



## **Testimony on behalf of the Greater Bethesda Chamber of Commerce**

*In Opposition to  
Senate Bill 520—Consumer Protection-Credit or Debit Card Surcharges-Limitation*

*February 14, 2024  
Senate Finance Committee*

The Greater Bethesda Chamber of Commerce (GBCC) was founded in 1926. Since then, the organization has grown to more than 550 businesses located throughout the Greater Bethesda area and beyond. On behalf of these members, we appreciate the opportunity to provide written comments on Senate Bill 520—Consumer Protection-Credit or Debit Card Surcharges-Limitation.

Senate Bill 520 prohibits a retail business in the State from charging a consumer a surcharge for the use of a credit card or debit card for payment in excess of the amount that the retail business is charged for processing the transaction. While we believe this legislation is ultimately unworkable, we also believe it is unnecessary. Processors can adjust or create new interchange rates two times a year (in April and in October), while banks can change their interchange rates throughout the year (though they also try to stick to April and October). Keeping up with this fluid market of interchange rates makes it virtually impossible for a retail business or a POS company to keep up. In addition, every credit card has a different surcharge, with fees often varying depending on the way the credit card is used (in-person, over the phone, online). Under this bill, if a vendor chooses to charge a surcharge, it could result in the need to change the surcharge on a daily basis and on a customer-by-customer basis. To make matters more confusing, vendors don't often know what surcharge a card has charged until they receive the invoice at the end of the month, after the transaction has already occurred. Even then, monthly invoices often include only an aggregate amount, making it difficult to ascertain the amount of each individual transaction fee.

It is important to remember that Maryland already caps surcharge fees. If a Maryland business chooses to impose one, they are capped at 4 percent. We believe this is a reasonable cap, giving the business flexibility to establish a surcharge that, on average, allows them to recoup the amount they are charged for processing all transactions.

For these reasons, we would respectfully request an unfavorable vote on Senate Bill 520.