

LEGISLATIVE DIGEST

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

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

Existing Law

Nothing in existing state or local law requires businesses to accept payment in cash.

Amendments to Current Law

This ordinance would generally require so-called “brick-and-mortar” businesses in the City to accept payment in cash. In particular, such businesses would be required to accept cash for any transaction for which the business would accept any other form of payment, if both the customer and a representative of the business are physically present at the point of sale. The ordinance would not apply unless both parties were physically present.

The ordinance defines “brick-and-mortar” businesses to mean businesses operating at fixed, permanent physical premises. Businesses that do not fit this definition (for example, online-only businesses, businesses operating from mobile spaces like vehicles, or temporary businesses like pop-ups) would not be covered by the ordinance.

The ordinance defines “cash” to mean only valid U.S. currency—i.e., paper Federal Reserve Notes and metal coins that are legal tender in the United States. The ordinance would not require businesses to accept other currency.

The ordinance contains two other exceptions to its general requirement that brick-and-mortar businesses accept cash. First, the ordinance would allow a brick-and-mortar business to reject cash that the business reasonably suspects to be counterfeit. Second, the ordinance would allow a brick-and-mortar business to refuse to accept cash in any denomination larger than a twenty-dollar bill, but would require acceptance of any combination of paper currency and coins in smaller denominations.

The ordinance would be enforced by the Sealer of the Weights and Measures Division. Violation of the ordinance would be either an infraction or (for three or more offenses within twelve months) a misdemeanor, punishable by escalating fines. Only businesses or business owners could be held liable for violations of the ordinance; no liability would fall on employees.