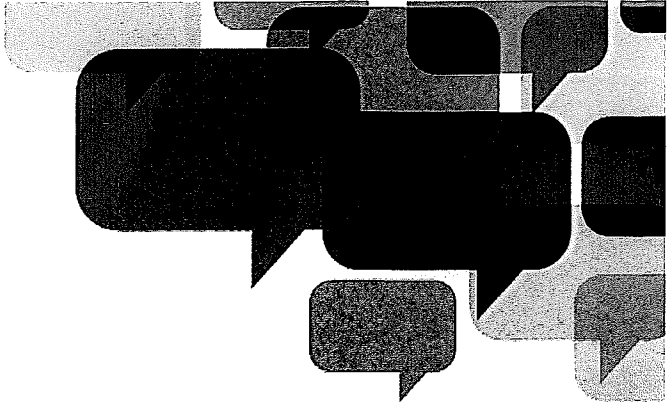




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March 25, 2025

Senator Donna Bailey, Chair

Representative Lori Gramlich, Chair

Members of the Health Coverage Insurance and Financial Services Committee

RE: Testimony in Support of LD 151, An Act to Allow Businesses to Impose a Surcharge on Credit Card and Debit Card Transactions; and Neither for Nor Against LD 1031, An Act to Allow Time-share Associations to Charge Credit Card Surcharges

Dear Senator Bailey, Representative Gramlich and members of the Health Coverage Insurance and Financial Services Committee:

My name is Curtis Picard and I am the President and CEO of the Retail Association of Maine. I am a resident of Topsham. We have more than 350 members statewide and represent retailers of all sizes. I am here to testify in support of LD 151, and neither for nor against LD 1031.

Thank you to Representative Tuell for submitting LD 151, and to Senator Pierce, Senator Moore and Representative Mingo for co-sponsoring it. I chided Representative Morris for submitting LD 1031 because he has not supported this issue in the past, and I am pleased to see that he has reconsidered his position. As you can see, LD 1031 simply creates yet another exemption in a law that should be repealed.

Actor Samuel L. Jackson is often asking television viewers, "What's in your wallet?" Even my own bank sent me an email to use my debit card *"the next time you're picking up a cup of coffee, grabbing a snack, or buying a new book, remember, no purchase is too small."* During the pandemic, consumers were advised to avoid cash and use contactless payments by credit and debit cards. Consumers are constantly urged to use reward credit and debit cards. The more you use it, the more rewards you get. The rewards aren't free, of course. They are paid for by retailers and merchants who accept credit and debit cards and that cost averages around 3% of each transaction.

The current statute reads:

§8-509. Credit card and debit card surcharge prohibition

1. Surcharge prohibited. A seller in a sales transaction may not impose a surcharge on a cardholder who elects to use a credit card or debit card in lieu of payment by cash, check or similar means. For purposes of this section, "surcharge" means any means of increasing the regular price to a cardholder that is not imposed on a customer paying by cash, check or similar means. A discount or reduction from the regular price is not a surcharge.

[PL 2011, c. 427, Pt. A, §15 (NEW).]

2. Surcharge permitted for governmental entity. Notwithstanding subsection 1, a governmental entity may impose a surcharge for payments made with a credit card or debit card for taxes, fines, charges, utility fees, regulatory fees, registration fees, license or permit fees or the provision of a specific service or good provided by that governmental entity if the surcharge:

A. Is disclosed clearly to the consumer prior to payment; and [PL 2011, c. 427, Pt. A, §15 (NEW).]

B. Does not exceed the costs associated with providing the credit card or debit card service that are directly incurred by the governmental entity or assessed by an authorized 3rd-party payment service provider for a credit card or debit card transaction. If there is not a cost assessed by an authorized 3rd-party payment service provider for a debit card transaction, the governmental entity may not impose a surcharge associated with a debit card transaction. [PL 2011, c. 427, Pt. A, §15 (NEW).]

A governmental entity shall disclose to the consumer that the surcharge may be avoided if the consumer makes payments by cash, check or other means not a credit card or debit card. A governmental entity is not subject to any liability to the issuer of a credit card or an authorized 3rd-party payment service provider for nonpayment of credit card charges by the consumer. As used in this subsection, "governmental entity" includes, but is not limited to, a state department or agency, a county established or governed by Title 30-A, Part 1, a municipality as defined in Title 30-A, section 2001, subsection 8, a plantation established or governed by Title 30-A, chapter 301, a quasi-municipal corporation as defined in Title 30-A, section 2604, subsection 3, the Judicial Department as described in Title 4, the University of Maine System, the Maine Community College System and the Maine Maritime Academy.

[PL 2021, c. 150, §2 (AMD).]

SECTION HISTORY

PL 2011, c. 427, Pt. A, §15 (NEW). PL 2021, c. 150, §2 (AMD).

STATE OF MAINE
DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION

FOR ITS REVIEW 3/28

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**Joint Advisory Ruling of the Bureau of Consumer Credit Protection and the Bureau of
Financial Institutions #119-A**

March 28, 2018

Senator Rodney L. Whittemore, Chair
Representative Mark Lawrence, Chair
Joint Standing Committee on Insurance and Financial Services
100 State House Station
Augusta, ME 04333

Re: Further guidance, re: implementation of 9-A MRS §8-509(1), "Credit Card and Debit Card
Surcharge Prohibition"

Dear Senator Whittemore, Representative Lawrence and Members of the Committee:

You have requested further clarification with respect to our agencies' Joint Advisory Ruling #119, issued July 12, 2011, in which we stated that it is permissible for a merchant to offer discounts from the regular price to consumers who use payment methods other than credit or debit cards.

In discussions with the committee, two specific questions emerged, and we answer them below.

Question 1: May a retailer post both the "regular" un-discounted price that's available to consumers using credit or debit cards, as well as the discounted "cash" price for those who use other payment methods?

Answer: Yes, a retailer can post both the regular price and the discounted cash price. If a merchant opts to disclose both prices, then the regular price must be as prominent as, or more prominent than, the discounted cash price, and the discounted price should be labeled as a "Cash" or "Cash Discount" price. A merchant may also choose to express the cash discount as a percentage, either on the label or on a display at the point of sale or other prominent location.

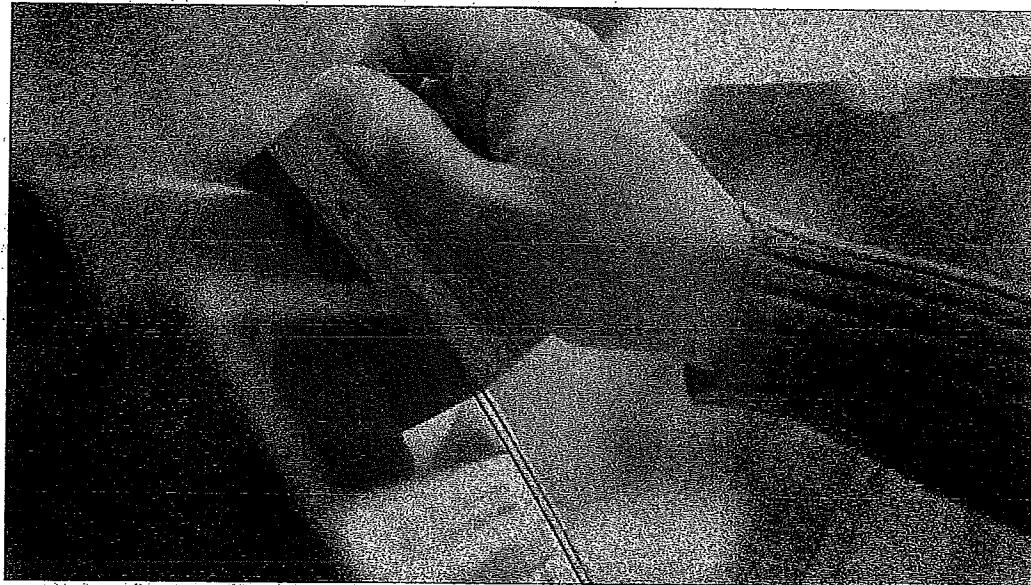




REGULATION AND COMPLIANCE

BankThink Swipe fee reform will barely dent American banks' record profits

By Joe Kefauver March 18, 2025, 10:00 a.m. EDT 3 Min Read



Small businesses and consumers deserve the relief that legislation like the Credit Card Competition Act would bring from the fees that burden every card-based transaction. Banks can easily afford it, writes Joe Kefauver, of Americans for a Modern Economy. *Ryan McVay/Getty Images*

America's biggest banks had quite a year in 2024. JPMorgan Chase reported a record-smashing \$54 billion in annual profit, with net income surging 50% in the final quarter of 2024 alone. Wells Fargo posted a 47% rise in quarterly profit, bringing in \$5.1 billion. Goldman Sachs doubled its quarterly profits to \$4.1 billion, marking its best performance in over three years.

At a time when many working-class Americans and small businesses are continuing to struggle financially, big banks are rolling in cash. So, what's helping fuel this big bank profit surge? Swipe fees — those sneaky 2% to 4% charges banks collect every time you swipe your credit card, raising costs for small businesses and consumers at a time when they can least afford it.

At its core, the debate over swipe fee reform boils down to a simple choice: Protect the profits of megabanks or support small businesses and working families. And let's be clear – the CCCA doesn't dismantle the banking system or implement any kind of arbitrary swipe fee caps. It merely introduces competition and transparency to an industry that has long been dominated by a few powerful players.

Banks have weathered tighter regulations before, and they'll do it again. The question isn't whether they can adapt – it's whether lawmakers will side with financial titans who are thriving or with the small businesses struggling to survive and consumers struggling to pay their grocery costs.

At a time when Americans are increasingly frustrated by rising costs and growing frustration over corporate greed, supporting swipe fee reform is a commonsense move that both sides of the aisle can agree on. Lawmakers must take a stand for fairness, competition and the local businesses that keep our communities strong.

The banks' record-breaking profits tell us everything we need to know: They'll be just fine. It's time to stop letting their scare tactics dictate the conversation and start prioritizing the people who drive our economy. Because when a system is this broken, staying on the sidelines is not an option.

Joe Kefauver Senior advisor, Americans for a Modern Economy

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REGULATION AND COMPLIANCE POLITICS AND POLICY CREDIT CARDS

MORE FROM AMERICAN BANKER

PAYMENTS

Forecasting the Future of the Payments Industry, 2025

American Banker surveyed 100 banks, credit unions and payment firms on how gen AI, President Donald Trump's policies and consumer habits are changing their investments.

By Daniel Wolfe

22m ago

What is driving your company's investments in its payments franchise in 2025?

