on behalf of the Maine Tourism Association (MTA). MTA has been promoting Maine and supporting members in every type of tourism business, such as lodging, restaurants, camps, campgrounds, retail, guides, tour operators, amusements, and historical and cultural attractions for over 100 years. HospitalityMaine and the Maine Tourism Association respectfully oppose LD 1159, “An Act to Prohibit Businesses from Refusing to Accept Cash for In-person Payments.”

LD 1159 would require businesses to accept cash for in-person sales under \$2,000 and prohibits them from only accepting electronic payments. It also bans businesses from posting signs that say cash is not accepted or charging higher prices to customers who pay with cash.

While many businesses in Maine accept both cash and electronic payments, certain sectors within the hospitality and tourism industry would face significant challenges if required to accept cash. These include food carts, food trucks, retail kiosks, fairs, festivals, boat and sporting equipment rentals, and guided tour services. These businesses often operate in temporary or mobile locations without a fixed storefront, making it impractical—and in some cases unsafe—for employees to handle large sums of cash. The added administrative burden, security risks, and logistical challenges of managing cash on-site would create unnecessary hardship for these businesses.

Lodging establishments, in particular, have long relied on electronic payments for two critical reasons: first, to ensure payment in cases where a guest refuses to vacate a room, and second, to secure funds for

incidentals or damages that may otherwise go unpaid. Given the nature of Maine's tourism industry, especially in the post-pandemic era, it is increasingly common for travelers to make last-minute, in-person bookings. If cash acceptance were mandated, it would expose innkeepers-especially small, independently owned properties-to a heightened financial risk once it became known that cash must be accepted, leaving room for exploitation. The expectation when booking a hotel is that payment will be made electronically, and there is no compelling reason to alter this well-established industry practice.

Additionally, we align with the position previously taken by the Maine Department of Economic and Community Development on LD 621 during the 131st Legislature. The concerns raised then remain relevant today, as LD 1159 presents the same fundamental issue: businesses should retain the flexibility to determine which payment methods best support their operations and their customers. Forcing businesses to accept cash would introduce avoidable administrative costs, security concerns, and operational inefficiencies.

This bill has been introduced in previous legislative sessions and has not passed, mainly for the above-stated reasons. While we appreciate the sponsor's intent and recognize his support for small businesses, this proposal would create unintended burdens that outweigh any perceived benefits.

For these reasons, we respectfully urge the committee to vote Ought Not to Pass on LD 1159.

Thank you for your time and consideration.