



# Maine Credit Union League

Testimony by Ed Pineau

In Support of LD 1544

*An Act Regarding Credit and Debit Card Merchant Fees*

Committee on Health Coverage, Insurance and Financial Services

April 27, 2021

Good Afternoon Senator Sanborn, Representative Tepler, and distinguished members of the Committee on Health Coverage, Insurance and Financial Services, my name is Ed Pineau and I represent the Maine Credit Union League and I am here to provide testimony on behalf of the League in in opposition of LD 1544, An Act Regarding Credit and Debit Card Merchant Fees. The Maine Credit Union League is the trade association for Maine's 54 credit unions and over 725,000 members statewide.

As this committee knows, the COVID-19 pandemic has created many fundamental changes to the way our society operates today. One of the bigger impacts the pandemic had was on the way we conduct business transactions. During the early days of the pandemic scientist and medical experts weren't sure if the virus could be spread easily through contact. This concern pushed many to stop or greatly reduce using cash for financial transactions. This built a greater reliance by both consumers and businesses on electronic payment options.

If enacted, LD 1544 would make it harder for Maine consumers to use their electronic payments. This bill would necessitate an overhaul of the existing card systems and terminals to allow for the separation of the item price and the sales tax. Replacement of existing equipment will result in increased costs on retailers that will be passed on to consumers through higher prices. Additionally, the required investment required is

likely to disproportionately impact small businesses and their customers. If a company does not change their system, they will be forced into cash only sales which limit consumer choice of how they wish to make transactions. Essentially, this bill would require that consumers conduct two separate transactions, one for the purchase price and one for the taxes and fees, adding confusion and time to the transaction. Card purchases remain a benefit to consumers and merchants alike, providing guaranteed payment, fraud protections, and increased sales.

LD 1544 would make Maine an outlier in the nation, and in this case, being an outlier would negatively impact Mainers who use electronic payments to conduct their transactions. Maine does not generate enough electronic payments to force an industry wide change. Because of these reasons, the League strongly encourages the committee to reject this proposal by giving it an "Ought Not To Pass" report.