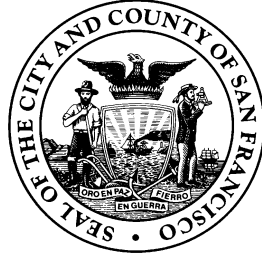


BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448

FROM: John Carroll, Assistant Clerk, Public Safety and Neighborhood Services
Committee, Board of Supervisors

DATE: March 27, 2019

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Public Safety and Neighborhood Services Committee

The Board of Supervisors' Public Safety and Neighborhood Services Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 190164

Ordinance amending the Police Code to require, in general, that brick-and-mortar businesses accept payment in cash in connection with the purchase of goods and services other than professional services.

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102.

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

_____ **No Comment**
_____ **Recommendation Attached**

Chairperson, Small Business Commission

[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 in connection with the purchase of goods and services other than professional services.

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

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

Section 1. The Police Code is hereby amended by adding Article 55, consisting of Sections 5500–5505, to read as follows:

ARTICLE 55: ACCEPTANCE OF CASH BY BRICK-AND-MORTAR BUSINESSES

SEC. 5500. TITLE.

This Article 55 shall be known and may be cited as the “Legal Rights for Legal Tender Ordinance.”

SEC. 5501. FINDINGS AND PURPOSE.

(a) San Francisco strives to be a welcoming, inclusive place for all City residents. Consistent with this ethos of inclusivity, the City strives to empower all of its residents to participate in San

1 Francisco's economic life. A key aspect of participation in economic life in the City, as anywhere, is
2 the ability as a consumer to purchase goods and services.

3 (b) For many City residents (for example, those who are denied access to credit, or who are
4 unable to obtain bank accounts), the ability to engage in consumer transactions depends on the ability
5 to pay for goods and many services in cash. This is especially true of the very poor.

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

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

22 (e) The City must remain vigilant in ensuring its economy is inclusionary and accessible to
23 everyone. The purpose of this Article 55 is to ensure that all City residents—including those who lack
24 access to other forms of payment—are able to participate in the City's economic life by paying cash for
25 goods and many services.

1
2 SEC. 5502. DEFINITIONS.

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

4 “Brick-and-Mortar Business” means any place of business operating at a fixed, permanent
5 physical premises. Brick-and-Mortar Business does not include any business not operating at a
6 physical premises in San Francisco (one example being a business operating in the City exclusively via
7 the Internet without any physical premises in the City), or any business operating from a vehicle or
8 other mobile space (one example being a food truck), or any business operating from a temporary
9 physical premises (one example being a pop-up).

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

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

16 “Professional Services” means services that require extended analysis, the exercise of
17 discretion and independent judgment in their performance, and/or the application of an advanced,
18 specialized type of knowledge, expertise, or training customarily acquired either by a prolonged course
19 of study or equivalent experience in the field. Examples of Professional Services include, but are not
20 limited to, services provided by accountants; architects; attorneys; engineers; financial advisers;
21 insurance agents; interior designers; management and other consultants; and software developers.
22 Notwithstanding the previous sentence, Professional Services does not include services provided by
23 licensed medical and allied health care professionals, such as, but not limited to, doctors, dentists, and
24 nurses. But licensure by the State or City does not in itself mean that an individual provides
25 Professional Services; for example, a cosmetologist is not considered to provide Professional Services

1 as defined. Trade or craft work, such as, but not limited to, shoe repair, tailoring of clothes, and dry
2 cleaning, are not considered Professional Services for purposes of this Article 55.

3 “San Francisco County Sealer” or “Sealer” means the position identified in Administrative
4 Code § 2A.221 as the County Agricultural Commissioner-Sealer of Weights and Measures, and
5 includes the Sealer’s employees as assigned or other designees of the Sealer.

6
7 **SEC. 5503. BRICK-AND-MORTAR BUSINESSES REQUIRED TO ACCEPT CASH.**

8 Except as set forth in Section 5504, every Brick-and-Mortar Business within the City must
9 accept payment in Cash, if offered, for any transaction involving the purchase of any tangible good
10 and/or any service other than Professional Services if, in connection with that transaction, (a) the
11 business would accept one or more other forms of payment (including, but not limited to, check, credit
12 card, debit card, or any type of electronic payment), regardless of when such form of payment is
13 collected, and (b) the customer seeking to engage in that transaction is physically present at the place
14 of business.

15
16 **SEC. 5504. EXCEPTIONS.**

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

19 (b) Large Denominations. A Brick-and-Mortar Business may refuse to accept Cash in any
20 denomination larger than a twenty-dollar bill, but shall otherwise accept any combination of paper
21 Federal Reserve Notes and metal coins in connection with any transaction covered by Section 5503.

22
23 **SEC. 5505. ENFORCEMENT.**

24 (a) San Francisco County Sealer. The San Francisco County Sealer shall have the
25 authority to implement this Article 55 and enforce this Article as set forth in this Section 5505. The

1 Sealer may issue rules, regulations, and/or guidance, as the Sealer deems appropriate, to aid in the
2 implementation and enforcement of this Article.

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

8 (c) Violations Defined. Each transaction or attempted transaction in which a Brick-and-
9 Mortar Business fails to accept Cash as required by Section 5503 shall constitute a separate violation
10 of this Article 55.

11 (d) Penalties. Any violation of this Article 55 shall be an infraction or misdemeanor
12 punishable as hereinafter specified:

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

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

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


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

23
24 Section 2. Effective Date. This ordinance shall become effective 30 days after
25 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the

1 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
2 of Supervisors overrides the Mayor's veto of the ordinance.

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

By: 
for MATTHEW LEE
Deputy City Attorney

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LEGISLATIVE DIGEST
(Substituted 3/19/19)

[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 in connection with the purchase of goods and services other than professional services.

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 “brick-and-mortar” businesses in the City to accept payment in cash for goods and services other than professional services, for transactions for which the business would accept any other form of payment.

“Brick-and-mortar” businesses are defined as operating at fixed, permanent physical premises. Businesses not fitting this definition (e.g., online-only businesses, businesses operating from mobile spaces like vehicles, or temporary businesses like pop-ups) would not be covered by the ordinance. In addition, only transactions where the customer is physically present at the place of business are covered; hence, a transaction where goods are delivered to a customer and paid for on delivery is not covered by the ordinance.

The ordinance would not require businesses to accept currency other than valid U.S. currency—i.e., paper Federal Reserve Notes and metal coins that are legal tender in the United States. In addition, the ordinance would allow a business to reject cash that it reasonably suspects to be counterfeit. And the ordinance would also allow a 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 County Sealer of Weights and Measures. 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.

Carroll, John (BOS)

From: Hosmon, Kiely (BOS)
Sent: Tuesday, March 05, 2019 11:32 AM
To: Carroll, John (BOS)
Cc: Cancino, Juan Carlos (BOS); Mundy, Erin (BOS)
Subject: RE: REFERRAL - YOUTH COMMISSION - File No. 190164 - Police Code - Acceptance of Cash by Brick-and-Mortar Businesses
Attachments: 190164 Youth Commission 1819-RBM-10.pdf
Categories: 190164

Hello John,
Please see the attached document for the Youth Commission's response to BOS File No. 190164.

Cheers,
Kiely

Kiely Hosmon, M.A.

Director

San Francisco Youth Commission
Office: 415.554.6464 | Fax: 415.554.6140

Pronouns Used: she & her

Visit the official [Youth Commission site](#) and [YC facebook page](#).
Sign up for [our newsletter](#).

Complete a Board of Supervisors [Customer Satisfaction form](#).

From: Carroll, John (BOS)
Sent: Wednesday, February 20, 2019 4:10 PM
To: Hosmon, Kiely (BOS) <kiely.hosmon@sfgov.org>
Cc: Cancino, Juan Carlos (BOS) <juancarlos.cancino@sfgov.org>; Mundy, Erin (BOS) <erin.mundy@sfgov.org>
Subject: REFERRAL - YOUTH COMMISSION - File No. 190164 - Police Code - Acceptance of Cash by Brick-and-Mortar Businesses

Greetings:

Supervisor Brown has introduced an ordinance; the matter is assigned to the Public Safety and Neighborhood Services Committee of the Board of Supervisors for the City and County of San Francisco. Linked below is a hearing introduction referral. **Please reach out to Supervisor Brown's Staff for any specific questions on the ordinance matter.**

[Referral FYI MEMO - February 20, 2019](#)

If you would like to submit reports or comments for the public record in this matter please forward them to me via a response email, or by post at the Clerk's Office, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

I invite you to review the entire matter on our [Legislative Research Center](#) by following the link below:

[Board of Supervisors File No. 190164](#)

Thank you for the review.

John Carroll

Assistant Clerk

Board of Supervisors

San Francisco City Hall, Room 244

San Francisco, CA 94102

(415) 554-4445



Click [here](#) to complete a Board of Supervisors Customer Service Satisfaction form.

The [Legislative Research Center](#) provides 24-hour access to Board of Supervisors legislation and archived matters since August 1998.

***Disclosures:** Personal information that is provided in communications to the Board of Supervisors is subject to disclosure under the California Public Records Act and the San Francisco Sunshine Ordinance. Personal information provided will not be redacted. Members of the public are not required to provide personal identifying information when they communicate with the Board of Supervisors and its committees. All written or oral communications that members of the public submit to the Clerk's Office regarding pending legislation or hearings will be made available to all members of the public for inspection and copying. The Clerk's Office does not redact any information from these submissions. This means that personal information—including names, phone numbers, addresses and similar information that a member of the public elects to submit to the Board and its committees—may appear on the Board of Supervisors website or in other public documents that members of the public may inspect or copy. SPQSF*

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Kiely Hosmon, Director, Youth Commission
FROM: John Carroll, Assistant Clerk,
Public Safety and Neighborhood Services Committee
DATE: February 20, 2019
SUBJECT: LEGISLATIVE MATTER INTRODUCED

The Board of Supervisors' Public Safety and Neighborhood Services Committee has received the following ordinance, introduced by Supervisor Brown on February 12, 2019. At the request of the Youth Commission, this item is being referred for comment and recommendation.

File No. 190164

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

Please return this cover sheet with the Commission's response to John Carroll, Assistant Clerk, Public Safety and Neighborhood Services Committee.

RESPONSE FROM YOUTH COMMISSION Date: March 4, 2019

No Comment
 Recommendation Attached

Chairperson, Youth Commission

Youth Commission
City Hall ~ Room 345
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4532



(415) 554-6446
(415) 554-6140 FAX
www.sfgov.org/youth_commission

YOUTH COMMISSION
MEMORANDUM

TO: John Carroll, Clerk, Public Safety and Neighborhood Services Committee
FROM: Youth Commission
DATE: Tuesday, March 5, 2019
RE: Referral response to BOS File No. 190164 – [Police Code - Acceptance of Cash by Brick-and-Mortar Businesses]

At our **Monday, March 4, 2019, meeting**, the Youth Commission voted unanimously to support the following motion:

To support BOS File No. 190164 - [Police Code - Acceptance of Cash by Brick-and-Mortar Businesses].

Youth Commissioners thank the Board of Supervisors for their attention to this issue. If you have any questions, please contact our office at (415) 554-6446, or your Youth Commissioner.

A handwritten signature in black ink, appearing to read "Bahlam Vigil".

Bahlam Vigil, Chair
Adopted on March 4, 2019
2018-2019 San Francisco Youth Commission

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: William Scott, Police Chief
Vicki Hennessy, Sheriff
Jeff Adachi, Public Defender
George Gascón, District Attorney
Sheryl Evans Davis, Human Rights Commission

FROM: John Carroll, Assistant Clerk,
Public Safety and Neighborhood Services Committee,
Board of Supervisors

DATE: February 20, 2019

SUBJECT: LEGISLATION INTRODUCED

The Board of Supervisors' Public Safety and Neighborhood Services Committee has received the following proposed legislation, introduced by Supervisor Brown on February 12, 2019:

File No. 190164

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

If you have any comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102.

c: Rowena Carr, Police Department
Asja Steeves, Police Department
Dierdre Hussey, Police Department
Johanna Saenz, Sheriff's Office
Katherine Johnson, Sheriff's Office
Nancy Crowley, Sheriff's Office
Christine Soto DeBerry, Office of the District Attorney
Maxwell Szabo, Office of the District Attorney

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
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MEMORANDUM

TO: Kiely Hosmon, Director, Youth Commission

FROM: John Carroll, Assistant Clerk,
Public Safety and Neighborhood Services Committee

DATE: February 20, 2019

SUBJECT: LEGISLATIVE MATTER INTRODUCED

The Board of Supervisors' Public Safety and Neighborhood Services Committee has received the following ordinance, introduced by Supervisor Brown on February 12, 2019. At the request of the Youth Commission, this item is being referred for comment and recommendation.

File No. 190164

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

Please return this cover sheet with the Commission's response to John Carroll, Assistant Clerk, Public Safety and Neighborhood Services Committee.

RESPONSE FROM YOUTH COMMISSION Date: _____

No Comment
 Recommendation Attached

Chairperson, Youth Commission

BOARD of SUPERVISORS



City Hall
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco 94102-4689
Tel. No. 554-5184
Fax No. 554-5163
TDD/TTY No. 554-5227

MEMORANDUM

TO: Regina Dick-Endrizzi, Director
Small Business Commission, City Hall, Room 448

FROM: John Carroll, Assistant Clerk, Public Safety and Neighborhood Services
Committee, Board of Supervisors

DATE: February 20, 2019

SUBJECT: REFERRAL FROM BOARD OF SUPERVISORS
Public Safety and Neighborhood Services Committee

The Board of Supervisors' Public Safety and Neighborhood Services Committee has received the following legislation, which is being referred to the Small Business Commission for comment and recommendation. The Commission may provide any response it deems appropriate within 12 days from the date of this referral.

File No. 190164

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

Please return this cover sheet with the Commission's response to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, California 94102.

RESPONSE FROM SMALL BUSINESS COMMISSION - Date: _____

____ No Comment
____ Recommendation Attached

Chairperson, Small Business Commission

Print Form

Introduction Form

By a Member of the Board of Supervisors or Mayor

RECEIVED
 BOARD OF SUPERVISORS
 SAN FRANCISCO
 2019 MAR 19 PM 2:05
 Time stamp *AK*
 or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning : "Supervisor [] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. [190164]
- 9. Reactivate File No. []
- 10. Topic submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Brown, Fewer, Walton, Peskin, Safai, Mandelman, Ronen, *Yee*

Subject:

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

The text is listed:

Ordinance amending the Police Code to require, in general, that brick-and-mortar businesses accept payment in cash in connection with the purchase of goods and services other than professional services.

Signature of Sponsoring Supervisor: *Valerie Brown*

For Clerk's Use Only