



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