



## PUBLICAN'S POSTINGS



November 8, 2021

***I was asked by a taxpayer last week why we weren't accepting cash payments during this tax collection season. This person felt that the vaccination rate was high enough for us to open our offices for those, like himself, who preferred to pay in cash. This person sent me web links that suggested a cashless economy was discriminating against the poor, who tended to be under-banked or un-banked. Here is what I told him:***

Thank you for reaching out us with your concerns. Your email message contained many interesting observations, assertions, and issues, which I shall try to address.

Let me give you some background:

Our County has thousands of taxpayers who have historically paid in cash. We have never done a study in our County as to the reasons that some people pay in cash, but anecdotally we feel that it is a mixture of those who may be hiding income, those who culturally use cash, and those who are unbanked. This last group contain those who either have poor credit or who may be in the cannabis industry, an industry which has been unable to secure bank accounts.

When Shelter-In-Place hit in March 2020, we worked diligently to find ways to accommodate the cash-only taxpayers in Alameda County, including considering working with the Sheriff's department at locations which had security, acquiring cash kiosks, and requesting our partner banks to take cash. During that second installment period (from March 17<sup>th</sup> through April 10<sup>th</sup>, 2020), we did get one bank (East-West Bank) to allow one of their branches in downtown Oakland to accept cash deposits for one week. The number of taxpayers who took advantage of this service was less than 200.

Including that first tax season, this current installment period will now be our fourth since the pandemic attacked us. We have been closely monitoring the need to allow taxpayers to pay in cash. We thought that many taxpayers would call and complain and ask for the type of relief you are asking for yourself. But what we have found is that paying in cash has become not very important or, at least, hardly anyone has complained or even requested that we accept their payment in cash. We have seniors, people with English language challenges, and people with disabilities that have learned another way of doing business. We have patiently and diligently walked all these citizens through our payment system. With these skills they have been able to take care of business with other matters. We are helping them grow and learn new ways of doing things.

The data tells us a clear story: During the prior three installment periods, all the dollars that would have come in cash have gone online, via ACH payments. The increase in mailed checks and credit card payments were insignificant. Probably as a combination of eliminating the ACH fees (three years ago), encouraging our taxpayers to pay on-line, plus our call center staff assisting those few taxpayers that needed help with their online payments using ACH, the increase has been dramatic and correlates with

the drop-in cash payments. We believe that these same taxpayers are now using the skills they learned from our interaction with them to continue to pay online and that is now their preferred way of paying.

Paying with ACH or credit card is a faster and more convenient way for a taxpayer to process their property tax payment at their convenience. The system is available 24-hours a day, seven days a week. ***“Online” means “No line”*** and taxpayers can get a receipt of payment and a confirmation number to reference for their payment immediately upon payment.

We are always monitoring our taxpayer service strategy. We have found, for the health of our taxpayers and of our employees, and because the COVID and flu risk has so fluctuated up and down for the last 18 months, it is better to stay closed to the public.

Having said that, we do make exceptions, but it would be for someone who is truly unbanked. We just can't see a reason to be open for those who just find it more convenient to pay in cash.

We believe that our approach is a reasonable one.

***In the taxpayer's original e-mail, he had “threatened” to call a reporter, but I told him I would be glad to talk to a reporter. So, if any of you know a reporter who might be interested in this story (it would be timely during this tax season), I would be glad to talk to someone.***

***Also, in answer to the taxpayer's argument that a cashless system is discriminatory toward those who are unbanked and underbanked, in my role as Treasurer, I am active in a variety of community financial banking efforts for the express purpose of reducing the number of unbanked and underbanked residents of Alameda County. Look for another blog post on this subject.***