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# A BILL FOR AN ACT

RELATING TO CREDIT CARDS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that retailers may impose  
2 a surcharge upon a purchase made by a consumer using a credit  
3 card. The surcharge is intended to offset the fee that credit  
4 card companies impose upon retailers for use of the credit card;  
5 however, surcharges also create the potential for abuses by  
6 retailers since the assessment of a surcharge or amount of a  
7 surcharge is not always clear to consumers. The legislature  
8 finds that rather than penalize consumers for using credit  
9 cards, the State should promote the effective operation of the  
10 free market and protect consumers from deceptive price increases  
11 for goods and services.

12           The states of California, Colorado, Connecticut, Florida,  
13 Kansas, Maine, Massachusetts, New York, Oklahoma, and Texas  
14 prohibit retailers from assessing a credit card surcharge fee,  
15 and the legislature finds that Hawaii should enact a similar  
16 law.

17           The purpose of this Act is to prohibit retailers from  
18 assessing credit card surcharges on cardholders who elect to use



1 a credit card in lieu of payment by cash, check, or similar  
2 means.

3 SECTION 2. Chapter 481B, Hawaii Revised Statutes, is  
4 amended by adding a new section to part I to be appropriately  
5 designated and to read as follows:

6 "§481B- Credit card surcharges prohibited. (a) No  
7 retailer in any sales, service, or lease transaction  
8 with a consumer may impose a surcharge on a cardholder who  
9 elects to use a credit card in lieu of payment by cash, check,  
10 or similar means; provided that a retailer may offer discounts  
11 for the purpose of inducing payment by cash, check, or other  
12 means not involving the use of a credit card if the discount is  
13 offered to all prospective buyers.

14 (b) A consumer shall not be deemed to have elected to use  
15 a credit card in lieu of another means of payment for purposes  
16 of this section in a transaction with a retailer if the retailer  
17 accepts only credit cards in payment for an order made by a  
18 consumer over a telephone or through an electronic transaction.

19 (c) Charges for third-party credit card guarantee  
20 services, when added to the price charged by the retailer if  
21 cash were to be paid, shall be deemed surcharges for purposes of



1 this section even if made payable directly to the third party or  
2 charged separately.

3 (d) This section shall not apply to charges for payment by  
4 credit card or debit card of a utility charge that has been  
5 approved by the public utilities commission."

6 SECTION 3. New statutory material is underscored.

7 SECTION 4. This Act shall take effect on January 1, 2112.



**Report Title:**

Credit Card Transactions; Surcharge

**Description:**

Prohibits retailers from imposing credit card surcharges in certain instances on cardholders electing to make payment by credit card. Effective January 1, 2112. (SB470 HD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

