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Date: February 9, 2023
To: Senator Jeff Longbine, Chairman, Senate Financial Institutions and Insurance Committee
From: Shahira Stafford, Kansas Cooperative Council
RE: **Proponent, Written-only Testimony on Senate Bill 104**

Mr. Chairman and Members of the Committee,

On behalf of the Kansas Cooperative Council (Co-op Council), thank you for the opportunity to provide comments on Senate Bill 104. The Co-op Council is a statewide association that works on behalf of all types of cooperatively structured businesses in Kansas. Some of the industries organized as cooperatives include agriculture, utility, financial, and insurance. Simply, cooperatives differ from other businesses because they are member-owned, member-controlled, and profits are returned to its member-patrons.

The majority of the Co-Op Council's members are agricultural retail cooperatives that sell farmers and ranchers seed, nutrients, crop protection chemicals, feed, equipment, and technology products. As other local merchants, their monthly credit card swipe fees are often one of their highest business operating expenses. Senate Bill 104 would allow our retail members to recoup some those costs by assessing a surcharge when a customer uses a debit or credit card for payment.

For the past 35 years, merchants in Kansas have been prohibited from charging a surcharge to customers on purchases made by credit card. Passed in 1986, the Kansas "no-surcharge" statute provided that "no seller or lessor in any sales or lease transaction or any credit or debit card issuer ay impose a surcharge on a card holder who elects to use a credit or debit card in lieu or payment by cash, check, or similar means." K.S.A. 16-a-2-403.

For agricultural cooperatives in particular, lifting the surcharge ban in Kansas would provide desperately needed overhead relief and allow more investment in and support of the communities in which we live and work.

Thank you for allowing the Kansas Cooperative Council to comment on Senate Bill 104, and we respectfully request that Kansas join the majority of other states in passing this legislation.