

SB 423 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 1/23

WHAT THE MEASURE DOES:

The measure directs the Bureau of Labor and Industries (BOLI) to study penalties for violating laws prohibiting places of public accommodation from refusing to accept cash as currency. Directs BOLI to submit a report to the interim committees of the Legislative Assembly related to business and labor no later than September 15, 2026. Sunsets January 2, 2027.

Fiscal impact: *May have fiscal impact, but no statement yet issued*

Revenue impact: *May have revenue impact, but no statement yet issued*

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to the Federal Deposit Insurance Corporation (FDIC), in 2023, 4.2 percent of U.S. households were "unbanked." The FDIC defined a household as "unbanked" if no one in the household had a checking or savings account at a bank or credit union. The most recent Diary of Consumer Payment Choice (Diary) published by the Federal Reserve noted that consumers made an equal number of cash and debit card purchases for payments under \$25. The Diary also noted that households with annual income under \$50,000 used cash for 28% of payments, compared to 13% for households with annual income of more than \$50,000. The Diary also found that consumers over age 55 used cash for 22% of payments, whereas consumers under age 55 used cash for 12% of all payments.

In 2022, the Legislative Assembly enacted Senate 1565. SB 1565 required any place of public accommodation offering goods or services to accept cash payments for up to \$100.

Senate Bill 423 directs the Bureau of Labor and Industries to study penalties for violating laws prohibiting places of public accommodation from refusing to accept cash as currency.