

April 18, 2025

TO: Members of the Wisconsin Legislature

FR: Wisconsin Restaurant Association
Wisconsin Hotel & Lodging Association
Wisconsin Grocers Association
Wisconsin Independent Businesses
Association of Wisconsin Tourism Attractions
Skiing Wisconsin

RE: Please do not sign on to LRB 1099/1, relating to: requiring retail sellers to accept cash and providing a penalty

The above organizations, which collectively represent over 10,000 retail business locations, ask that you do not sign on as a cosponsor of LRB 1099/1, which would require all retail businesses to accept cash, and penalize those businesses if they do not comply. Currently, every Wisconsin retail business has the right to determine what payments they take, be it cash, checks, or credit/debit cards.

At the heart of American commerce is a principle that transcends industry, geography, and market size: the freedom of a business to decide how it operates. This principle is particularly vital for small businesses, which rely on flexibility, ingenuity, and adaptability to survive and thrive in a constantly evolving economic landscape. Among the most fundamental of these operational freedoms is the ability to determine how to engage in financial transactions. Restricting that right—by mandating specific payment methods, for example—is not only impractical, but also a direct threat to entrepreneurial autonomy.

Small/independent businesses are not simply miniature versions of large corporations. They are often family-run, independently financed, and uniquely attuned to the needs and constraints of their communities. Unlike large enterprises with vast resources, small businesses cannot afford mandates that limit their ability to adapt. When a government regulation dictates how a business must conduct its transactions—such as requiring them to accept cash regardless of safety or feasibility - it undermines the very independence that allows small businesses to function on their own terms.

The right to choose payment methods is a natural extension of a business owner's right to define how their business operates. For some, this may mean operating as card-only to reduce the risk of theft or fraud. For others, it may mean staying cash-friendly to better serve a particular customer base. What matters is that the decision belongs to the business owner. The consumer has the ultimate input.

This is not to say that accepting only credit/debit cards is without additional costs. Accepting payment via electronic means (credit cards) comes with an unfair business model that is biased towards a small number of credit card companies. Ultimately, we believe that the coalition's positions on payment issues are consistent: when the market is unbiased, businesses and consumers will be empowered to make decisions that will have a positive impact on the marketplace and the economy.

Why now have we determined that legislation is required to tell a business how it must conduct its financial transactions?

Some businesses have stopped accepting checks, to avoid bank fees and checks with non-sufficient funds in their accounts. This business practice has been widely accepted and not questioned or considered discriminatory. Some businesses have also decided not to accept credit and/or debit cards, a practice which has not been targeted as needing legislation to require its use.

In recent years, some businesses, both large and small, have decided not to accept cash. In most cases, this decision was based on two reasons - improving employee safety and preventing employee theft.

Retail businesses can be the target for armed robbery when there is cash present. This is especially true in high density traffic areas where there is a lot of merchant activity. Some employers have made the decision to no longer accept cash to eliminate the risk of someone with a weapon threatening their employees and customers. Tipped employees in these businesses are no longer targets for robbery as they head home from work. These business owners have not made this decision lightly, but they have made the conscious decision to do what they feel is the most appropriate for the safety of their employees and property.

Other businesses no longer accept cash to curb the temptation of employee theft. When all transactions are electronic, there is financial transparency in the business, and it is difficult for fraud or theft to take place. In the case of businesses where tipping is involved, all tips earned are properly reported as income.

While not every person can qualify to have a debit or credit card, the ability to use cash to get refillable debit cards is possible and easy to access at many locations. In addition, many businesses have made the decision to encourage cash transactions, and those businesses have the right to do so, if they feel that is what is best for them.

Many large venues have also made reverse ATMs available to take cash and convert it to a debit card. While those types of machines are cost effective for places like American Family Field, they are cost prohibitive for small business since they have high monthly fees and per card costs.

The payment industry is evolving, and the state of Wisconsin should be open and accepting to its changes. After all, 175 years ago, certain types of banking was illegal in Wisconsin and almost every bank had its own currency. In a modern business environment, every business owner needs to be able to make the right financial transaction decision for their own business situation – LRB 1099/1 takes that decision away. Please do not co-sponsor this onerous legislation.

If you would like to discuss this issue further with coalition members, please reach out to Susan Quam and we can schedule a meeting.