


Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: November 30, 2020

SUBJECT: Fiscal Impact Statement – Cashless Retailers Prohibition Act of 2020

REFERENCE: Bill 23-122, Committee Print provided to the Office of Revenue
Analysis on November 17, 2020

Conclusion

Funds are not sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The bill will cost \$171,000 in fiscal year 2021 and \$685,000 over the four-year financial plan.

Background

The bill prohibits a licensed retail establishment from discriminating against cash as a form of payment. Establishments may not refuse to accept cash as a form of payment, post signs indicating that cash payment is not accepted, or charge a higher price to consumers who pay cash. Retailers that do not comply will be subject to civil penalties for unlawful trade practices.¹

Sales made via phone, mail, or internet, and parking facilities that do not already accept cash as a form of payment are exempted from the prohibition. The bill also exempts all retailers from the prohibition during the period the Mayor has declared a public health emergency.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The bill will cost \$171,000 in fiscal year 2021 and \$685,000 over the four-year financial plan.

¹ D.C. Official Code § 28-3904.

The Honorable Phil Mendelson

FIS: "Cashless Retailers Prohibition Act of 2020," Bill 23-122, Committee print provided to the Office of Revenue Analysis on November 17, 2020.

The Department of Consumer and Regulatory Affairs (DCRA) will require resources to respond to tips of non-compliance, investigate complaints, proactively assess compliance, and enforce compliance. We do not have data on how many retailers are cashless operations. We estimate it will require 1 FTE, as well as contract funding for "mystery shoppers" at approximately 720 shops per year to proactively research and investigate compliance.

Cashless Retailers Prohibition Act of 2020 Bill 23-122 Fiscal Year 2021 - Fiscal Year 2024 (\$ thousands)					
	FY 2021	FY 2022	FY 2023	FY 2024	Total
DCRA Staff (1 FTE) ^(a)	\$140	\$141	\$141	\$142	\$565
Proactive investigative compliance services ^(b)	\$30	\$30	\$30	\$30	\$120
TOTAL	\$171	\$171	\$172	\$172	\$685

Table Notes

(a) Assumes Manager Grade 13 midpoint salary and fringe.

(b) Estimated 720 shops reviewed per year at a cost of \$42 per visit.