

*132nd Legislature*

*Senate of  
Maine*

*Senate District 6*

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## **LD 151 - An Act to Allow Businesses to Impose a Surcharge on Credit Card and Debit Card Transactions**

Good afternoon, Senator Bailey, Representative Gramlich and distinguished members of the Joint Standing Committee on Health Coverage, Insurance, & Financial Services. My name is Marianne Moore. I proudly represent Senate District 6 which includes all of Washington County and 16 Communities in Eastern Hancock County as well.

I am here to testify in support of LD151 – *An Act to Allow Businesses to Impose a Surcharge on Credit Card and Debit Card Transactions*

As you know, currently Maine is one of only 4 states (plus Puerto Rico) that does not allow a merchant (other than a municipality) to add credit card surcharge fees to the cost of services; however, by statute, they CAN offer a "cash discount". Transaction fees are classified as the "cost of doing business"; however, in this day and age where few people do business in cash, the use of debit or credit cards has increased tremendously! Monthly transaction fees represent a large loss in revenue for a merchant. A solution for a merchant would be to stop accepting credit cards; however, this may result in the loss of a customer.

I will share a little bit about my own business experience. In 2004 I opened a Curves Fitness Center in Calais. One of the first "tasks at hand" was to arrange to accept credit/debit cards for members to pay for their monthly membership. I contracted with a company who agreed to process the charges at a rate of 2.5% per transaction if I accepted Visa or Mastercard. If I chose to accept Discover or American Express, the fee would be 4% per transaction. As a small business owner, I only accepted Visa or Mastercard to save on the expense. Month after month, I would "spend" \$400-\$500 on transaction fees just to provide this convenient service. Of course, I "wrote it off" as the "cost of doing business"; however, as my membership dwindled from 400 members down to 100 members or so through the years, this additional burden began to play its toll on my profitability. I ended up closing my business in 2016. Even then I had a battle with the company who processed my credit cards, who charged me for discontinuing my account with them. 😞

I know you will hear from other small business owners about the burden the inability to pass this fee onto our customers plays on their ability to do business.

This bill would allow a business owner to impose a surcharge for sales transactions made with a credit card or debit card similar to what is currently allowed for State and Local Governmental entities. I totally support the portion of the law that requires this surcharge to be disclosed clearly to the consumer prior to payment. As an example, I recently traveled to Delaware to see my daughter. I quickly noticed merchants with signage either on the counter or noted on the menus regarding a 3% charge for all credit or debit card charges. I, personally, didn't mind paying the extra charge for the convenience of not having to carry cash with me while traveling. 😊

Please join me in supporting this important bill to help our businesses who are struggling to make ends meet and are having to pay for credit card fees that benefit the billion-dollar credit card companies.

Thank you. I would be happy to answer any questions.