

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: March 8, 2024

TO: Honorable Members of the Trade, Travel, and Tourism Committee

FROM: Sharon M. Tso *SM Tso* Council File No. 23-0846
Chief Legislative Analyst Assignment No. 23-10-0530

SUBJECT: Proposed Framework for Cashless Retail Ban

SUMMARY

On October 3, 2023, Council approved Motion (Hutt – Hernandez, Soto-Martinez, Yaroslavsky) that instructed the Chief Legislative Analyst (CLA), with the assistance of the City Attorney, to prepare a report summarizing cashless retail prohibitions and best practices in other jurisdictions and identify policy recommendations for the implementation of a similar policy in Los Angeles (Council File 23-0846).

This report provides an analysis of enacted and proposed legislation related to cashless retail bans in other jurisdictions. It also provides a framework for a City ban on cashless retail practices that considers legislative requirements, exceptions, and enforcement measures. Our Office recommends the adoption of legislation that requires the acceptance of cash, with specific exceptions as detailed further below, with enforcement handled by the Commission on Civil Rights in coordination with the Civil + Human Rights and Equity Department. It is also recommended that the Economic and Workforce Development Department provide outreach to the small business community, such as the Small Business Commission and Los Angeles Area Chamber of Commerce, regarding this matter, to help inform an enforcement and fine structure for a cashless retail ban.

RECOMMENDATIONS

That the City Council:

1. Adopt the framework to establish a Cashless Retail Ban as described in this report, subject to additional input by the business community to be led by the Economic and Workforce Development Department (EWDD) with the assistance of the Civil + Human Rights and Equity Department (CHRED);
2. Instruct EWDD, with the assistance of the Chief Legislative Analyst (CLA), to seek comment from the small business community, such as the Small Business Commission, Los Angeles Area Chamber of Commerce, and other interested organizations, and report to Council in 45 days with a summary of its findings; and

3. Instruct EWDD and the CHRED, in coordination with the City Attorney and CLA, to develop an enforcement and fine structure for the proposed Cashless Retail Ban and report to Council in 45 days with recommendations.

BACKGROUND

While the banking and financial environments have changed rapidly in the digital age, a great number of American residents have not followed suit. According to the Federal Deposit Insurance Corporation (FDIC), in 2021, 11 percent of all African-American households and nine percent of all Latino households in the U.S. have no bank account. Households without a bank account have limited or no access to digital payment methods required to make non-cash payments, and are therefore excluded from conducting business at retail establishments that exclude cash transactions.

Los Angeles has shown support for those who are excluded from or unable to participate in the traditional banking system. For example, the Mayor's Fund for Los Angeles launched the Angeleno Campaign to provide direct cash assistance to Angelenos most in need and suffering from the impacts of COVID-19. Angeleno Card recipients received prepaid debit cards to cover the cost of basic needs, such as medical aid and assistance, food, clothing, and rent payments. Los Angeles City households were eligible for the program if total annual income was below the federal poverty level (pre-COVID) and further economic hardship had been experienced due to job or income loss.

In August 2018, our Office issued a report (2018 CLA Report) relating to the proposed Municipal Bank (C.F. 17-0831), which provides details on the lack of equitable banking services offered to residents throughout the City. The 2018 CLA Report cites a 2015 study by Neighborhood Data for Social Change that states that nearly 600,000 residents in 46 of the 272 neighborhoods across the county do not have access to a single bank or credit union, meaning nearly one in five neighborhoods in the County lack local access to any financial institution.

The 2018 CLA Report recognized that the Municipal Bank movement has an emphasis on those households in which no one holds a bank account and underbanked households (those households in which a member may hold a bank account, but also obtains financial services and products outside of the traditional banking system). Additional studies cited in the 2018 CLA Report noted that the highest rates of underbanked and unbanked households were in Black and Hispanic households, as well as households earning less than \$30,000 (unbanked) and \$75,000 (underbanked).

The high proportion of City residents who are unbanked or underbanked are restricted to purchasing goods and services almost exclusively in cash. These residents are unable to transact business at retail establishments that have gone cashless. Banning retail businesses from excluding cash purchases would allow all Angelenos to equally participate in the retail economy without restriction, and would prevent cash-paying residents from discrimination in the marketplace. The effect of businesses refusing to accept cash, then, eliminates another opportunity for some people to participate in the economy.

DISCUSSION

The first ban on the refusal of cash in retail businesses was implemented in Massachusetts in 1978. This remained the only such legislation for over 40 years, until recently. Since 2019, eight states and six cities have instituted their own cashless bans, beginning with San Francisco, California. Additionally, ten states have proposed cashless bans that remain under consideration by their respective legislative body. The U.S. House of Representatives (HR 4128, Payne - Rose) and Senate (S 1984, Menendez - Kramer) are also debating a national cashless retail ban through proposed companion bills. A detailed analysis of enacted and proposed legislation is provided as Attachment A, with a related chart comparing the status of various legislative actions in Attachment B. The information gathered through this review was used to develop a proposed Cashless Retail Ban in the City.

Recommended Cashless Retail Ban Structure

The Council requested policy recommendations for the implementation of a Cashless Retail Ban policy. Analysis of enacted and proposed legislation revealed three major elements of cashless retail bans: requirements, exceptions, and enforcement.

As a Cashless Retail Ban would be designed to provide all residents with an equitable marketplace, such a program would represent a commitment by the City to address consumer affairs. However, the City must balance the needs of consumers with those of the businesses that will also be affected by such a policy. To ensure balance and fairness in the final policy, we recommend that Council adopt the proposed policy that would then be presented to the business community, such as to the Small Business Commission and Los Angeles Area Chamber of Commerce, for input, as well as other community stakeholders.

Requirements

A Cashless Retail Ban will place new requirements on businesses. Analyzed legislation provided three general requirement types; the manner in which these requirements are designed varies between jurisdictions. The requirement types are:

1. The required acceptance of cash, means that retail businesses must accept cash for any non-exempt payment for which non-cash payment would otherwise be acceptable.
2. The prohibited discrimination against cash-paying customers, which restricts retail businesses from providing any conditions upon cash-paying customers that would not be applied to cashless transactions. An example of such a condition would be an additional fee to use cash or higher cost applied to cash transactions.
3. The prohibited posting of cashless signage. Jurisdictions with this requirement prevent retail businesses from posting any signage that indicates that cash payment is not accepted, or that only cashless transactions are accepted.

Our Office recommends that the Council consider implementing all three requirement options identified: require acceptance of cash; prohibit discrimination of cash-paying customers; and prohibit posting of cashless signage. For prohibited discrimination, it is suggested that the

Ordinance stipulate that it is unlawful for vendors to charge cash-paying customers a higher price, but may charge a *lower* price, to such customers.

Exceptions

A survey of legislation found that Cashless Retail Bans include exceptions intended to provide for situations in which cash payment is not feasible. Our Office recommends the following list of exceptions for inclusion in the City's Cashless Retail Ban. A detailed analysis of enacted and proposed legislation in other jurisdictions, including all optional exceptions, is provided as Attachment A, which includes a wide range of exemptions, some of which are not recommended here:

Bill denominations over \$50

This exception relates to the bill denomination amount being used in a cash transaction. The recommended program would require businesses to accept bills in denominations between \$1 and \$50, but not \$100 bills or higher. This threshold would allow customers to pay for retail purchases in cash, but not force businesses to carry excessive amounts of smaller bills required to break \$100 bills into change.

Transactions over a total of \$1,000

This exception restricts transactions over a certain total amount. A customer may make cash payment up to that amount, but the vendor may refuse cash for any amount over that limit. Our Office recommends a total cash transaction limit exception of \$1,000. This would allow customers to pay in cash for relatively large retail purchases, but not force businesses to keep excessive amounts of received cash in-store.

Telephone, mail, or internet transactions

It is recommended that telephone, mail, and internet transactions be exempted, as it is not practical to require cash payments in non-physical locations.

Security deposits

This exception would include transactions that require a security deposit made via non-cash payment (such as a hotel or rental car reservation). Exempting security deposits allows businesses to protect from damages such as cancellations, excessive damages, and incidental charges for which security deposits are required.

Parking lots and parking garages

Existing parking infrastructure often relies on a digital payment kiosk without attendants to transact with customers using cash. Exempting parking lots and garages would mean those businesses do not need to change how they transact business, nor require them to keep large amounts of cash on hand in a minimal-security environment.

Sporting and entertainment venues

The recommended program should exempt all sporting or entertainment venues, including music festivals. These businesses and events are run on such a large scale that it is impractical to require cash acceptance, which slows down transactions and could create a crime risk.

Businesses operating from a vehicle or mobile space (food trucks, pop-ups)

Businesses in this category, which generally operate in a public space, could become targets for theft were they required to carry large amounts of cash and change. Council's continued support for food vending initiatives, as well as Los Angeles' overall culture of food trucks and pop-ups, would be recognized by including this exception in a cashless retail ban.

Cash Conversion Devices

Cash Conversion Devices (CCDs) are machines that allow customers to deposit cash in exchange for a prepaid card or device (such as a wristband) that holds a balance that the customer may use at the vendor's location. Jurisdictions place varying requirements on CCDs, as described in further detail in the subsequent "Survey of Legislation" section of this report. Our Office recommends that this exception should include requirements of a \$1 minimum deposit, cash refunds of remaining funds, and no fees, transaction limits, or expiration of funds. Businesses that include a CCD are offering cash-paying customers an option for payment, and thus should not be required to provide additional payment options.

Temporary instances in which the retailer is unable to accept cash

This exception would allow for an exemption during temporary circumstances, such as a malfunction of a cash-accepting device, or when the retailer runs out of cash to make change, which are uncontrollable circumstances for which the retailer should not be punished.

Enforcement

Enforcement of the proposed ban can be handled in one of two ways: through civil action or through penalties imposed by a government department.

Civil action involves providing the right of an aggrieved consumer to bring legal action against an offending business. This enforcement option allows consumers to potentially receive compensation for acts by a business that has violated a cashless ban. However, the right of civil action opens the possibility that litigious actors may file excessive or improper suits against businesses in hopes of extracting a settlement.

Our Office recommends that a City department take the lead in enforcement. The Commission on Civil Rights (Commission) is tasked by Ordinance 187032 (Civil and Human Rights Ordinance) to investigate complaints of discrimination and enforce against violators through fines and corrective action. The Commission works in close partnership with CHRED to hold businesses and individuals accountable for discriminatory practices that deny equal treatment to any individual in private employment, housing, education, or commerce.

Representatives from CHRED have indicated that enforcement of a Cashless Retail Ban program would fit within the mission and jurisdiction of CHRED and the Commission. The Department has an operation in place for enforcement measures, a team of inspectors, and a history of enforcement subsequent to the enactment of the Civil and Human Rights Ordinance in 2019. Therefore, our Office recommends that a Cashless Retail Ban program be assigned to the Commission and CHRED.

As noted, the City must balance the needs of consumers with those of the businesses that will also be affected by such a policy. EWDD is the City department most directly interfacing with the small business community on a regular basis, as evidenced by the implementation of the Small Business Commission. CHRED, on the other hand, assists with advocacy against discriminatory practices, such as those by businesses that are violating City restrictions. In conjunction, these two departments could provide even-handed enforcement of a Cashless Retail Ban.

Next Steps

Our Office recommends that Council adopt the framework for a Cashless Retail Ban as proposed above. Our Office also recommends that Council instruct EWDD, with the assistance of the CLA and CHRED, to seek comment from the business community and other stakeholders, reporting back in 45 days, in order to garner feedback that may influence amendments to the proposal. Additionally, it is recommended that EWDD and CHRED, in coordination with the City Attorney and CLA, be instructed to develop an enforcement and fine structure, reporting back in 45 days.

After receiving feedback, Council would determine how to move forward with a Cashless Retail Ban program. It is recommended that if Council implements such a law, that an educational campaign be developed in order to inform the public and small businesses of the new legislative requirements.

FISCAL IMPACT STATEMENT

There is no fiscal impact resulting from the recommendations in this report.



Alex Whitehead
Analyst

Attachments: Attachment A - Components of Cashless Retail Ban Legislation
Attachment B - Comparison of Cashless Retail Ban Legislation (Chart)

Attachment A - Components of Cashless Retail Ban Legislation

Survey of Legislation

The specific factors for each program element (requirements, exceptions, and enforcement) found in the legislation of other jurisdictions is detailed in the sections below.

Requirements

Analyzed legislation provided three general requirement types: the required acceptance of cash, the prohibited discrimination against cash-paying customers, and the prohibited posting of cashless signage:

1. Required Acceptance of Cash

Only one requirement was in every piece of analyzed legislation: the stipulation that it is unlawful to refuse to accept cash as payment.

2. Prohibited Discrimination against Cash-Paying Customers

Over half of analyzed legislation makes it unlawful to place a condition on using cash as payment for goods, but the manner of this condition varies between jurisdictions. Some jurisdictions state that it is unlawful to discriminate in any way against cash-paying customers, such as charging a higher price or fee; others state that it is unlawful for vendors to charge a higher price, but may charge a *lower* price, to such customers.

3. Prohibited Posting of Cashless Signage

The final requirement found in related legislation is the prohibition of the posting of signage that indicates that cash payment is not accepted or will be charged a higher rate or fee. In the event that the City were to approve legislation requiring the acceptance of cash, such signage would be a deceptive practice.

Exceptions

The following provides a breakdown of each exception found in analyzed legislation, including the number of jurisdictions with enacted or proposed legislation that include such an exception (out of the 24 total jurisdictions analyzed):

1. Currency Amount Limits

Certain exceptions related to currency denominations and the total amount of a transaction:

a. Bill denominations of or over a certain amount

Some jurisdictions create an exception related to the bill denomination amount being used in a cash transaction. Most of these exceptions are for bills of "over \$20," while others note \$50 notes, \$100 notes, and other combinations of these denominations. Twelve jurisdictions include this in their respective programs.

b. Coin transactions over a certain total amount

Oregon's statewide cashless ban, in addition to creating an exception for denominations of \$50 or \$100, also exempts the refusal of a transaction in which over \$100 of coins are being offered. Only Oregon included this exception in their program.

c. Transactions over a certain total amount

Certain jurisdictions exempt transactions over a certain total amount. San Francisco instituted a limit of \$5,000, while Berkeley implemented a \$500 limit. These pieces of legislation note that a customer may make cash payment up to that amount, but that the vendor may refuse cash for any amount over that limit. For example, in San Francisco, a customer must be allowed to pay \$5,000 of a \$6,000 bill in cash, but a vendor can require another form of payment for the remaining \$1,000 balance. Six jurisdictions include this in their respective programs.

2. Location of Transaction

Some exceptions were dictated by the location of the transaction, such as if the transaction was completed in a non-physical location. This could include transactions made on an internet website, on the telephone, or on an aircraft:

<u>Transaction Location</u>	<u># of Jurisdictions</u>
a. Telephone, mail, or internet	12
b. Internet	3
c. Not in-person	1
d. At an airport	2
e. On an aircraft	1
f. Curbside pickup and delivery	1

3. Type of Transaction

The transaction type prompted some jurisdictions to create specific exceptions:

a. Security deposits

Transactions which require a security deposit made via non-cash payment (such as a hotel reservation, or rental car reservation). Eleven jurisdictions include this in their respective programs.

b. Membership-based transactions

Transactions, such as purchases or membership fees, related to a membership-based retail organization, such as wholesale stores with a membership. Six jurisdictions include this in their respective programs.

c. Employee-exclusive transactions

Consumer goods or services provided exclusively to employees and others authorized to be on the employer's premises. Four jurisdictions include this in their respective programs.

d. Escrow transactions (one jurisdiction)

e. Written contracts dictating non-cash payment (one jurisdiction)

4. Type of Business

Certain exceptions were made based on the specific business at which the transaction occurs:

a. Parking lots and parking garages

As a note, Oregon only exempted from the ban parking garages or lots where coins were otherwise allowed as a payment option. Eight jurisdictions include this in their respective programs.

b. Major venues (such as sports and entertainment venues)

Jurisdictions that allowed an exception for large venues varied in approach. Ohio proposes exempting entertainment and sports venues with a capacity of 10,000 or more; Delaware exempts all sporting or entertainment venues, including music festivals; and North Carolina proposes exempting all venues that host professional and interscholastic athletic activities. Three jurisdictions include major venues in their respective programs.

c. Banks and credit unions (four jurisdictions)

d. Vehicle rentals, provided cashiers' checks are accepted (three jurisdictions)

e. Self-service check-outs (two jurisdictions)

f. Retail locations with no one to accept payment (two jurisdictions)

g. Vending machines (two jurisdictions)

h. Other types of business

Other businesses exempted from bans include: businesses operating from a vehicle or mobile space (food trucks, pop-ups); farmers markets and roadside stands; electric or natural gas public utilities; rideshare services; government owned and operated businesses, including those of the Department of Revenue; fuel and electric vehicle charging stations; micro markets; hospitals; sales made between 11 p.m. and 6 a.m. for restaurants, fuel stations, and grocery stores; vehicle wash services; and insurance providers. Each of these exceptions are included in one jurisdiction, respectively.

5. Cash Conversion Devices

A major exception found in half of analyzed legislation is when a business provides on-site access to a Cash Conversion Device (CCD). As described in the recommended program, CCDs are machines that allow customers to deposit cash in exchange for a prepaid card or device (such as a wristband) that holds a balance that the customer may use at the vendor's location. 12 jurisdictions include this exception in their respective programs. If an exception is made for businesses with a CCD, the following factors should be considered:

a. CCD: Minimum Deposit Amount

Some jurisdictions dictate a maximum amount that a CCD may require a customer to deposit. Five of the twelve jurisdictions with CCD exceptions have a \$5 limit; five have a \$1 limit; and two have no stated limit.

b. CCD: No Fees or Transaction Limit

Several cashless bans directly note that no fees may be charged to the customer, nor a limit on the number of transactions that can be made by a customer.

c. CCD: Cash Refund and Expiration of Funds

Many pieces of analyzed legislation note that unused CCD card funds are subject to a cash refund through the CCD or business, and that funds may not expire. Some jurisdictions allow CCD companies to charge a monthly maintenance fee, after twelve months, for prepaid cards with an unspent balance.

6. Other Factors

Jurisdictions with cashless retail ban legislation also considered the following:

a. Temporary instances in which the retailer is unable to accept cash

Some bans exempt temporary circumstances, such as a malfunction of a cash-accepting device, or when the retailer runs out of cash to make change. Three jurisdictions include this in their respective programs.

b. During a Mayor-declared public health emergency

The COVID-19 pandemic, and potential viral contamination of cash during a health crisis, prompted Washington, D.C. to institute an exception to the cashless ban, in which businesses do not need to accept cash during a Mayor-declared public health emergency. This is the only jurisdiction to include this in their program.

c. Reasonably suspected counterfeiting

Only San Francisco included this exception in their program.

Enforcement

While some legislation relies on civil action for enforcement, most jurisdictions provide for penalties imposed by a government department. Citywide enforcement of a Cashless Retail Ban would require a penalty structure, as well as an enforcement department.

1. Penalty Structure

Penalties imposed for offending businesses vary in structure. Some jurisdictions impose the same penalty amount for each offense. Others apply a rising penalty amount for each offense, typically capped at a repeating 'third offense' amount. Additionally, there are jurisdictions that place a limit on the amount of overall penalties that can be imposed on a business, with both monthly and yearly caps.

The penalty amount for first offenses of cashless retail bans vary from \$50 to \$2,500; the penalty amount for second offenses vary from \$100 - \$1,500; and the penalty amount for third and repeat offenses vary from \$500 to \$5,000.

The option of imprisonment is also included in some legislation.

2. Enforcement

Enforcement of the proposed ban can be handled in one of two ways: through civil action, or through penalties imposed by a government department.

Civil action includes a resident's right to private action against a violator. Under civil action a resident may be allowed to file legal action, such as a lawsuit, against a retail business that does not abide by the cashless ban. This would allow the aggrieved party to collect restitution for damages incurred in the violating action.

Government department enforcement provides a department with the right to administer an ordinance, and install a fine structure against violating businesses. This department would intake complaints relative to the cashless retail ban, investigate alleged violators, and impose fines to penalize businesses that have been confirmed to have breached the ordinance.

Attachment B - Comparison of Cashless Retail Ban Legislation (Chart)

Comparison of Cashless Retail Business Ban Legislation

Jurisdiction	Juris. Type	Status	Bill / Law	Year	Requirements	Exclusions	Enforcement	Penalties
Massachusetts	State	Approved	General Law, Part III, Title IV, Chapter 255D, Section 10A	1978	- Unlawful to refuse to accept cash as payment	- None	- Enforcement measures are unclear	- Enforcement measures are unclear
San Francisco, CA	City	Approved	Police Code, Article 55	2019	- Unlawful to refuse to accept cash as payment - Unlawful to charge a fee or place any other condition on acceptance of cash	- Internet-based businesses with no physical location in the City - Businesses operating from a vehicle or mobile space (food trucks, pop-ups) - Reasonably suspected counterfeiting - Denominations over \$20 - Transactions over a total of \$5,000	County Agricultural Commissioner-Sealer of Weights and Measures	- 1st Offense: \$50-\$100 - 2nd Offense: \$100-\$200 (w/in 12 months) - 3rd Offense: \$500-\$1,000 (w/in 12 months) - Can charge violator for enforcement costs
Berkeley, CA	City	Approved	Municipal Code Ch. 9.50	2019	- Unlawful to refuse to accept cash as payment - Unlawful to charge a fee or place any other condition on acceptance of cash	- Reasonably suspected counterfeiting - Denominations over \$20 - Transactions over a total of \$500 - Reservations made with credit	Not certain (misdemeanor)	- 1st Offense: \$50-\$100 - 2nd Offense: \$100-\$200 (w/in 12 months) - 3rd Offense: \$500-\$1,000 (w/in 12 months)
Philadelphia, PA	City	Approved	Philadelphia Code, Title 9, Ch. 9-1132	2019	- Unlawful to refuse to accept cash as payment - Unlawful to charge a higher price to cash-paying customers - Unlawful to post signs stating cash payment is not accepted	- Telephone, mail, or internet transactions - Parking lots and parking garages - Membership-based transactions - Employee-exclusive transactions - Security Deposits	Commission on Human Relations	- \$2,000 per offense - Repeat violators subject to imprisonment
New Jersey	State	Approved	AB 591	2019	- Unlawful to refuse to accept cash as payment	- Telephone, mail, or internet transactions - Transactions made at an airport - Parking lots and parking garages - Motor vehicle rentals, provided they accept cashier's checks	Superior Court, civil action	- 1st Offense: \$2,500 - 2nd Offense: \$5,000 - Further Offenses: "more punitive fines"
Rhode Island	State	Approved	S 889 / H 5116	2019	- Unlawful to refuse to accept cash as payment - Unlawful to discriminate against cash-paying customers	- Internet transactions	- Enforcement measures are unclear	- Enforcement measures are unclear
New York City, NY	City	Approved	Law No. 2020/34	2020	- Unlawful to refuse to accept cash as payment - Unlawful to charge a higher price to cash-paying customers	- Denominations over \$20 - Telephone, mail, or internet transactions - Cash Conversion Devices (\$5 max min)	Department of Consumer Affairs	- 1st Offense: Up to \$1,000 - Further Offenses: Up to \$1,500
Washington, DC	City	Approved	D.C. Law 23-187	2020 (Enacted) 2023 (Enforced)	- Unlawful to refuse to accept cash as payment - Unlawful to charge a higher price to cash-paying customers - Unlawful to post signs stating cash payment is not accepted	- Telephone, mail, or internet transactions - Parking facilities that were cashless as of 12/1/2020 - Cash Conversion Devices (\$5 max min) - During a Mayor-declared public health emergency	Not certain (unlawful trade practice)	- Enforcement measures are unclear
Colorado	State	Approved	HB 21-1048	2021	- Unlawful to refuse to accept cash as payment, but only if the establishment has an individual accepting payments in person	- Security Deposits - Retail offering Cash Conversion Devices (\$1 max min) - Banks and Credit Unions	Not certain (Class II Petty Offense)	- Up to \$250 per offense
Connecticut	State	Approved	HB 5312	2021	- Unlawful to refuse to accept cash as payment - Unlawful to charge a higher price to cash-paying customers - Unlawful to post signs stating cash payment is not accepted	- Telephone, mail, or internet transactions - Parking lots and parking garages - Membership-based transactions - Employee-exclusive purchases - Security Deposits	Commissioner of Consumer Protection (may adopt regulations to implement the provisions)	- Enforcement measures are unclear

Comparison of Cashless Retail Business Ban Legislation

Jurisdiction	Juris. Type	Status	Bill / Law	Year	Requirements	Exclusions	Enforcement	Penalties
Delaware	State	Approved	HB 299	2022	<ul style="list-style-type: none"> - Unlawful to refuse to accept cash as payment - Unlawful to discriminate against cash-paying customers, such as charging a higher price (though they may charge a lower price) 	<ul style="list-style-type: none"> - Goods and services provided by an electric or natural gas public utility - Transactions made not in-person - Telephone, mail, or internet transactions - Parking lots and parking garages - Security deposits - Sporting or entertainment events, including music festivals - Cash Conversion Devices (\$5 max min) 	Division of Consumer Protection	<ul style="list-style-type: none"> - 1st Offense: \$1,000 - 2nd Offense: \$1,500 - Further Offenses: \$2,500
Oregon	State	Approved	SB 1565	2022	<ul style="list-style-type: none"> - Unlawful to refuse to accept cash as payment - Unlawful to discriminate against cash-paying customers (though they may charge a lower price) 	<ul style="list-style-type: none"> - Coins over a total of \$100 - Denominations of \$50 or \$100 - Farmers markets, roadside stands - Transactions occurring on aircraft - Security Deposits - US Gov. Agency-owned/operated, including Department of Revenue - Telephone, mail, or internet transactions - Fuel and electric vehicle charging stations - Micro markets and vending machines - Hospitals - Banks and Credit Unions - Escrow transactions - Membership-based transactions - Parking pay stations (must accept coins) - Cash Conversion Devices (no transaction fee, full cash refund) 	Bureau of Labor and Industries	- No specific fines or penalties are dictated in the legislation
Montana	State	Approved	SB 558	2023	<ul style="list-style-type: none"> - Unlawful to refuse to accept cash as payment, but only if the establishment has an individual accepting payments in person 	<ul style="list-style-type: none"> - Security Deposits - Retail offering Cash Conversion Devices (\$1 max min) - Banks and Credit Unions 	Department of Justice	- Up to \$100 per offense
Detroit, MI	City	Approved	City Code Ch. 40, Article III, Sections 40-3-1 - 40-3-6	2023	<ul style="list-style-type: none"> - Unlawful to refuse to accept cash as payment - Unlawful to charge a higher price to cash-paying customers - Unlawful to post signs stating cash payment is not accepted 	<ul style="list-style-type: none"> - Telephone, mail, or internet transactions - Parking lots and parking garages - Membership-based transactions - Rideshare services - Security Deposits - Cash Conversion Devices (\$5 max min) - Denominations of \$100 or over 	Not certain (misdemeanor)	- \$500 per offense, 90 days in jail, or both (misdemeanor)
United States	Federal	Proposed (In Committee)	HR 4128 / S 1984	2023 (Intro'd 6/14/23)	<ul style="list-style-type: none"> - Unlawful to refuse to accept cash as payment - Unlawful to charge a higher price to cash-paying customers 	<ul style="list-style-type: none"> - Telephone, mail, or internet transactions (with the exception of in-person such payments) - Transactions over a total of \$500 - Temporary instances in which the retailer is unable to accept cash, such as a malfunction or when the retailer runs out of cash to make change - Cash Conversion Devices (\$1 max min) - Denominations of \$50 or higher (subject to change in 5 years) 	Civil Action	<ul style="list-style-type: none"> - 1st Offense: Up to \$500 - Further Offenses: Up to \$1,500 - Offender is liable for liquid damages up to \$250
California	State	Proposed (In Committee)	SB 926	2020 (Intro'd 2/5/23; held in Committee as on 6/18/20)	<ul style="list-style-type: none"> - Unlawful to refuse to accept cash as payment 	<ul style="list-style-type: none"> - Transactions over a total of \$5,000 - Telephone, mail, or internet transactions - Security Deposits - Membership-based transactions - Employee-exclusive transactions 	Attorney General	- Between \$25 and \$500 per offense
Arizona	State	Proposed (Not Yet Agendized)	HB 2555	2023 (Intro'd 1/30/23; Engrossed, awaiting Third Reading and Final Vote 4/3/23)	<ul style="list-style-type: none"> - Unlawful to refuse to accept cash as payment - Unlawful to charge a higher price to cash-paying customers 	<ul style="list-style-type: none"> - Transactions over a total of \$100 - Internet transactions - Written contracts dictating non-cash payment 	Civil Action	- \$1,000 per offense, per person, per day, for a total of \$5,000 per person (adjustable for inflation)

Comparison of Cashless Retail Business Ban Legislation

Jurisdiction	Juris. Type	Status	Bill / Law	Year	Requirements	Exclusions	Enforcement	Penalties
Oklahoma	State	Proposed (In Committee)	SB 888	2023 (Intro'd 2/6/23)	- Unlawful to refuse to accept cash as payment	- None	- None	- None
Illinois	State	Proposed (In Committee)	HB 3281	2023 (Intro'd 2/17/23; Amended and re-referred to Rules Committee 3/27/23)	- Unlawful to refuse to accept cash as payment - Unlawful to charge a higher price to cash-paying customers	- Telephone, mail, or internet transactions - Transactions over a total of \$750 - Self-service check-outs - Sales between 11pm and 6am for restaurants, fuel stations, and grocery stores - Temporary instances in which the retailer is unable to accept cash, such as a malfunction or when the retailer runs out of cash to make change - Membership-based transactions - Cash Conversion Devices - Denominations over \$20	Not certain	- 1st Offense: Up to \$50 - 2nd Offense: Up to \$100 (w/in 12 months) - 3rd Offense: Up to \$500 (w/in 12 months) - No more than a total of \$5,000 in fines in a single year
Missouri	State	Proposed (In Committee)	HB 431	2023 (Intro'd 1/4/23)	- Unlawful to refuse to accept cash as payment	- Location has no one to accept payment - Security Deposits - Cash Conversion Devices (\$1 max min) - Banks and Credit Unions	Not certain (class D misdemeanor)	- Up to \$500 per offense
Kentucky	State	Proposed (In Committee)	SB 257	2023 (Intro'd 2/21/23)	- Unlawful to refuse to accept cash as payment	- None	Not certain	- At least \$200 per offense
Ohio	State	Proposed (In Committee)	SB 38	2023 (Intro'd 1/31/23)	- Unlawful to refuse to accept cash as payment	- Telephone, mail, or internet transactions - Transactions made at an airport - Parking lots and parking garages - Motor vehicle rentals, provided they accept cashier's checks - Cash Conversion Devices (\$5 max min) - Sports or entertainment venues with a capacity of 10,000 or more	Civil Action, and Attorney General	- Civil: 3x transaction cost, plus up to \$5,000 in noneconomic damages
North Carolina	State	Proposed (In Committee)	HB 20	2023 (Intro'd 1/25/23; Amended and re-referred to Health Care Committee 6/12/23)	- Unlawful to refuse to accept cash as payment - Unlawful to charge a higher price to cash-paying customers	- Location has no one to accept payment - Temporary instances in which the retailer is unable to accept cash, such as a malfunction or when the retailer runs out of cash to make change - Cash Conversion Devices (\$1 max min) - Vending Machines - Curbside Pickup / Delivery - Employee-exclusive transaction - Self-checkout, provided there is another location at the address that takes cash - Security Deposits - Vehicle wash services - Venues that host professional or interscholastic athletic activity - Rental car companies - Insurance providers - Denominations of \$50 or higher	Secretary of Commerce	- Up to \$500 per offense, not to exceed \$500 in any calendar month, or \$2,000 in any calendar month
South Carolina	State	Proposed (In Committee)	HB 3694	2023 (Intro'd 1/12/23)	- Unlawful to refuse to accept cash as payment	- None	- Enforcement measures are unclear	- Enforcement measures are unclear
New York (A)	State	Proposed (In Committee)	S2729 / A476	2023 (Intro'd 1/9/23; Passed Senate 6/6/23; referred to House Committee)	- Unlawful to refuse to accept cash as payment	- Applies to Food-Service and Retail establishments only	Civil Penalty, Department of Labor	- Civil: 1st Offense: \$250 - Civil: 2nd Offense: \$500