



February 8, 2022

Madame Chair and Members of the Committee,

On behalf of the Wichita Regional Chamber of Commerce and our 1,500 members, thank you for the opportunity to provide testimony in support of H.B. 2316, AN ACT concerning financial institutions; relating to payments made with credit and debit cards; eliminating the prohibition of a surcharge for use of such cards.

KSA 16a-2-403 prohibits the seller or lessor in any sales or lease transaction or any credit or debit card issuer from imposing a surcharge on a cardholder who elects to use a credit or debit card instead of payment by cash, check, or similar means. A surcharge is defined as any additional amount imposed at the time of the sales or lease transaction by the merchant, seller or lessor that increases the charge to the buyer or lessee for the privilege of using a credit or debit card. Current law also exempts local units of government and state agencies from the prohibition. HB 2316 would eliminate this prohibition to allow the imposition of a surcharge.

The Chamber supports this legislation as a matter of fairness and flexibility for Kansas businesses. Notably, current Kansas law allows the government to charge a surcharge on credit card transactions, but not a business. It is impossible to identify why this difference exists. Additionally, it stands to reason that Kansas businesses are already passing on credit card processing costs to their customers. Therefore, the adoption of H.B. 2316 would also increase transparency for Kansas consumers.

Finally, we point to the U.S. District decision from last February that ruled Kansas' credit card surcharge prohibition violated the First Amendment of the United States Constitution.

We request that Committee report H.B. 2316 favorable for the passage for the reasons stated above. Again, thank you, and I am happy to stand for questions at the appropriate time.

Very truly yours,

Jason P. Watkins