

Cash Acceptance by Government Entities Act (CAGE) – PRELIMINARY DRAFT

Section 1. Short Title.

This Act shall be known and may be cited as the "Cash Acceptance by Government Entities Act."

Section 2. Legislative Findings and Purpose.

The Legislature finds that:

- (a) United States currency remains an essential means of payment for residents of this state.
- (b) Individuals should not be required to maintain a bank account, possess a credit or debit card, or utilize a digital payment system in order to access government services or fulfill financial obligations to government entities.
- (c) Requiring governmental entities to accept cash helps preserve financial accessibility, individual privacy, and the freedom to conduct lawful transactions without reliance on digital financial systems.
- (d) Governmental entities should not be permitted to circumvent cash acceptance requirements by delegating public-facing payment collection functions to private contractors.

The purpose of this Act is to ensure that residents may use United States currency when making payments to state and local governmental entities and to private entities collecting payments from the public in connection with government services.

Section 3. Definitions.

For purposes of this Act:

- (a) "Cash" means United States coins and currency, including Federal Reserve notes, that are legal tender under federal law.
- (b) "Governmental entity" means any agency, department, board, commission, office, institution, authority, or other instrumentality of state or local government, including any county, city, municipality, or other political subdivision of this state.

(c) "Public institution of higher education" means any public university, college, community college, or other institution of higher education established, operated, or funded by this state or any political subdivision thereof.

(d) "Government contractor" means any private person, business, corporation, organization, or other entity that, pursuant to a contract or agreement with a governmental entity, collects payments from members of the public in connection with the performance or delivery of a governmental service, program, or function.

Section 4. Mandatory Acceptance of Cash.

(a) Every governmental entity of this state shall accept cash as a form of payment for any fee, fine, tax, assessment, charge, admission, fare, toll, or other financial obligation payable to that entity, subject to applicable federal law.

(b) Every public institution of higher education shall accept cash as a form of payment for tuition, fees, admissions, and other payments collected by the institution.

(c) The provisions of this Act shall apply to every county, city, municipality, agency, board, commission, authority, office, department, and any other political subdivision of this state, including any officer, board, department, or instrumentality thereof.

(d) No governmental entity subject to this Act shall require a person to use a credit card, debit card, electronic funds transfer, mobile application, digital wallet, or other electronic payment method as the exclusive means of satisfying a financial obligation covered by this Act.

(e) No governmental entity shall impose an additional fee, surcharge, or penalty solely because a person elects to pay in cash.

Section 5. Cash Acceptance by Government Contractors.

(a) Any private entity that collects a fee, fare, admission, toll, charge, or other payment from the public in connection with a service, program, or function performed pursuant to a contract or agreement with a governmental entity shall accept cash for such payments.

(b) The requirements of this section shall apply only to payments collected in connection with the governmental service, program, or function covered by the contract or agreement.

(c) Nothing in this Act shall be construed to require a private entity to accept cash for transactions unrelated to the performance of its contractual obligations to a governmental entity.

(d) No governmental entity shall enter into, renew, or materially amend a contract for the collection of payments from the public unless the contract requires compliance with this Act.

Section 6. Prohibition on Circumvention.

(a) No governmental entity shall evade or circumvent the requirements of this Act by delegating, transferring, outsourcing, or contracting for the collection of payments to another governmental entity or private contractor.

(b) Any governmental service, program, or function that would be subject to the cash acceptance requirements of this Act if performed directly by a governmental entity shall remain subject to those requirements when performed by a contractor acting on behalf of that governmental entity.

Section 7. Implementation.

(a) Governmental entities shall establish reasonable procedures for the secure receipt, handling, accounting, and deposit of cash payments.

(b) A governmental entity may establish reasonable procedures regarding the location and hours for receiving cash payments, provided that such procedures do not effectively deny members of the public a meaningful opportunity to pay in cash.

(c) Nothing in this Act shall prevent a governmental entity from offering additional payment methods, including electronic payment options, provided that cash remains an available method of payment.

Section 8. Severability.

If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this Act that can be given effect without the invalid provision. To this end, the provisions of this Act are severable.

Section 9. Effective Date.

This Act shall take effect on [DATE], and shall apply to all governmental entities and public institutions of higher education on and after that date. Section 5 shall apply to government contracts entered into, renewed, or materially amended on or after that date.