

New York City Bans Retailers From Refusing to Accept Cash

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New York City has amended its Administrative Code to make it unlawful for food stores and other retail establishments to refuse to accept payments in cash.

Food stores are defined as “an establishment which gives or offers for sale food or beverages to the public for consumption or use on or off the premises, or on or off a pushcart, stand or vehicle.”

Retail establishments are defined as “an establishment wherein consumer commodities are sold, displayed or offered for sale, or where services are provided to consumers at retail. This definition does not include banks or trust companies as those terms are defined in section 2 of article 1 of the banking law.”

The new law undoubtedly reflects a transition in recent years from cash purchases to those made electronically, first by credit cards and now, with COVID-19 concerns, touchless. While large retailers have continually adopted and championed new technology for purchases, many small retailers still retained a focus on cash purchases. Small retailers may have even been reluctant to adopt new technology out of cost considerations. But, with the pandemic, countless smaller retailers have had the opportunity (and perhaps pressure from their customers) to move toward electronic or virtual transactions.

While car drivers may see signs at many gas stations where cash payments are lawfully favored, the new law is designed to make sure that a cash-paying customer does not confront any additional cost for paper dollars (or coins). Penalties for violations are up to \$1,000 for a first violation and no more than \$1,500 for subsequent violations.

In these ever-changing times, cash may no longer be king, but it cannot be treated as a second-class or more expensive mode of payment either.

Please contact a Jackson Lewis attorney with any questions.

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