



LAW DEPARTMENT

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March 22, 2023

Detroit City Council
1340 Coleman A. Young
Municipal Center
Detroit, Michigan

Re: Ordinance to amend Chapter 40 of the 2019 Detroit City Code, *Sales*, by adding Article III, *Acceptance of Cash by Retail and Food Service Businesses*.

Honorable City Council:

Member Whitfield Calloway has requested that the Law Department prepare an ordinance to amend Chapter 40 of the 2019 Detroit City Code, *Sales*, by adding Article III, *Cash by Retail and Food Service Businesses*, to contain Section 40-3-1, *Definitions*, Section 40-3-2, *Misdemeanor violation; continuing violation; penalties for conviction thereof*, and Section 40-3-3, *Cashless Establishment Prohibition*; to define words and phrases, set forth applicability, and to provide penalties for violations. A copy of the ordinance which has been approved as to form is attached for your review and consideration.

We are available to answer any questions that you may have related to this proposed ordinance.

Respectfully submitted,

Tonja R. Long

Tonja R. Long
Chief Administrative Corporation Counsel

Enclosure

cc: Malik Washington, City Council Liaison

S U M M A R Y

This ordinance amends Chapter 40 of the 2019 Detroit City Code, *Sales*, by adding Article III, *Acceptance of Cash by Retail and Food Service Businesses*, to contain Section 40-3-1, *Definitions*, Section 40-3-2, *Misdemeanor violation; continuing violation; penalties for conviction thereof*, and Section 40-3-3, *Cashless Establishment Prohibition*; to define words and phrases, set forth applicability, and to provide penalties for violations.

1 **BY COUNCIL MEMBER** _____:

2 **AN ORDINANCE** to amend Chapter 40 of the 2019 Detroit City Code, Sales; by adding
3 Article III, Acceptance of Cash by Retail and Food Service Businesses, Section 40-3-1,
4 *Definitions*; 40-3-2, *Misdemeanor violation; continuing violation; penalties for conviction thereof*;
5 and Section 40-3-3, *Cashless Retail Prohibition requirements*; to define words and phrases, set
6 forth applicability and to provide penalties for violations.

7 **IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT**
8 **THAT:**

9 **Section 1.** Chapter 40 of the 2019 Detroit City Code, *Sales*; be amended by adding
10 Article III, *Acceptance of Cash by Retail and Food Service Business*, to contain Section 40-3-1
11 through Section 40-3-3, to read as follows:

12 **CHAPTER 40. SALES**

13 **ARTICLE III. ACCEPTANCE OF CASH BY RETAIL AND**

14 **FOOD SERVICE BUSINESSES**

15 **Sec. 40-3-1. Definitions.**

16 For the purpose of this article, the following words and phrases shall have the meanings
17 respectively ascribed to them by this section:

18 Cash means United States currency, in the form of both paper Federal Reserve Notes and
19 metal coins. Cash does not include currency issued under the authority of any country other than
20 the United States, any paper instrument other than a Federal Reserve Note, or any metal coin
21 (including, but not limited to, any gold or silver coin) that is not legal tender in the United States.

22 Food service establishment means an establishment which gives or offers for sale food or
23 beverages to the public for consumption or use on or off the premises.

1 Retail establishment means any establishment in which consumer commodities are sold,
2 displayed, or offered for sale, which provides service to consumers at retail.

3 **Sec. 40-3-2. Misdemeanor violation; continuing violation; penalties for conviction thereof.**

4 (a) It shall be unlawful for any person to violate any provision of this article.

5 (b) Any person who violates this article may be issued a misdemeanor violation for
6 each day that the violation continues.

7 (c) Any person who is found guilty of violating any provision of this article shall be
8 convicted of a misdemeanor for each violation that is issued and, in the discretion of the court,
9 may be fined up to \$500.00 and sentenced up to 90 days in jail, or both, for each misdemeanor
10 violation that is issued.

11 **Sec: 40-3-3. Cashless Establishment Prohibition.**

12 (a) A food service establishment or retail establishment shall not:

13 (1) Refuse to accept cash as a form of payment;

14 (2) Post signs on the premises that cash payment is not accepted;

15 (3) Charge a higher price to customers who pay cash than they would pay using any
16 other form of payment.

17 (b) For purposes of this section, food service and retail establishments shall exclude:

18 (1) Any telephone, mail, or internet transaction;

19 (2) Payment for parking at parking lots and parking garages;

20 (3) Transactions at wholesale clubs that sell consumer goods and services through a
21 membership model;

1 (4) Transactions at retail stores selling consumer goods exclusively through a
2 membership model that requires payment by means of an affiliated mobile device
3 application;

4 (5) Transactions for the rental of consumers goods, services, or accommodations for
5 which posting of collateral or security is typically required;

6 (6) Consumer goods or services provided exclusively to employees and others
7 authorized to be on the employer's premises.


8 **Secs. 40-3-4 – 40-3-20. Reserved.**

9 **Section 2.** All ordinances or parts of ordinances in conflict with this ordinance are
10 repealed.

11 **Section 3.** This ordinance is declared necessary to preserve the public peace, health, safety,
12 and welfare of the people of the City of Detroit.

13 **Section 4.** If this ordinance is passed by a two-thirds (2/3) majority of City Council
14 members serving, it shall be given immediate effect and shall become effective upon publication
15 in accordance with Section 4-118 of the 2012 Detroit City Charter; if passed by less than a two
16 thirds (2/3) majority of City Council members serving, it shall become effective no later than thirty
17 (30) days after publication in accordance with Section 4-118 of the 2012 Detroit City Charter.

Approved as to form:


Conrad L. Mallett
Corporation Counsel

FORMAL SESSION

TUESDAY, APRIL 25, 2023

Law Department

Santiago-Romero, Proposed Ordinance To amend Chapter 40 of the 2019 Detroit City Code, *Sales*, by adding Article III, *Acceptance of Cash by Retail and Food Service Businesses*, to contain Section 40-3-1, *Definitions*, Section 40-3-2, *Misdemeanor violation; continuing violation; penalties for conviction thereof*, and Section 40-3-3, *Cashless Establishments Prohibition*; to define words and phrases, set forth applicability, and to provide penalties for violations. **(INTRODUCE.)**

Santiago-Romero, resolution setting a public hearing on foregoing ordinance amendment.

RESOLUTION SETTING HEARING

By Council Member **Santiago-Romero**:

Resolved, That a public hearing will be held by this body on _____ for the purpose of considering the advisability of adopting the foregoing *Proposed Ordinance To amend Chapter 40 of the 2019 Detroit City Code, Sales, by adding Article III, Acceptance of Cash by Retail and Food Service Businesses, to contain Section 40-3-1, Definitions, Section 40-3-2, Misdemeanor violation; continuing violation; penalties for conviction thereof, and Section 40-3-3, Cashless Establishments Prohibition; to define words and phrases, set forth applicability, and to provide penalties for violations.*

Pursuant to the Michigan Open Meetings Act as amended, which authorizes the continued use of hybrid electronic meetings to provide virtual public participation in accordance with the requirements of MCL 15.263a(2), and in consideration of the ongoing and continuing pandemic, the Detroit City Council will be meeting **in person** at the **City Council Committee of the Whole Room, 13th Floor, Coleman A. Young Municipal Center** for the **Formal Session** and will provide opportunity for virtual attendance.

Please see the attached link of the Calendar & Documents:

<https://pub-detroitmi.escribemeetings.com/Meeting.aspx?Id=3ce0118f-6509-4ab4-96eb-9ec038ecba95&Agenda=Agenda&lang=English>

Virtual public attendance is strongly encouraged as the meeting room will be subject to space limitations, pursuant to public health guidelines. For the safety of attendees and participants, the public is strongly encouraged to participate by means of one of the methods listed below:

The Standing Committee may be viewed in the following manner

1. Watch via television
 - Comcast: Channel 10
 - ATT: From Channel 99, click Detroit, then Channel 10
2. Watch online by using <https://detroitmi.gov/government/city-council> and clicking on Channel 10.
3. To attend by phone only, call one of these numbers:
+1-929-436-2866, +1-312-626-6799, +1-669-900-6833, +1-253-215-8782, +1-301-715 8592, or +1-346-248-7799 Enter Meeting ID: 85846903626#

4. To attend online: <https://Detroitmi.gov/Online-CC-Meeting>

Public Comment:

To participate at the time of Public Comment, please raise your hand within the zoom application.

1. Telephone participants: Raise your hand by pressing *9
2. Web participants: Raise your hand by clicking **raise hand** in the application or pressing
 - a. Windows computer = [ALT] + [Y]
 - b. Apple computers = [OPTION] + [Y]

To be consistent with how Public Comment has been handled for in-person meetings:

- You will be called on in the order in which your hand is raised
- All time limits set by the meeting Chair will still be enforced
- Any hands raised after the Chair ends submission of public comments, will not be able to speak at the meeting

All interested persons are invited to be present and be heard as to their views. Persons making oral presentations are encouraged to submit written copies to the City Clerk's Office CityClerkHelpDesk@detroitmi.gov via e-mail, for the record.

*With advance notice of seven calendar days, the City of Detroit will provide interpreter services at public meetings, including American Sign Language, language translation and reasonable ADA accommodations. Please contact the **Civil Rights, Inclusion and Opportunity Department** at (313) 224-4950, through the TTY number 711, or email crio@detroitmi.gov to schedule these services.*