



Kansas Grain and Feed Association
Kansas Agribusiness Retailers Association
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January 30, 2023

To: House Committee on Financial Institutions and Pensions
From: Randy Stookey, Senior Vice President of Government Affairs, KGFA, KARA
Re: **Proponent Testimony on House Bill 2133, allowing a surcharge when purchases are made with a credit or debit card.**

Chairman Hoheisel and members of the committee, thank you for the opportunity to provide testimony in support of House Bill 2133. This testimony is submitted on behalf of Kansas Agribusiness Retailers Association (KARA) and Kansas Grain and Feed Association (KGFA).

KARA is an agribusiness industry trade association whose membership includes over 700 companies across Kansas. KGFA is the state association of the grain receiving, storage, processing, and shipping industry in Kansas.

Located across our state, our member agribusiness facilities work with Kansas farmers by providing agricultural inputs and services that assist with the growing of agricultural commodities. Our industry contributes to the Kansas economy and provides gainful employment for thousands of Kansans.

The ability of agribusinesses to operate a competitive business is often determined by the amount of their overhead costs, such as taxes, administrative costs, and fees.

Currently, Kansas law (KSA 16a-2-403) prohibits a seller in any sales transaction from imposing a surcharge on a card holder who elects to use a credit or debit card. The law defines a surcharge 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.

Kansas is among only a handful of states that continue to prohibit retailers from passing along surcharge fees on credit and debit card transactions. When these fees cannot be passed through to the consumer, it makes it difficult to continue to operate a competitive business in Kansas.

We support the proposed legislation to amend this antiquated law by removing this prohibition and allowing retailers to pass along surcharge fees on payments made by credit and debit cards. We support this proposed change as a reasonable change to Kansas law and sound policy for Kansas business and commerce.

Thank you for allowing us the opportunity to testify in support of House Bill 2133. We would respectfully request that the committee pass the bill out favorably.