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# A BILL FOR AN ACT

RELATING TO CURRENCY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that access to basic  
2 goods and services is essential to the health, safety, and  
3 economic well-being of the people of the State. In recent  
4 years, an increasing number of merchants and vendors have  
5 adopted "cashless" business models that refuse to accept United  
6 States currency as payment for goods or services. While these  
7 models may offer convenience for some consumers, they  
8 effectively exclude individuals who rely on cash transactions,  
9 including kupuna, low-income residents, individuals without  
10 access to banking or credit services, and others who are  
11 unbanked or underbanked.

12           The legislature recognizes that United States coins and  
13 currency are designated as legal tender for all debts, public  
14 charges, taxes, and dues, and that the refusal to accept cash  
15 for everyday transactions may create barriers to commerce,  
16 undermine consumer choice, and exacerbate existing economic  
17 inequities in the State. The legislature further finds that



1 this exclusion may function as an economic barrier that  
2 disproportionately affects vulnerable populations and undermines  
3 the State's commitment to fairness and equal access.

4 The legislature further finds that the United States  
5 Treasury has stopped minting the penny for general circulation,  
6 which has created a shortage for many businesses in the State.  
7 To protect the ability of businesses in the State to accept cash  
8 payments and make change, rounding to the nearest five cents  
9 should be permissible by law to address this urgent issue.

10 Accordingly, the purpose of this Act is to:

11 (1) Safeguard access to goods and services by requiring  
12 retail merchants to accept cash payments in in-person  
13 transactions; and

14 (2) Enable cash transaction rounding.

15 SECTION 2. Chapter 481B, Hawaii Revised Statutes, is  
16 amended by adding a new part to be appropriately designated and  
17 to read as follows:

18 "PART . CASH TRANSACTIONS

19 §481B- Forms of payment; cash. (a) All merchants shall  
20 accept cash as payment for goods or services; provided that this



1 section shall not apply to online purchases or sales made over  
2 the Internet.

3 (b) For the purposes of this section, "merchant" shall  
4 have the same meaning as defined in section 481B-5.5.

5 **§481B- Cash transaction rounding.** (a) Notwithstanding  
6 any law to the contrary, any person selling goods or services in  
7 a cash transaction, entering into any other transaction that  
8 results in a payment or transfer of cash between the parties to  
9 the transaction, or paying cash wages to an employee as  
10 compensation, shall round the payment in the following manner  
11 for any person seeking to make payment with legal tender:

12 (1) In any case in which the total transaction amount,  
13 including any taxes, ends with one cent, two cents,  
14 six cents, or seven cents as the final digit, the  
15 amount of cents in the sum shall be rounded down to  
16 the nearest amount divisible by five;

17 (2) In any case in which the total transaction amount,  
18 including any taxes, ends with three cents, four  
19 cents, eight cents, or nine cents as the final digit,  
20 the amount of cents in the sum shall be rounded up to  
21 the nearest amount divisible by five; and



1 (3) Notwithstanding paragraph (1) to the contrary, in any  
2 case in which the total transaction amount, including  
3 any taxes, totals \$0.01 or \$0.02, the transaction  
4 shall be rounded up to \$0.05.

5 (b) Subsection (a) shall not apply to any transaction for  
6 which payment is made by any demand or negotiable instrument,  
7 electronic fund transfer, check, gift card, money order, credit  
8 card, or other like instrument or method."

9 SECTION 3. This Act does not affect rights and duties that  
10 matured, penalties that were incurred, and proceedings that were  
11 begun before its effective date.

12 SECTION 4. This Act shall take effect on July 1, 2050.



**Report Title:**

Cash Payments; Cash Transactions; Discrimination; Public Accommodations; Unfair and Deceptive Practices; Rounding; Pennies

**Description:**

Requires retail merchants to accept cash payments in in-person transactions. Requires cash transactions to be rounded up or down to the nearest five cents. Requires cash transactions that total \$0.01 or \$0.02 to be rounded up to \$0.05. Exempts transactions in which payment is made by demand or negotiable instrument, electronic fund transfer, check, gift card, money order, credit card, or other like instrument or method. Effective 7/1/2050. (SD1)

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