

HB 4178 -3 STAFF MEASURE SUMMARY

House Committee On Rules

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Meeting Dates: 2/19, 2/24

WHAT THE MEASURE DOES:

The measure allows a place of public accommodation offering goods or services to adopt a rounding policy for in-person cash or mixed-tender transactions. It requires the policy to be applied consistently and to round down to the nearest amount divisible by five cents if the final amount ends in one, two, six or seven, and to round up if the total amount due ends in three, four, eight or nine. It specifies how to apply the rounding policy when a buyer pays part of the total amount due in cash and non-cash and allows a buyer to pay the total amount due in exact change. It requires the posting of signs to notify the public of the rounding policy. It makes a place of public accommodation that has a policy and engages in rounding exempt from being considered an unlawful trade practice and not in violation of laws that prohibit a refusal of accepting coins or currency for payment. The measure declares an emergency and is effective on passage.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

-3 The amendment adds a definition for “place of public accommodation” to the existing requirements of the measure and that it does not include any place that is open to the public and owned or maintained by a public body, or any service to the public that is provided by a public body. The amendment adds new provisions allowing a public body to establish a rounding policy for in-person cash or mixed-tender transactions that are conducted by the public body under which the final digit of the total amount due or remaining amount due may be rounded to the nearest amount divisible by five cents.

Fiscal impact: Minimal fiscal impact

Revenue impact: Minimal revenue impact

BACKGROUND:

According to the U.S Department of the Treasury, the total production cost of the penny has risen from 1.3 cents to 3.69 cents per penny over the past 10 years. It states that it does not believe continued production is fiscally responsible or necessary to meet the needs of commerce in the United States given the increasing number of non-cash transactions and the very low purchasing power of a single penny.

The U.S. Mint stopped making pennies for circulation on November 12, 2025. The federal government did not issue regulations. While the Federal Reserve promised to recirculate the estimated 114 billion pennies currently in existence, retailers have already reported that the pennies in circulation are not getting to where they are needed.

The National Conference of State Legislatures (NCSL) State and Local Taxation (SALT) Task Force released a [policy brief](#) in December 2025 addressing the economic, legal, and operational implications of eliminating the penny and providing guidance for states navigating this transition.