

SESSION OF 2022

**SUPPLEMENTAL NOTE ON SUBSTITUTE FOR SENATE  
BILL NO. 462**

As Recommended by Senate Committee on  
Assessment and Taxation

**Brief\***

Sub. for SB 462 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 size 16 font 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.

**Background**

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.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

## **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 Biofeuls 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.

### **Fiscal Information**

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

Credit card surcharge; prohibition; repeal; notice