

**SECOND CONFERENCE COMMITTEE REPORT BRIEF
SENATE BILL NO. 331**

As Agreed to April 28, 2022

Brief*

SB 331 would repeal the prohibition on imposing a surcharge on payments made by credit or debit cards.

The bill would require any person, retailer, or entity imposing a surcharge to clearly and conspicuously post a notice in at least 16 point font size at the point of entry to the business and the point of sales explaining the surcharge amount and which credit cards are subject to the surcharge.

For sales online or through mobile devices, the notice would be required to be on the home page and the point of sale webpage.

Conference Committee Action

The second Conference Committee agreed to remove the contents of SB 331, pertaining to risk-based capital instructions, and insert the contents of Sub. for SB 462, pertaining to credit card surcharges.

[*Note:* The provisions of SB 331 were enacted in HB 2564.]

Background

Sub. for SB 462 (Credit Card Surcharge Prohibition Repeal)

SB 462 was introduced by the Senate Committee on Assessment and Taxation at the request of Senator Tyson. The bill dealt with changes to the Homestead Property Tax Refund. The Senate Committee on Assessment and Taxation removed the contents of SB 462, inserted the amended contents of HB 2316, and recommended a substitute bill be created.

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/klrd>

HB 2316

The bill was introduced by the House Committee on Taxation at the request of a representative of the Kansas Restaurant and Hospitality Association.

House Committee on Taxation

In the House Committee hearing, **proponent** testimony was provided by representatives of Fuel True, the Kansas Association of Beverage Retailers, and the Kansas Restaurant and Hospitality Association. Written-only proponent testimony was provided by a representative of the Kansas Chamber of Commerce. Proponents noted the bill would give flexibility to business owners, allow them to be more transparent in their actual costs, and allow retailers the same freedom to impose a credit transaction surcharge as state government entities have.

No other testimony was provided.

Senate Committee on Assessment and Taxation

In the Senate Committee hearing, **proponent** testimony was provided by representatives of Fuel True, Kansas Association of Beverage Retailers, Kansas Restaurant and Hospitality Association, Kansas Retail Council, National Federation of Independent Business, and the Wichita Chamber of Commerce. Proponents generally stated the bill would allow retailers to apply credit card surcharges to recoup the fees charged to them by processing companies. Written-only proponent testimony was provided by representatives of the Kansas Agribusiness Retailers Association, Kansas Grain and Feed Association, Overland Park Chamber of Commerce, and Renew Kansas Biofuels Association.

Neutral testimony was provided by representatives of the Office of the State Bank Commissioner and American Express.

No other testimony was provided.

The Senate Committee amended the bill to require retailers imposing a surcharge to provide certain disclosures regarding the surcharge and to make the disclosure requirements applicable to any entities imposing a surcharge. [*Note:* The Conference Committee retained this amendment.]

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on HB 2316, as introduced, enactment of the bill would have no fiscal impact on state revenues or expenditures.

Credit card surcharge; prohibition; repeal; disclosure

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