

## CASHLESS RETAIL PROHIBITION

# POLICY POSITION

### **ISSUE:**

Several states and localities have recently considered or passed legislation banning retailers from becoming completely cashless operations. Many of these proposals mandate that all retail locations, including vending machines and micro markets, must accept cash for retail transactions.

The primary purpose for these measures is to target public facing restaurants and convenience stores that have used technology to transform their businesses to fully cashless, including use of smart phone apps. The practice of not accepting cash in retail commerce is seen as discriminatory to the unbanked and underbanked, especially in major cities.

There is no national standard or model on which these proposals are based so across the country the legislative language varies, though all proposals have the same intent. Many proposals have exempted various industries.

In the convenience services industry, unattended retail micro markets continue to grow at a vigorous pace. Many micro markets use new technology to limit payment type and only accept electronic payments. Primarily, these locations are situated in workplace and other restricted access corporate areas not open to the general public. If restricted access micro market locations are forced to accept cash, it may stifle industry innovation and expansion. Further, other vending and micro market locations such as prisons pose safety and logistical challenges to accepting cash.

In 2019, the Philadelphia City Council passed a cashless retailer prohibition that included an exemption for employee breakrooms, which exempts most micro market locations today and into the future.

### **NAMA POSITION:**

NAMA supports the principle of not discriminating against the unbanked and underbanked. Additionally, NAMA feels that locations like employee breakrooms and other locations that are not open to the general public should be exempt from laws that mandate acceptance of cash as they needlessly hamper operations of many small business, convenience services operators without accomplishing the desired goal of the legislation.

Therefore, NAMA supports the exclusion of restricted access micro markets and vending machines from any laws mandating cash acceptance.