



LAW DEPARTMENT

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October 16, 2023

Detroit City Council
1340 Coleman A. Young
Municipal Center
Detroit MI 48226

RE: Proposed Ordinance to Amend Chapter 40, Sales, Article III, Acceptance of Cash by Retail Establishments and Food Stores, Section 40-3-4, Exceptions.

Honorable City Council:

Pursuant to the applicable provisions of the 2012 Detroit City Charter, the above-referenced proposed ordinance is being submitted to Your Honorable Body for consideration. The purpose of this proposed ordinance is to amend Chapter 40 of the 2019 Detroit City Code, *Sales*; Article III, *Acceptance of Cash by Retail Establishments and Food Stores*, by amending Section 40-3-4, *Exceptions*, to modify the conversion card exception.

Thank you for your consideration.

Respectfully submitted,

/s/Sharon Blackmon

Sharon Blackmon
Senior Assistant Corporation Counsel

Attachment

SUMMARY

This ordinance amends Chapter 40 of the 2019 Detroit City Code, *Sales*; Article III, *Acceptance of Cash by Retail Establishments and Food Stores*, by amending Section 40-3-4, *Exceptions*, to modify the conversion card exception.

1 **BY COUNCILMEMBER _____ :**

2 **AN ORDINANCE** to amend Chapter 40 of the 2019 Detroit City Code, *Sales*, Article III,
3 *Acceptance of Cash by Retail Establishments and Food Stores*, by amending Section 40-3-4,
4 *Exceptions*, to modify the conversion card exception.

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

7 **Section 1.** Chapter 40 of the 2019 Detroit City Code, *Sales*, Article III, be amended by
8 amending Section 40-3-4, to read as follows:

9 **CHAPTER 40. SALES**

10 **ARTICLE III. ACCEPTANCE OF CASH BY RETAIL ESTABLISHMENTS**
11 **AND FOOD STORES**

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

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

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

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

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

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

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

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

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

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

6 (2) The conversion device does not require a minimum deposit of more than five
7 dollars; and

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

10 (4) ~~The conversion device allows customers to redeem any unused balance for cash;
11 and~~

12 (3) The conversion device does not collect any personal identifying information from
13 the customer.

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

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

1 **Section 4.** In the event this ordinance is passed by a two-thirds majority of City Council
2 Members serving, it shall be given immediate effect and become effective upon publication in
3 accordance with Section 4-118(1) of the 2012 Detroit City Charter. Where this ordinance is passed
4 by less than a two-thirds majority of City Council Members serving, it shall become effective on
5 the 30th day after enactment in accordance with Section 4-118(2) of the 2012 Detroit City Charter.

Approved as to form:



Conrad L. Mallett
Corporation Counsel