

**SENATE
STATE OF MINNESOTA
NINETY-FIRST SESSION**

S.F. No. 3860

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DATE
03/02/2020

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OFFICIAL STATUS
Introduction and first reading
Referred to Commerce and Consumer Protection Finance and Policy

1.1 A bill for an act
1.2 relating to consumer protection; prohibiting certain cashless establishments;
1.3 proposing coding for new law in Minnesota Statutes, chapter 325F.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **325F.983** CASHLESS ESTABLISHMENTS PROHIBITED.

1.6 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
1.7 the meanings given them.

1.8 (b) "Cash" means United States coins and currency, including federal reserve notes.
1.9 Cash does not include foreign currency; a paper instrument other than a federal reserve note,
1.10 including but not limited to a check, bond, or promissory note; or a foreign metal coin.

1.11 (c) "Consumer commodity" means an article, good, merchandise, product, or commodity
1.12 of any kind or class produced, distributed, or offered: (1) at retail sale for consumption by
1.13 individuals; or (2) for personal, household, or family purposes.

1.14 (d) "Food store" means an establishment that gives or offers for sale food or beverages
1.15 to the public for consumption or use: (1) on or off the premises; or (2) on or off a pushcart,
1.16 stand, or vehicle.

1.17 (e) "Retail establishment" means an establishment: (1) that sells, displays, or offers for
1.18 sale consumer commodities; or (2) where services are provided to consumers at retail. Retail
1.19 establishment does not include a banking institution, as defined under section 48.01,
1.20 subdivision 2.

2.1 Subd. 2. **Cashless establishments prohibited; limitation.** (a) A food store or retail
2.2 establishment is prohibited from refusing to accept payment in cash from consumers, except
2.3 that a food store or retail establishment may refuse to accept payment:

2.4 (1) in cash bills denominated above \$20; or

2.5 (2) in cash for any telephone, mail, or internet-based transaction, unless the payment for
2.6 the transaction takes place on the food store or retail establishment's premises.

2.7 (b) A food store or retail establishment is prohibited from charging a consumer who
2.8 pays for a consumer commodity in cash a higher price than is charged to a consumer who
2.9 pays for the same consumer commodity in a cashless transaction.

2.10 Subd. 3. **Exception.** (a) Subdivision 2 does not apply to a food store or retail
2.11 establishment that provides a device on premises that converts cash into a prepaid card that
2.12 allows a consumer to complete a transaction at the food store or retail establishment, provided
2.13 the device does not charge a fee or require a minimum deposit amount greater than \$1.

2.14 (b) Upon request, a device identified in paragraph (a) must provide a consumer with a
2.15 receipt indicating the amount of cash the consumer deposited onto the prepaid card.

2.16 (c) Cash deposits onto a prepaid card are not subject to an expiration date and there is
2.17 no limit on the number of transactions that may be completed on a prepaid card.

2.18 (d) In the event a device identified in paragraph (a) malfunctions or does not function
2.19 as required under this subdivision, the food store or retail establishment where the device
2.20 is located must accept payment in cash from consumers throughout the time period when
2.21 the device is malfunctioning or does not function properly. A food store or retail
2.22 establishment must place a conspicuous sign on or immediately adjacent to the device
2.23 indicating that the food store or retail establishment is required by law to accept cash if the
2.24 device malfunctions or is not functioning, and that consumers may report a violation of this
2.25 subdivision to the attorney general. The Department of Commerce may establish by rule
2.26 additional requirements relating to signs and the display of signs under this paragraph.

2.27 Subd. 4. **Violations; civil penalty.** A food store or retail establishment that violates
2.28 subdivision 2 is liable for a civil penalty up to \$1,000 for the first violation and a civil
2.29 penalty up to \$1,500 for each subsequent violation.

2.30 **EFFECTIVE DATE.** This section is effective January 1, 2021.