

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

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3 Ordinance amending the Police Code to require, in general, that brick-and-mortar

4 businesses accept payment in cash in connection with the purchase of goods and

5 services other than professional services.

6 NOTE: Unchanged Code text and uncodified text are in plain Arial font.

7 Additions to Codes are in *single-underlined italics Times New Roman font*.

8 Deletions to Codes are in ~~single-underlined italics Times New Roman font~~.

9 Board amendment additions are in double-underlined Arial font.

10 Board amendment deletions are in ~~single-underlined Arial font~~.

11 Asterisks (*) indicate the omission of unchanged Code

12 subsections or parts of tables.

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

14 Section 1. The Police Code is hereby amended by adding Article 55, consisting of

15 Sections 5500–55055506, to read as follows:

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

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18 **SEC. 5500. TITLE.**

19 *This Article 55 shall be known and may be cited as the "Legal Rights for Legal Tender*

20 *Ordinance."*

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22 **SEC. 5501. FINDINGS AND PURPOSE.**

23 *(a) San Francisco strives to be a welcoming, inclusive place for all City residents. Consistent*

24 *with this ethos of inclusivity, the City strives to empower all of its residents to participate in San*

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

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

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

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

13 (e) The City must remain vigilant in ensuring its economy is inclusionary and accessible to
14 everyone. The purpose of this Article 55 is to ensure that all City residents—including those who lack

1 access to other forms of payment—are able to participate in the City's economic life by paying cash for
2 goods and many services.

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4 **SEC. 5502. DEFINITIONS.**

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

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

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

17 "City" means the City and County of San Francisco.

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

1 nurses. But licensure by the State or City does not in itself mean that an individual provides
2 Professional Services; for example, a cosmetologist is not considered to provide Professional Services
3 as defined. Trade or craft work, such as, but not limited to, shoe repair, tailoring of clothes, and dry
4 cleaning, are not considered Professional Services for purposes of this Article 55.

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

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

10 (a) Except as set forth in Section 5504, every Brick-and-Mortar Business within the City must
11 accept payment in Cash, if offered, for any transaction involving the purchase of any tangible good
12 and/or any service other than Professional Services if, in connection with that transaction, (a1) the
13 business would accept one or more other forms of payment (including, but not limited to, check, credit
14 card, debit card, or any type of electronic payment), regardless of when such form of payment is
15 collected, and (b2) the customer seeking to engage in that transaction is physically present at the place
16 of business.

17 (b) Except as set forth in Section 5504, a Brick-and-Mortar Business may not charge a
18 fee or place any other condition on its acceptance of Cash as required by subsection (a).

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20 **SEC. 5504. EXCEPTIONS.**

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

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

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

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

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

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

SEC. 5506. TREASURER'S REPORT.

By no later than December 31, 2026, the Treasurer shall submit a report to the Board of Supervisors and the Mayor on the findings contained in the report on the 2025 National Survey of Unbanked and Underbanked Households issued by the Federal Deposit Insurance Corporation. The report submitted by the Treasurer may, but need not, include recommendations concerning this Article 55.

Section 2. Effective Date; Operative Date.

(a) This ordinance shall become effective 30 days after enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board of Supervisors overrides the

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1 Mayor's veto of the ordinance.

2 (b) This ordinance shall become operative 90 days after enactment.

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

6 By: Paul Zarefsky
7 PAUL ZAREFSKY
Deputy City Attorney

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