Summary: Cash Acceptance by Government Entities Act

Proposed ALEC Model Legislation

The Cash Acceptance by Government Entities Act is designed to protect citizens' ability to conduct financial transactions with state and local governments without being required to use digital payment systems. The legislation ensures that cash and checks remain available payment options for government services, fees, taxes, fines, and other financial obligations.

Key Provisions

- **Mandatory Cash and Check Acceptance.** Requires all state and local governmental entities, including agencies, departments, boards, commissions, counties, municipalities, and other political subdivisions, to accept both cash and checks for payments.
- **Public Colleges and Universities.** Requires public institutions of higher education to accept cash and checks for tuition, fees, admissions, and other payments.
- **Government Contractors.** Extends cash and check acceptance requirements to private contractors collecting payments from the public while performing government services. This prevents governments from circumventing the law by outsourcing payment collection.
- **Protection Against Digital-Only Payments.** Prohibits government entities from requiring credit cards, debit cards, digital wallets, mobile applications, or other electronic payment methods as the exclusive means of payment.
- **No Additional Fees.** Prohibits governmental entities from imposing additional fees, surcharges, or penalties solely because someone chooses to pay with cash or a check.
- **Reasonable Implementation Procedures.** Allows government entities to establish reasonable procedures for receiving, securing, and processing cash and checks, provided those procedures do not effectively prevent their use.
- **Preservation of Payment Choice.** Government entities may continue offering electronic payment options, but cash and checks must remain available.

Overall Purpose

The legislation seeks to preserve financial accessibility, individual privacy, and freedom of payment choice while reducing dependence on digital financial systems. By establishing a uniform cash and check acceptance requirement across state and local governments, public institutions of higher education, and government contractors, the Act helps ensure that citizens can fulfill their financial obligations to government without being forced into digital transactions.

The bill is designed as model legislation that can be adapted and introduced in multiple states.