

1 [Police Code - Acceptance of Cash by Brick-and-Mortar Businesses]

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3 **Ordinance amending the Police Code to require, in general, that brick-and-mortar**  
4 **businesses accept payment in cash.**

5 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
6 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
7 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
8 **Board amendment additions** are in double-underlined Arial font.  
9 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
10 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
11 subsections or parts of tables.

9

10 Be it ordained by the People of the City and County of San Francisco:

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12 Section 1. The Police Code is hereby amended by adding Article 55, consisting of  
13 Sections 5500–5504, to read as follows:

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15 **ARTICLE 55: LEGAL RIGHTS FOR LEGAL TENDER**

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17 **SEC. 5500. FINDINGS AND PURPOSE.**

18 *San Francisco strives to be a welcoming, inclusive place for all City residents. Consistent with*  
19 *this ethos of inclusivity, the City strives to empower all of its residents to participate in San Francisco’s*  
20 *economic life. A key aspect of participation in economic life in the City, as anywhere, is the ability to*  
21 *purchase goods and services.*

22 *For many City residents (for example, those who are denied access to credit, or who are unable*  
23 *to obtain bank accounts), the ability to purchase goods and services depends on the ability to pay for*  
24 *those goods and services in cash. This is especially true of the very poor.*

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1 Millions of Americans do not hold bank accounts, or otherwise fall outside the non-cash  
2 financial system. Some stand apart by choice, because they are concerned about privacy and do not  
3 want their every financial transaction recorded by banks and credit card companies; physical cash  
4 remains the most accessible anonymous medium of exchange in this country. Others may not be well  
5 situated to participate in the formal banking system, or may be excluded from that system against their  
6 will. In short, denying the ability to use cash as a payment method means excluding too many people.

7 According to the Federal Deposit Insurance Corporation (FDIC), in 2017, 17% of all African-  
8 American households and 14% of all Latino households in the U.S. had no bank account. These  
9 numbers may be much higher in San Francisco, where, according to a 2005 study commissioned by the  
10 City, as many as 50% of African-American and Latino households were estimated to be unbanked. In  
11 this reality, not accepting cash payment is tantamount to systematically excluding segments of the  
12 population that are largely low-income people of color. Cashless business models may also have  
13 significant detrimental impacts on young people who do not meet age requirements for credit cards, for  
14 the elderly (many of whom have not transitioned to credit and digital payment modes at the same rate  
15 as younger generations), and for other vulnerable groups (such as homeless and immigrant  
16 populations).

17 The City must remain vigilant in ensuring its economy is inclusionary and accessible to  
18 everyone. The purpose of this Article 55 is to ensure that all City residents—including those who lack  
19 access to other forms of payment—are able to participate in the City’s economic life by paying cash for  
20 goods and services.

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22 **SEC. 5501. DEFINITIONS.**

23 For purposes of this Article 55, the following definitions apply:

24 “Brick-and-Mortar Business” means any place of business operating at a fixed, permanent  
25 physical premises. “Brick-and-Mortar Business” does not include any business not operating at a

1 physical premises (such as a business operating via the Internet), or any business operating from a  
2 vehicle or other mobile space (such as a food truck), or any business operating from a temporary  
3 physical premises (such as a pop-up).

4 “Cash” means United States currency, in the form of both paper Federal Reserve Notes and  
5 metal coins. “Cash” does not include currency issued under the authority of any country other than  
6 the United States; any paper instrument other than a Federal Reserve Note (including, but not limited  
7 to, any check, bond, or promissory note); or any metal coin (including, but not limited to, any gold or  
8 silver coin) that is not legal tender in the United States.

9 “City” means the City and County of San Francisco.

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11 **SEC. 5502. BRICK-AND-MORTAR BUSINESSES REQUIRED TO ACCEPT CASH.**

12 Except as set forth in Section 5503, every Brick-and-Mortar Business within the City must  
13 accept payment in Cash, if offered, for any transaction for which the business would accept one or  
14 more other forms of payment (including, but not limited to, check, credit card, debit card, or any form  
15 of electronic payment) if the customer seeking to engage in that transaction and a representative of the  
16 business who is responsible for accepting or processing payment for that transaction are both  
17 physically present at the point of sale.

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19 **SEC. 5503. EXCEPTIONS.**

20 **(a) Suspected Counterfeit Currency.** A Brick-and-Mortar Business may refuse to accept  
21 Cash or putative Cash that the business reasonably suspects to be counterfeit.

22 **(b) Large Denominations.** A Brick-and-Mortar Business may refuse to accept Cash in any  
23 denomination larger than a twenty-dollar bill, but shall otherwise accept any combination of paper  
24 Federal Reserve Notes and metal coins in connection with any transaction covered by Section 5502.

1           **SEC. 5504. ENFORCEMENT.**

2           **(a) Division of Weights and Measures.** *The Sealer of the Weights and Measures Division,*  
3 *and the Sealer’s employees, agents, or other designees, shall have the authority to enforce this Article*  
4 *55 as set forth in this Section 5504.*

5           **(b) No Worker Liability.** *The obligation to ensure that a Brick-and-Mortar Business*  
6 *complies with this Article 55 shall fall only on the business, or (in any case in which the owner or*  
7 *owners of the business are responsible for a policy or practice causing a violation of this Article) on*  
8 *the owner or owners of the business. No employee or independent contractor working at a Brick-and-*  
9 *Mortar Business shall be held liable for any violation of this Article.*

10           **(c) Violations Defined.** *Each transaction or attempted transaction in which a Brick-and-*  
11 *Mortar Business fails to accept Cash as required by Section 5502 shall constitute a separate violation*  
12 *of this Article 55.*

13           **(d) Penalties.** *Any violation of this Article shall be an infraction or misdemeanor*  
14 *punishable as hereinafter specified:*

15                   **(1)** *For a first violation of this Article, an infraction punishable by a fine not*  
16 *exceeding \$100 and not less than \$50;*

17                   **(2)** *For a second violation of this Article within a 12-month period, an infraction*  
18 *punishable by a fine not exceeding \$200 and not less than \$100; and*

19                   **(3)** *For a third violation of this Article within a 12-month period, and any additional*  
20 *violation within a 12-month period, a misdemeanor punishable by a fine not exceeding \$1,000 and not*  
21 *less than \$500.*

22           **(e) Enforcement Costs.** *In addition to the penalties set forth in subsection (c), the court*  
23 *may order that a violator of this Article 55 reimburse the City for all its costs incurred in investigating*  
24 *and prosecuting the enforcement action against that violator.*

1 Section 2. Effective Date. This ordinance shall become effective 30 days after  
2 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
3 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
4 of Supervisors overrides the Mayor's veto of the ordinance.

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6 APPROVED AS TO FORM:  
7 DENNIS J. HERRERA, City Attorney

8 By: \_\_\_\_\_  
9 MATTHEW LEE  
Deputy City Attorney

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