

HB 4178 A STAFF MEASURE SUMMARY**Carrier:** Sen. Starr**Senate Committee On Rules****Action Date:** 03/03/26**Action:** Do pass the A-Eng bill.**Vote:** 5-0-0-0**Yeas:** 5 - Golden, Jama, Manning Jr, Starr, Thatcher**Fiscal:** Has minimal fiscal impact**Revenue:** Has minimal revenue impact**Prepared By:** Leslie Porter, LPRO Analyst**Meeting Dates:** 3/3**WHAT THE MEASURE DOES:**

The measure allows places of public accommodation that offer goods or services, and public bodies, to adopt a rounding policy for in-person cash or mixed-tender transactions. It requires adopted rounding policies to be applied consistently and signs to be posted to notify the public of the policies. It exempts retail transactions that occur over the telephone or by mail, or that are internet-based. It exempts rounding done consistently with a policy from being considered in violation of laws that prohibit the refusal to accept coins or currency for payment or price misrepresentation. The measure declares an emergency, effective on its passage.

Detailed Summary:**Place of Public Accommodation Policy**

- Allows a place of public accommodation to adopt a rounding policy for in-person cash or mixed-tender transactions, and specifies that a place of public accommodation is not any place that is open to the public and owned or maintained by a public body and is not a service to the public provided by a public body
- 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 to the nearest amount divisible by five cents if the total amount due ends in three, four, eight, or nine
- Specifies how to apply the rounding policy when a buyer pays part of the total amount in cash and non-cash, and allows a buyer to pay the total amount in exact change
- Requires the posting of signs to notify the public and specify the rounding procedures used
- Exempts a place of public accommodation that has a policy and engages in rounding consistent with the measure from being held liable under unlawful trade practices laws

Public Body Policy

- Allows a public body to establish a reasonable rounding policy for in-person cash or mixed-tender transactions that are conducted by the public body for commodities received from or services rendered by a public body, or for transactions involving the payment of a debt, fee, or tax owed to a public body
- Specifies that under the policy, the final digit of the total amount due or the remaining amount due may be rounded to the nearest amount divisible by five cents
- Requires the public body to apply the policy consistently, post signs to give notice of the policy to the public, and publicize the policy

ISSUES DISCUSSED:

- The need for a state-level rounding policy, given the lack of federal guidance or relief
- The policy being permissive and consistent
- Allowance for state and local governments to implement this rounding policy
- Anticipated arguments against the policy

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EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

According to the U.S. Department of the Treasury, the total production cost of one penny has risen from 1.3 cents to 3.69 cents 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 are not reaching where they are needed.

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