

Senate Financial Institutions and Insurance Committee February 9, 2023 SB 104

Kansas Association of Counties Proponent Testimony – Written Only

Chairman Longbine and members of the Committee:

Thank you for allowing the Kansas Association of Counties to offer proponent testimony on SB 104, which would allow counties to apply a surcharge for the use of credit and debit cards to pay certain county fees, taxes and other charges.

When a credit or debit card is swiped, merchants are charged a processing fee by the payment processor to utilize the payment network operated by the processor. For many retailers, this fee is absorbed in the cost of the item or service. For counties, however, because most fees and taxes are set by statute, the fee or tax does not include the processing charge. This leaves the county to absorb those costs.

This bill would give counties the option to add a surcharge for credit and debit payments, which would allow counties to accept the payments by credit or debit card, which is a convenience to our residents, while also being able to pay the processing fees charged to the county by the payment network. KAC is supportive of this added flexibility for counties.

The Kansas Association of Counties and its members would urge the passage of SB 104. Thank you for your time and consideration.

Jay Hall Deputy Director and General Counsel Kansas Association of Counties <u>hall@kansascounties.org</u> (785)272-2585