
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 20, 2050.



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 20, 2050. (SB470 HD1)

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