



February 8, 2023

To: Senate Financial Institutions and Insurance Committee  
From: Kevin Gregg, Associate Executive Director, Fuel True  
Re: SB 104 Support, Written Testimony

Mr. Chairman and Members of the Committee:

My name is Kevin Gregg and I represent Fuel True Independent Energy and Convenience. Our association was formerly known as the Petroleum Marketers and Convenience Store Association of Kansas (PMCA of Kansas). We are a statewide trade association representing over 300 independent Kansas petroleum distribution companies and convenience store retailers throughout Kansas.

We represent both large and small retailers throughout Kansas. Credit card purchases at the point of sale represent the majority of their transactions. Credit card and cashless transactions continue to rise and our retailers are normally forced to absorb the fees assessed for each credit card transaction.

To put a dollar amount on the cost credit card fees represent, we surveyed some of our board members. One retailer has four stores in the western part of Kansas. In 2021, those four locations had a net income of \$274,000. Their credit card fees were \$243,000; almost equal to their combined net income for their entire operation. We have a larger retailer with 24 locations across the state. In 2021, they paid \$2.4 million, the equivalent of 40% of their net income in credit card fees.

In addition to the fees we already pay to the credit card companies, we are also required to comply with anti-fraud technology on all of our fuel dispensers. I say "required", because if we do not equip our dispensers with the newest EMV technology, (these are the cards with "chips" that store your data) we are liable for any charges made at the pump using a fraudulent or stolen credit card.



INDEPENDENT ENERGY & CONVENIENCE

The cost of compliance is steep. A member based in North Central Kansas has ten locations. The cost to bring 7 of his ten sites into compliance was \$420,000. At his two non-compliant sites, he had \$21,000 worth of fraud claims in a single year which he had to pay. He is obviously working quickly to upgrade these two sites. The remaining location is new and new pumps were purchased with EMV compliance installed.

Credit cards are essential to our business. No matter the size of our retailers or number of locations, each bears the cost of credit card fees and compliance. As cities, counties and other government entities are allowed to do within the existing legislation, we would ask that our retailers be granted the same courtesy. We appreciate the committee's consideration of SB 104 and ask for your support.

Kevin Gregg  
Fuel True Independent Energy and Convenience