

216TH NEW JERSEY LEGISLATURE
ASSEMBLY FINANCIAL INSTITUTIONS AND
INSURANCE COMMITTEE
HON. CRAIG COUGHLIN--CHAIR

TESTIMONY

SAL RISALVATO

Executive Director

New Jersey Gasoline-Convenience-Automotive Association

A-566

SUPPORT

February 5, 2015

TRENTON, NJ 08625

Testimony of Sal Risalvato
A-566: Support

Chairman Coughlin and members of the committee, my name is Sal Risalvato, Executive Director of the New Jersey Gasoline, Convenience Store, Automotive Association. I am here today to speak on behalf of the thousands of small businesses in the convenience store industry.

Small businesses are always fighting to keep their heads above water. Every day presents a new set of challenges. Any good business owner is always on the lookout for new ways to appeal to their customers and new ways to bring in revenue.

Allowing these retailers to operate a check cashing service will be a boost to small businesses all over the state. In addition to enhancing their bottom line, it will also allow them to give their customers, particularly their low income customers, and an added convenience. Convenience after all is the whole point of the convenience store.

Customers who have already stopped in to fill up their tank of gas, buy a lottery ticket, or pick up a cup of coffee will be able to save some time by cashing in their paycheck while they wait. These businesses strive to be one-stop shopping centers for their customers and allowing them to cash their checks will benefit the business owner and the consumer.

It is not a perfect bill, and we do oppose some of the restrictions that will be placed on retailers. Not opening the market up to businesses which are unlucky enough to be located within a half mile of current check-cashing establishments will unfairly restrict many businesses who would otherwise like to provide this convenience for their customers.

Another problem with this provision is that going forward if a new check-cashing establishment opens within a half mile of a retailer who has a check cashing option, that retailer will have to cease operation. Without any warning and without having done anything wrong, that retailer will now have a figurative hole in their budget to fill and a literal hole in their floor plan where they used to cash checks but now no longer can. At the very least, there must be a provision added which provides that any geographic requirement only applies to check-cashers open and operating at the time of the enactment of the bill.

Only allowing retailers to earn 1% of their revenue from check cashing fees will also be a difficult burden. Unfortunately, revenues can often fluctuate unexpectedly throughout the year. It will be unfortunate if consumers looking to cash a check in November or December at their local retailer are told that the business cannot perform this service for them until the new year because they have been too successful in the early part of the year, or because the business took an unexpected turn for the worse recently. When revenues in other aspects of this business dry up is when it will be most

important to supplement them with check cashing fees, but this provision will restrict them right at the time they need them. At the very least, this number should be increased from 1% of yearly revenue.

Even with these concerns, we are still in favor of this bill. Opening up this market to new entrepreneurs will benefit small businesses and consumers alike.

I ask you to support it and vote for it today. Thank you.