



TO: **Rep. Ben Bowman, Chair**
Rep. Lucetta Elmer, Vice Chair
Rep. Hai Pham, Vice Chair
Members of House Rules Committee

FR: **Amanda Dalton**
Shawn Miller
Northwest Grocery Retail Association

RE: **Support HB 4178 – Oregon’s ‘Common Cents Act’**

February 19, 2026

The Northwest Grocery Retail Association (NWGRA) is the region’s leading voice for the retail food industry, representing grocery retailers and the essential supply chain that supports them across Oregon, Washington, and Idaho. In Oregon, NWGRA members support more than 40,000 jobs at over 400 grocery stores statewide. Our Oregon membership includes grocery retailers of all sizes—from the largest chains to the smallest neighborhood stores—including many employee-owned and independent grocers serving communities in every corner of the state.

Oregon grocers are committed to complying with all federal and state laws while continuing to serve our customers fairly and ensuring communities have reliable access to fresh food and essential goods. However, the abrupt halt in penny production has created operational and compliance challenges. Without clear guidance, retailers face uncertainty about how to remain compliant while managing a very real coin shortage.

The final minting of the 1-cent coin occurred in June 2025 at the directive of the U.S. Treasury Department, and the final inventory of these pennies was shipped to Federal Reserve regional distribution vaults in August. As a result, grocery retailers are no longer receiving an adequate supply of pennies to make exact change for cash-paying customers in our stores.

Without exact change, our stores have no choice but to round to the nearest nickel for cash customers. Additionally, with discriminatory cash and electronic payment laws on the books in Oregon, there is a need for clear guidance on acceptable rounding policies. While our federal grocery retail partners are seeking federal legislation – and some guidance has been issued – many States are having to step in to provide clarity and compliance guidance until federal action is taken.

Based on research from our national partners, it is understood that when countries eliminate their lowest-denomination coins, they typically implement a "rounding rule" for cash transactions. It is important to note that this applies only to the final totals of cash payments,

not to the pricing of individual items or to digital and card-based transactions. Some examples include:

- Canada: After ending penny circulation in 2013, Canada adopted a rounding policy for cash transactions to the nearest 5 cents.
- Australia and New Zealand: Both countries round cash totals to the nearest 5-cent increment.
- European Union (Eurozone): Many Eurozone countries round to the nearest 5 cents where 1- and 2-cent coins are rare or not used.

The method used is known as "Swedish Rounding." It is widely accepted for its simplicity and fairness and is applied when the total price of a purchase is rounded to the nearest amount that can actually be paid in cash—usually because a country has stopped using its smallest coins. This is what is being sought in the federal legislation in addition to providing a safe harbor for retailers who round from any federal, state, local laws.

The bill before you is simple and practical—it authorizes rounding to the nearest nickel while ensuring customers are clearly informed of the policy.

Specifically, HB 4178:

- Allows a place of public accommodation to establish a rounding policy for in-person cash transactions or mixed-tender transactions (does not require rounding)
- Leaves electronic payments, credit cards, and other non-cash transactions are unaffected
- If a rounding policy is adopted it must be applied consistently to all transactions
- If a rounding policy is adopted, it should adhere to the provided formula:
 - If .01, .02, .06, .07 then round down to nearest .05
 - If .03, .04, .08, .09 then round up to nearest .05
 - If .00 or .05 then no rounding
- Addresses mixed-tender transactions – meaning when a customer chooses to pay part of their transaction with a debit, credit or gift card and cash – the rounding is only applicable to the cash portion of the transaction and only if cash is used to pay the balance
- Requires signage to notify customers of the rounding policy
- Provides protection from potential liability under Oregon's pricing and UTPA laws if rounding done in accordance with the law
- Expressly exempts rounding from Oregon's cash law found at ORS 659A.410
- Makes the law effective upon adoption – Emergency Clause

This federal action (and inaction) has created uncertainty for grocery retailers across Oregon. HB 4178 provides a fair and practical solution for consumers while delivering much-needed clarity for businesses. Codifying rounding standards in state law will reduce confusion, support the practical phaseout of the penny, and protect retailers from liability when they apply a consistent rounding policy with clear notice to customers.

We thank you for your leadership in advancing HB 4178 and urge your strong support.