

**KING COUNTY**

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report**Ordinance 19639****Proposed No. 2023-0027.3****Sponsors Kohl-Welles**

1 AN ORDINANCE relating to retail establishments;
2 requiring retailers in unincorporated King County, unless
3 otherwise exempted, to accept payment in cash; and adding
4 a new chapter to K.C.C. Title 12.

5 BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

6 **SECTION 1. Findings:**

7 A. King County strives to be an equitable and inclusive place and strives to
8 empower all residents to participate in the economic life of the county. A key aspect of
9 participation in economic life is the ability to purchase food and consumer goods.

10 B. The organization Bank On Washington, which is a collaboration of financial
11 institutions, community-based organizations, and local governments, estimates that three
12 percent of Washington state residents are unbanked, meaning they do not use or do not
13 have access to traditional financial services, including bank accounts, credit cards, or
14 personal checks; and that more than seventeen percent of Washington state residents are
15 underbanked, meaning they might have a bank account but might often rely on alternative
16 financial services, such as money orders, check-cashing services, and payday loans rather
17 than on traditional loans and credit cards to fund purchases and manage their finances. If
18 those figures are applied to King County, it means that approximately sixty-seven
19 thousand people in King County could be unbanked and more than three hundred eighty
20 thousand people could be underbanked. If those figures are applied to unincorporated

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21 King County, it means that approximately seven thousand four hundred people in
22 unincorporated King County could be unbanked and forty-two thousand people could be
23 underbanked.

24 C. A 2021 survey by the Federal Deposit Insurance Corporation of unbanked and
25 underbanked households found that people of color and low-income people are more
26 likely to be unbanked or underbanked than the population as a whole.

27 D. For residents who are unbanked or underbanked, the ability to purchase food
28 and consumer goods often depends on the ability to pay in cash.

29 E. Relying on cash to make purchases can be inconvenient and difficult and can
30 pose safety risks. As a result, King County supports the goal of connecting all residents
31 to safe and appropriate financial products and services. However, until all residents have
32 access to safe and appropriate financial products and services, many will continue to rely
33 on cash to pay for food and consumer goods. In addition to those who are unbanked or
34 underbanked, many people might prefer to pay for some purchases in cash, for reasons of
35 convenience or privacy. The Federal Reserve Bank of San Francisco found in 2022 that
36 consumers used cash in twenty percent of all transactions, that people sixty-five and older
37 reported using cash for one-quarter of payments, and that cash use had decreased during
38 the pandemic except for consumers with household incomes less than twenty-five
39 thousand dollars, who make up nearly twenty percent of the population.

40 F. In recent years, many retailers have moved toward a cashless model of
41 payment, citing improved technology, including tap-to-pay mobile applications and the
42 emergence of "just walk out" payment technology, as well as the safety concerns of
43 storing and handling cash.

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44 G. People who are unbanked or underbanked, as well as those who might prefer
45 to use cash for some purchases, might find it difficult to purchase from retailers that use a
46 cashless model and might be limited in the food and consumer goods they can procure.

47 H. Other jurisdictions, including the cities of New York, San Francisco, and
48 Philadelphia, the District of Columbia, and the states of Massachusetts and New Jersey,
49 have imposed requirements that retailers accept cash for purchases of food and consumer
50 goods.

51 I. Policies to require retailers to accept cash for purchase would be most effective
52 and efficient if adopted at the state or national level.

53 SECTION 2. Sections 3 through 5 of this ordinance should constitute a new
54 chapter in K.C.C. Title 12.

55 NEW SECTION. SECTION 3. The definitions in this section apply throughout
56 this chapter unless the context clearly requires otherwise.

57 A. "Cash" means United States currency, in the form of both paper federal
58 reserve notes and metal coins. For the purposes of this chapter, "cash" does not include:

59 1. Currency issued under the authority of a country other than the United States;

60 2. A paper instrument other than a federal reserve note, including, but not
61 limited to, any check, bond, or promissory note; and

62 3. A metal coin, including, but not limited to, a gold or silver coin that is not
63 legal tender in the United States.

64 B. "Consumer goods" means items bought or acquired by individuals for
65 personal, family, or household consumption or use.

66 C. "Retail employee" means a person who is employed by a retailer to work at a

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67 retail establishment for wages or salary, including, but not limited to, a full-time
68 employee, a part-time employee, and a temporary worker.

69 D. "Retail establishment" means an establishment, including, but not limited to, a
70 building, room, vehicle, pushcart, or stand, in which food or consumer goods are sold,
71 displayed, or offered for sale.

72 E. "Retailer" means the same thing as defined in K.C.C. 6.72.020.B.

73 F. "Retail transaction" means a sale conducted in person of food or consumer
74 goods at a retail establishment, in which payment for purchase is received directly and in
75 person from the purchaser by a retailer or retail employee. For the purposes of this
76 chapter, "retail transaction" does not include:

77 1. A transaction for which an order is placed and payment is made by telephone,
78 mail, or Internet, including by mobile application;

79 2. A transaction for which a retailer or retail employee is not physically present
80 to receive payment, such as at a parking lot at which payment is made at an automated
81 kiosk; and

82 3. A transaction for the rental of consumer goods, including accommodations or
83 equipment, for which posting of collateral or security is typically required.

84 G. "Unincorporated King County" means those areas outside any city or town
85 and under King County's jurisdiction.

86 NEW SECTION. SECTION 4. A. A retail establishment in unincorporated
87 King County shall not refuse to accept cash, if offered, as a form of payment for a retail
88 transaction and shall not charge a higher price to customers who pay cash than they
89 would pay using any other form of payment.

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90 B. A retailer may refuse to accept payment in cash or putative cash that the
91 retailer reasonably suspects to be counterfeit. A retailer may also refuse to accept
92 currency denominations greater than twenty dollars.

93 C. In single retail transactions that total more than two hundred dollars, the
94 retailer must accept cash for any amount up to two hundred dollars but may refuse to
95 accept cash as payment for the remainder of the amount due.

96 D. Fares for public transportation services operated by the Metro transit
97 department shall be paid as authorized by K.C.C. 4A.700.010.B.

98 E. A retailer may refuse to accept payment in cash if the retail establishment
99 provides a device on premises, or in a location proximate to the retail establishment if
100 shared with other nearby retailers and accessible to consumers, that converts cash into a
101 prepaid card that allows a consumer to complete a purchase, and:

102 1. The retailer shall place a conspicuous sign in the retail establishment
103 indicating that the retailer does not accept cash payments and that cash can be exchanged
104 for a prepaid card at the cash conversion device, and providing directions to the location
105 of the cash conversion device;

106 2. The cash conversion device must not charge a fee to a consumer if requiring
107 the device be used;

108 3. The cash conversion device must not require a minimum deposit amount
109 greater than one dollar;

110 4. The cash conversion device must provide each consumer with a receipt
111 indicating the amount of cash the consumer deposited onto the prepaid card;

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112 5. Cash deposits through a cash conversion device onto a prepaid card must not
113 be subject to an expiration date, there must not be a limit on the number of transactions
114 that may be completed on such a prepaid card, and a prepaid card must be able to be used
115 at other retail establishments; and

116 6. If a cash conversion device malfunctions, the retailer where the device is
117 located shall accept payment in cash from consumers throughout the time in which the
118 cash conversion device does not function. The retailer shall place a conspicuous sign on
119 or immediately adjacent to the cash conversion device indicating that the retailer is
120 required to accept cash if the cash conversion device malfunctions.

121 F.1. A retailer may seek an exemption from the requirement to accept cash
122 payments by applying in writing to the hearing examiner, documenting the specific
123 reasons that accepting cash payments will pose unique difficulties for the retailer,
124 including, but not limited to:

125 a. a history of theft or attempted theft at the retail establishment or a bona fide
126 concern for theft or robbery of cash;

127 b. the presence of only a single retail employee at the retail establishment;

128 c. location of the retail establishment within a residence;

129 d. distance of fifteen or more miles by road between the retail establishment
130 and the nearest branch of a banking institution; or

131 e. other circumstances that affect the ability of the retailer to accept cash
132 payments.

133 2. The examiner should process the application in accordance with K.C.C.
134 20.22.100; and

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135 3. If the retailer is granted an exemption, the retailer shall place a conspicuous
136 sign in the retail establishment indicating that the retailer has been exempted from the
137 requirement to accept cash payments.

138 NEW SECTION. SECTION 5. To ensure effective implementation and
139 enforcement of this ordinance, the executive shall analyze implementation and
140 enforcement mechanisms and shall transmit to the council an implementation and
141 enforcement plan recommending an enforcement mechanism and implementation
142 measures, as well as any legislation needed to implement the recommended actions. The
143 executive shall electronically file the implementation and enforcement plan and any
144 associated legislation no later than December 1, 2024, with the clerk of the council, who
145 shall retain an electronic copy and provide an electronic copy to all councilmembers, the
146 council chief of staff, and the lead staff for the local services and land use committee or
147 its successor.

148 SECTION 6. This ordinance takes effect July 1, 2025.

149 SECTION 7. If any provision of this ordinance of its application to any person or

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- 150 circumstance is held invalid, the remainder of the ordinance or the application of the
151 provision to other persons or circumstances is not affected.

Ordinance 19639 was introduced on 1/10/2023 and passed as amended by the
Metropolitan King County Council on 6/27/2023, by the following vote:

Yes: 5 - Dembowski, Kohl-Welles, Upthegrove, von Reichbauer
and Zahilay

No: 4 - Balducci, Dunn, Perry and McDermott


KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

DocuSigned by:

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Dave Upthegrove, Chair

ATTEST:

DocuSigned by:

8DE1BB375AD3422...

Melani Pedroza, Clerk of the Council

APPROVED this ____ day of _____, ____.

Deemed enacted without the executive's signature on July 10, 2023.

Dow Constantine, County Executive

Attachments: None

Certificate Of Completion

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 Subject: Complete with DocuSign: Ordinance 19639.docx
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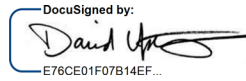
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Dave Upthegrove
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 Chair
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 Clerk of the Council
 King County Council
 Security Level: Email, Account Authentication (None)

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