

SUMMARY

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*, which shall consist of Sections 40-3-1 through 40-3-6; to set forth the purpose of the Article; to define words and phrases; to set forth the applicability of and exceptions to the Article; and to provide penalties for violations.

1 **BY COUNCILMEMBER:** _____

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*, which shall consist of
4 Sections 40-3-1 through 40-3-6; to set forth the purpose of the Article; to define words and phrases;
5 to set forth the applicability of and exceptions to the Article; and to provide penalties for violations.

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

8 **Section 1.** Chapter 40 of the 2019 Detroit City Code, *Sales*, be amended by adding
9 Article III, *Cashless Retail*, to include Sections 40-3-1 through 40-3-6, to read as follows:

10 **CHAPTER 40. SALES**

11 **ARTICLE III. ACCEPTANCE OF CASH BY RETAIL AND FOOD SERVICE**

12 **BUSINESSES**

13 **Section 40-3-1. Purpose.**

14 The purpose of this ordinance is to provide consumers with the freedom to choose to pay
15 in cash for the purchase of goods and services at retail businesses or food stores which accept in-
16 person payments.

17 **Section 40-3-2. Definitions.**

18 For purposes of this article, the following words and phrases shall have the meaning
19 ascribed to them by this section:

20 Cash means United States coins and currency, including federal reserve notes. Cash does
21 not include foreign currency or any paper instrument other than a federal reserve note.

1 Consumer goods means any article, good, merchandise, product, or commodity of any kind
2 or class produced, distributed, or offered for retail sale for consumption by individuals, or for
3 personal, household, or family purposes.

4 Conversion device means a device on the business' premises that converts cash into a
5 prepaid card that allows a consumer to complete a transaction at a retail establishment or food
6 store.

7 Food store means an establishment which gives or offers for sale food or beverages to the
8 public for consumption or use on or off the premises, or on or off a pushcart, stand, or vehicle.

9 Retail establishment means an establishment wherein consumer goods are sold, displayed,
10 or offered for sale, or where services are provided to consumers at retail.

11 **Section 40-3-3. Prohibitions.**

12 (a) No retail establishment or food store shall refuse to accept cash as a form of
13 payment for consumer goods.

14 (b) No retail establishment or food store shall charge a higher price to customers who
15 pay for consumer goods in cash.

16 (c) No retail establishment or food store shall post signs on the premises indicating that
17 cash payment is not accepted for the purchase of consumer goods.

18 **Section 40-3-4. Exceptions.**

19 (a) This article does not apply to the following transactions or enterprises:

20 (1) Transactions conducted by telephone, mail, or internet;

21 (2) Payments at parking lots and parking garages;

1 (3) Transactions, including membership fees, at retail stores that sell consumer goods
2 exclusively through a membership model requiring payment by means of an
3 affiliated mobile device application or online application;

4 (4) Transactions at wholesale clubs that sell consumer goods and services through a
5 membership model;

6 (5) Transactions for the rental of consumer goods, services, or accommodations for
7 which posting of collateral is typically required; and

8 (6) Transactions based on a prearranged payment for a prearranged rideshare service
9 which is conducted exclusively through the use of a mobile application.

10 (b) A retail establishment or food store which provides a conversion device on its
11 premises will not be subject to the requirements of Section 40-3-3 of this Code, provided that:

12 (1) No fee is charged for use of the conversion device or card;

13 (2) The conversion device does not require a minimum deposit of more than five
14 dollars;

15 (3) The prepaid card shall not be subject to an expiration date and there shall be no
16 limit on the number of transactions that may be completed on the card;

17 (4) The conversion device allows customers to redeem any unused balance for cash;
18 and

19 (5) The conversion device does not collect any personal identifying information from
20 the customer.

21 **Section 40-3-5. Right to Not Accept Large Bills.**

22 Notwithstanding the provisions of Section 40-3-3 of this Code, this article does not require
23 business establishments to accept cash payments in \$100 bills or any larger bill.

1 **Section 40-3-6. Penalty for Violation.**

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


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

8 **Section 2.** All ordinances, or parts of ordinances, that conflict with this ordinance are
9 repealed.

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

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

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