

STAND. COM. REP. NO. **461**

Honolulu, Hawaii

FEB 20 2013

RE: S.B. No. 470
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2013
State of Hawaii

Madam:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 470 entitled:

"A BILL FOR AN ACT RELATING TO CREDIT CARDS,"

begs leave to report as follows:

The purpose and intent of this measure is to prohibit retailers from imposing credit card surcharges in certain instances.

Your Committee received testimony in support of this measure from the Hawaii Credit Union League, Hawaii Bankers Association, and five individuals. Your Committee received comments on this measure from the Hawaii Food Industry Association and Retail Merchants of Hawaii.

Your Committee finds that credit cards have become an increasingly convenient method of payment. Assessing a surcharge or checkout fee on a credit card purchase may discourage and prevent some customers from using their credit cards. Your Committee further finds that consumers should not be penalized for using credit cards and should have the option to choose whatever payment device works best for them. Your Committee also finds that ten states currently prohibit credit card surcharges. This measure permits Hawaii to join in with those other states that have instituted a ban on surcharges.

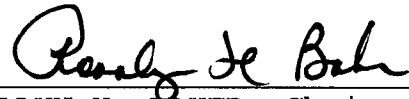
Your Committee has amended this measure by:



- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 470, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 470, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



ROSALYN H. BAKER, Chair



