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TO: The Honorable Detroit City Council

FROM: David Whitaker, Director 
Legislative Policy Division Staff

DATE: February 3, 2023

RE: An Ordinance Prohibiting Cashless Establishments in the City of Detroit.

Council Member Angela Whitfield-Calloway requested that the Legislative Policy Division (LPD) draft an ORDINANCE PROHIBITING THE OPERATION OF CASHLESS ESTABLISHMENTS IN THE CITY OF DETROIT.

Please contact us if we can be of any further assistance.

S U M M A R Y

AN 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, Section 40-3-1, Definitions; and adding Section 40-3-2, Cashless Retail Prohibition Requirements; to provide for the health, safety, and general welfare of the public.

1 **BY COUNCIL MEMBER ANGELA WHITFIELD-CALLOWAY:**

2

3 **AN ORDINANCE** to amend Chapter 40 of the 2019 Detroit City Code, Sales; by adding
4 Article III, Acceptance of Cash by Retail and Food Service Businesses, Section 40-3-1,
5 Definitions; and adding Section 40-3-2, Cashless Retail Prohibition requirements; to provide for
6 the health, safety, and general welfare of the public.

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

8 **THAT:**

9 **Section 1.** Amend Chapter 40 of the 2019 Detroit City Code, Sales; by adding
10 Article III, Acceptance of Cash by Retail and Food Service Business, Section 40-3-1, Definitions;
11 and adding Section 40-3-2, Cashless Establishments Prohibition requirements, to read as follows:

12

13 **CHAPTER 40. SALES**

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

15 **BUSINESSES**

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

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

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

1 “Food service establishment” means an establishment which gives or offers for sale food or
2 beverages to the public for consumption or use on or off the premises

3 "Retail establishment" means any establishment in which consumer commodities are sold,
4 displayed, or offered for sale, which provides service to consumers at retail

5 "City" means the City of Detroit.

6 **Sec: 40-3-2 Cashless Establishment Prohibition:**

7 (1) A food service establishment or retail establishment shall not:

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

9 (b) Post signs on the premises that cash payment is not accepted;

10 (c) Charge a higher price to customers who pay cash than they would pay using any other form of
11 payment.

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

13 (a) any telephone, mail, or internet transactions;

14 (b) parking lots and parking garages;

15 (c) transactions at wholesale clubs that sell consumer goods and services through a membership
16 model;

17 (d) transactions at retail stores selling consumer goods exclusively through a membership model that
18 requires payment by means of an affiliated mobile device application;

19 (e) transactions for the rental of consumers goods, services, or accommodations for which posting of
20 collateral or security is typically required;

21 (f) consumer goods or services provided exclusively to employees and others authorized to be on the
22 employer's premises.

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

3 **Section 3.** This ordinance is declared necessary for the preservation of the public
4 peace, health, safety, and welfare of the people of the City of Detroit.

5 **Section 4.** If this ordinance is passed by a two-thirds (2/3) majority of City Council
6 members serving, it shall be given immediate effect and shall become effective upon publication
7 in accordance with Section 4-118 of the 2012 Detroit City Charter; if passed by less than a two-
8 thirds (2/3) majority of City Council members serving, it shall become effective no later than thirty
9 (30) days after publication in accordance with Section 4-118 of the 2012 Detroit City Charter; if
10 this ordinance specifies a certain date to become effective, it shall become effective in accordance
11 with the date
12

Approved as to form:

Conrad Mallett, Jr.
Corporation Counsel