



Written by [James Heiser](#) on January 31, 2011

## California Town Bans Cash for Public Payments

But in the small town of Discovery Bay, cash is no longer “king” — those slips of paper marked with the words, “This note is legal tender for all debts public and private,” will not be accepted for public debts in at least one town in the Golden State. It is not that the local government does not still desire to take a portion of the wealth of local residents; the problem is that cash is anonymous, while other means of payment link a citizen’s name to the payment.



According to an article in the *Contra Costa Times*, the reason for the shift from paper to plastic — for currency, anyway — has to do with anonymous requests for public information. [As Hannah Dreier wrote for the Times](#):

The Discovery Bay Community Services District board voted this week to ban cash transactions for all services, including water bills and park reservations.

Board members said the new policy will ensure the safety of town clerks and save the district time and money, but some say it is also a response to anonymous requests for public records the town has received. Those requesting records anonymously have been using cash to pay for the cost of copying the documents.

What deluge of anonymous requests could drive such a shift in policy? Four requests, apparently — though the board of directors insists a desire for greater security, not the anonymous requests, was the reason for the change. Again, according to the *Times*:

Resident Don Flint, who is often critical of the board, noted that the district began receiving anonymous records requests last fall — it has so far received four — and charged that the board was attempting to limit access to public information.

"I'm troubled that the board takes steps to limit people's access to records," he said. "I think that you guys are overstepping if not the letter then the spirit of the law."

Directors Mark Simon, Chris Steele and Kevin Graves said the new policy is not a response to these anonymous requests. The presence of cash at town offices might endanger staff by attracting thieves, the directors said, though they acknowledged that this has never happened.

[According to the U.S. Treasury](#), the fact that Federal Reserve notes are “legal tender” does not mean that they actually have to be accepted under all circumstances:

The pertinent portion of law that applies to your question is the Coinage Act of 1965, specifically Section 31 U.S.C. 5103, entitled "Legal tender," which states: "United States coins and currency (including Federal reserve notes and circulating notes of Federal reserve banks and national banks) are legal tender for all debts, public charges, taxes, and dues." □ This statute means that all



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United States money as identified above are a valid and legal offer of payment for debts when tendered to a creditor. There is, however, no Federal statute mandating that a private business, a person or an organization must accept currency or coins as for payment for goods and/or services. Private businesses are free to develop their own policies on whether or not to accept cash unless there is a State law which says otherwise.

While businesses may be free to determine whether or not to accept cash payments, the Treasury Department's statement seems less clear with regard to local governments. However, aside from such issues, the larger question is: Why, in general, would government be opposed to cash payments? Because the government wants information almost as much as it wants money. [As Steve Watson wrote for Prisonplanet.com](#) regarding the Discovery Bay ruling against cash payments:

The ruling sets a dangerous precedent, not only in that it effectively limits access to public records, but also particularly in light of the fact that the federal government is pushing an agenda to identify those who exclusively use cash to pay for things and do not own credit cards as suspicious and potential terrorists.

As part of the Commercial Facilities Sector Training and Resources, the following PSA video titled *DHS Video No Reservations — Extension of "See Something, Say Something"* program was recently released by Department of Homeland Security (DHS). The video suggests that "Terrorists and criminals do their best to cover their tracks. This may include paying by cash." The hotel receptionist acts baffled and dumbfounded when a guest asks to pay in cash and says he does not use credit cards. Like a dutiful tattle tale she alerts her manager, concluding "I guess it's not a problem, it's just... *WEIRD*." The narrator of the video then confirms "This *is* suspicious behaviour."

Bureaucrats are not fond of being held accountable by the public; at the very least the decision in Discovery Bay comes across as petty, since the amount of cash and the number of information requests are so small as to be almost unworthy of note. The anti-cash agenda of the Department of Homeland Security is another matter. The only things that are suspicious about the process of "paying by cash" include using greenbacks which are issued by the Federal Reserve, rather than the U.S. Treasury, and which have neither gold nor silver to hold them up, only the "full faith and credit of the U.S. government" — a government which looks with disfavor on its own citizens for using such a currency.



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