

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0672.01 Richard Sweetman x4333

SENATE BILL 26-134

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A BILL FOR AN ACT

101 **CONCERNING THE IMPOSITION OF FEES BY PAYMENT CARD NETWORKS.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

The bill states that a payment card network, which is an entity that routes information and data for electronic payment transactions, whether directly or indirectly, shall not:

- Establish, charge, or include in a fee schedule an interchange fee if:
  - The interchange fee is or includes a percentage multiplied by the gross dollar amount of a transaction conducted with a debit card or credit

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.*  
*Dashes through the words or numbers indicate deletions from existing law.*

card; and

- The fee does not exclude from the gross dollar amount of the transaction any amount attributable to a tax on the transaction; or
- Increase the rate or amount of fees that apply to the nontax portion of a transaction in an attempt to, or in a manner that would, circumvent the aforementioned prohibition.

The bill exempts electronic payment transactions involving a debit card or credit card issued by a person, or agent of a person, that issues a debit card or credit card to a cardholder (issuer) that:

- Did not, during any point in the previous calendar year, hold consolidated worldwide banking and nonbanking assets, including assets of affiliates, other than trust assets under management, of more than \$60 billion; or
- As of February 1, 2026, had contracted to brand the card with the brand of a financial institution chartered or authorized to do business in this state that did not, during any point in the previous calendar year, hold consolidated worldwide banking and nonbanking assets, including assets of affiliates, other than trust assets under management, of more than \$60 billion.

An issuer that satisfies either of these exemption descriptions must identify to a payment card network all of the issuer's debit cards and credit cards that are used for exempted transactions, and the payment card network shall not, whether directly or indirectly through an agent, contract, requirement, condition, penalty, technological specification, or inducement or otherwise:

- Deny such a card access to transaction processing systems; or
- Impose any fee increase or penalty on the issuer or on a financial institution branded on the card for any costs of upgrades or configurations to payment and processing systems that may be necessary to comply with the bill with respect to such cards.

A payment card network is deemed to be in compliance with the requirements of the bill if the payment card network satisfies certain conditions.

If a payment card network violates the bill's prohibitions, a merchant, consumer, or other person that is injured as a result of the violation may bring a civil action against the payment card network. The bill sets forth the penalties to be awarded in such an action.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

1           **SECTION 1.** In Colorado Revised Statutes, **add 5-2-215** as  
2 follows:

3           **5-2-215. Payment card networks - interchange fees -**  
4 **prohibited conduct - exemption - compliance - penalties - definitions.**

5           (1) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT  
6 OTHERWISE REQUIRES:

7           (a) "AUTHORIZATION" MEANS THE PROCESS THROUGH WHICH A  
8 MERCHANT REQUESTS APPROVAL FOR AN ELECTRONIC PAYMENT  
9 TRANSACTION FROM AN ISSUER.

10          (b) "BAD FAITH CONDUCT" MEANS FRAUDULENT, WILLFUL,  
11 KNOWING, OR INTENTIONAL CONDUCT THAT CAUSES INJURY.

12          (c) "CARDHOLDER" MEANS A PERSON TO WHICH A DEBIT CARD OR  
13 CREDIT CARD IS ISSUED BY AN ISSUER OR AN ISSUER'S AGENT.

14          (d) "CLEARANCE" MEANS THE PROCESS OF:

15           (I) TRANSMITTING FINAL TRANSACTION DATA FROM A MERCHANT  
16 TO AN ISSUER FOR POSTING TO A CARDHOLDER'S ACCOUNT; AND

17           (II) CALCULATING FEES AND CHARGES, INCLUDING INTERCHANGE  
18 FEES, THAT APPLY TO AN ISSUER AND A MERCHANT.

19          (e) "DEBIT CARD" HAS THE MEANING SET FORTH IN 15 U.S.C. SEC.  
20 1693o-2 (c)(2).

21          (f) "ELECTRONIC PAYMENT TRANSACTION" OR "TRANSACTION"  
22 MEANS A TRANSACTION IN WHICH A PERSON USES A DEBIT CARD, A CREDIT  
23 CARD, OR ANOTHER PAYMENT CODE OR DEVICE ISSUED OR APPROVED FOR  
24 USE THROUGH A PAYMENT CARD NETWORK TO DEBIT A CARDHOLDER'S  
25 ACCOUNT OR LINE OF CREDIT.

26          (g) "EXEMPTED TRANSACTION" MEANS AN ELECTRONIC PAYMENT  
27 TRANSACTION INVOLVING A DEBIT CARD OR CREDIT CARD ISSUED BY AN

1 ISSUER THAT:

2 (I) DID NOT, DURING ANY POINT IN THE PREVIOUS CALENDAR YEAR,  
3 HOLD CONSOLIDATED WORLDWIDE BANKING AND NONBANKING ASSETS,  
4 INCLUDING ASSETS OF AFFILIATES, OTHER THAN TRUST ASSETS UNDER  
5 MANAGEMENT, OF MORE THAN SIXTY BILLION DOLLARS; OR

6 (II) AS OF FEBRUARY 1, 2026, HAD CONTRACTED TO BRAND THE  
7 CARD WITH THE BRAND OF A FINANCIAL INSTITUTION CHARTERED OR  
8 AUTHORIZED TO DO BUSINESS IN THIS STATE THAT DID NOT, DURING ANY  
9 POINT IN THE PREVIOUS CALENDAR YEAR, HOLD CONSOLIDATED  
10 WORLDWIDE BANKING AND NONBANKING ASSETS, INCLUDING ASSETS OF  
11 AFFILIATES, OTHER THAN TRUST ASSETS UNDER MANAGEMENT, OF MORE  
12 THAN SIXTY BILLION DOLLARS.

13 (h) "FEE SCHEDULE" MEANS A SCHEDULE, LIST, TABLE, CHART,  
14 AGREEMENT, COMMUNICATION, OR OTHER DOCUMENT THAT:

15 (I) SETS FORTH AN AMOUNT OR A FORMULA FOR DETERMINING ONE  
16 OR MORE FEES; AND

17 (II) MAY OR MAY NOT BE MADE PUBLICLY AVAILABLE.

18 (i) "INTERCHANGE FEE" MEANS A FEE ESTABLISHED, CHARGED, OR  
19 RECEIVED BY A PAYMENT CARD NETWORK FOR THE PURPOSE OF  
20 COMPENSATING AN ISSUER FOR ITS INVOLVEMENT IN AN ELECTRONIC  
21 PAYMENT TRANSACTION.

22 (j) "ISSUER" MEANS:

23 (I) A PERSON THAT ISSUES A DEBIT CARD OR CREDIT CARD TO A  
24 CARDHOLDER; OR

25 (II) THE AGENT OF A PERSON THAT ISSUES A DEBIT CARD OR  
26 CREDIT CARD TO A CARDHOLDER.

27 (k) "MERCHANT" MEANS A PERSON THAT ACCEPTS ELECTRONIC

1 PAYMENT TRANSACTIONS AND COLLECTS AND REMITS A TAX.

2 (l) "PAYMENT CARD NETWORK" MEANS AN ENTITY THAT:

3 (I) DIRECTLY OR THROUGH LICENSED MEMBERS, PROCESSORS, OR  
4 AGENTS, PROVIDES THE PROPRIETARY SERVICES, INFRASTRUCTURE, AND  
5 SOFTWARE TO ROUTE INFORMATION AND DATA FOR THE PURPOSE OF  
6 CONDUCTING ELECTRONIC PAYMENT TRANSACTION AUTHORIZATION,  
7 CLEARANCE, AND SETTLEMENT; AND

8 (II) A MERCHANT USES IN ORDER TO ACCEPT A DEBIT CARD, A  
9 CREDIT CARD, OR OTHER DEVICE AS PART OF AN ELECTRONIC PAYMENT  
10 TRANSACTION.

11 (m) "PROCESSOR" MEANS AN ENTITY THAT FACILITATES, SERVICES,  
12 PROCESSES, OR MANAGES DEBIT CARD OR CREDIT CARD AUTHORIZATION,  
13 BILLING, TRANSFER, PAYMENT PROCEDURES, OR SETTLEMENT WITH  
14 RESPECT TO AN ELECTRONIC PAYMENT TRANSACTION.

15 (n) "SETTLEMENT" MEANS THE PROCESS OF:

16 (I) TRANSMITTING SALES INFORMATION TO AN ISSUER FOR  
17 COLLECTION AND REIMBURSEMENT OF FUNDS TO A MERCHANT; AND

18 (II) CALCULATING AND REPORTING A NET TRANSACTION AMOUNT  
19 TO AN ISSUER AND A MERCHANT FOR AN ELECTRONIC PAYMENT  
20 TRANSACTION THAT IS CLEARED.

21 (o) "TAX" MEANS ANY SALES, USE, OCCUPATION, OR EXCISE TAX  
22 IMPOSED BY THE STATE OR A UNIT OF LOCAL GOVERNMENT IN THE STATE.

23 (2) **Prohibition on certain payment card network practices.**

24 EXCEPT AS DESCRIBED ELSEWHERE IN THIS SECTION, A PAYMENT CARD  
25 NETWORK, WHETHER DIRECTLY OR INDIRECTLY THROUGH AN AGENT,  
26 CONTRACT, REQUIREMENT, CONDITION, PENALTY, TECHNOLOGICAL  
27 SPECIFICATION, OR INDUCEMENT OR OTHERWISE, SHALL NOT:

1 (a) ESTABLISH, CHARGE, OR INCLUDE IN A FEE SCHEDULE AN  
2 INTERCHANGE FEE IF:

3 (I) THE INTERCHANGE FEE IS OR INCLUDES A PERCENTAGE  
4 MULTIPLIED BY THE GROSS DOLLAR AMOUNT OF A TRANSACTION  
5 CONDUCTED WITH A DEBIT CARD OR CREDIT CARD; AND

6 (II) THE FEE DOES NOT EXCLUDE FROM THE GROSS DOLLAR  
7 AMOUNT OF THE TRANSACTION ANY AMOUNT ATTRIBUTABLE TO A TAX ON  
8 THE TRANSACTION; OR

9 (b) INCREASE THE RATE OR AMOUNT OF FEES THAT APPLY TO A  
10 PORTION OF A TRANSACTION OTHER THAN THE PORTION DESCRIBED IN  
11 SUBSECTION (2)(a)(II) OF THIS SECTION IN AN ATTEMPT TO, OR IN A  
12 MANNER THAT WOULD, CIRCUMVENT THE PROHIBITION SET FORTH IN  
13 SUBSECTION (2)(a) OF THIS SECTION.

14 (3) **Exemption.**

15 (a) SUBSECTION (2)(a) OF THIS SECTION DOES NOT APPLY TO AN  
16 INTERCHANGE FEE THAT A PAYMENT CARD NETWORK ESTABLISHES,  
17 CHARGES, OR INCLUDES IN A FEE SCHEDULE SOLELY FOR USE IN EXEMPTED  
18 TRANSACTIONS.

19 (b) AN ISSUER THAT SATISFIES THE DESCRIPTION IN SUBSECTION  
20 (1)(g)(I) OR (1)(g)(II) OF THIS SECTION SHALL IDENTIFY TO A PAYMENT  
21 CARD NETWORK ALL OF THE ISSUER'S DEBIT CARDS AND CREDIT CARDS  
22 THAT ARE USED FOR EXEMPTED TRANSACTIONS, AND THE PAYMENT CARD  
23 NETWORK SHALL NOT, WHETHER DIRECTLY OR INDIRECTLY THROUGH AN  
24 AGENT, CONTRACT, REQUIREMENT, CONDITION, PENALTY, TECHNOLOGICAL  
25 SPECIFICATION, OR INDUCEMENT OR OTHERWISE:

26 (I) DENY SUCH A CARD ACCESS TO TRANSACTION PROCESSING  
27 SYSTEMS; OR

1           (II) IMPOSE ANY FEE INCREASE OR PENALTY ON THE ISSUER OR ON  
2 A FINANCIAL INSTITUTION BRANDED ON THE CARD FOR ANY COSTS OF  
3 UPGRADES OR CONFIGURATIONS TO PAYMENT AND PROCESSING SYSTEMS  
4 THAT MAY BE NECESSARY TO COMPLY WITH THIS SECTION WITH RESPECT  
5 TO SUCH CARDS.

6           (4) **Compliance.** A PAYMENT CARD NETWORK IS DEEMED TO BE IN  
7 COMPLIANCE WITH SUBSECTION (2)(a) OF THIS SECTION IF THE PAYMENT  
8 CARD NETWORK ENSURES ANY OF THE FOLLOWING:

9           (a) AT THE TIME OF SETTLEMENT OF AN ELECTRONIC PAYMENT  
10 TRANSACTION, THAT THE CALCULATION OF ANY INTERCHANGE FEE  
11 EXCLUDES THE AMOUNT ATTRIBUTABLE TO ANY TAX IMPOSED ON THE  
12 TRANSACTION;

13           (b) WITHIN THIRTY DAYS AFTER THE DATE OF SETTLEMENT OF AN  
14 ELECTRONIC PAYMENT TRANSACTION, THAT FOR ANY INTERCHANGE FEE  
15 CHARGED ON THE TRANSACTION, A PORTION OF THE INTERCHANGE FEE IS  
16 REBATED TO THE MERCHANT'S ACCOUNT IN AN AMOUNT EQUAL TO THE  
17 REDUCTION IN THE INTERCHANGE FEE THAT WOULD HAVE OCCURRED HAD  
18 THE CALCULATION OF THE INTERCHANGE FEE AT THE TIME OF SETTLEMENT  
19 EXCLUDED THE AMOUNT ATTRIBUTABLE TO ANY TAX IMPOSED ON THE  
20 TRANSACTION;

21           (c) IF A MERCHANT IS UNABLE TO CAPTURE AND TRANSMIT TAX  
22 INFORMATION RELEVANT TO THE ELECTRONIC PAYMENT TRANSACTION AT  
23 THE TIME OF SETTLEMENT, THAT THE MERCHANT MAY, WITHIN ONE  
24 HUNDRED EIGHTY DAYS AFTER THE DATE OF THE TRANSACTION, SUBMIT  
25 DOCUMENTATION IDENTIFYING ANY TAX IMPOSED ON THE TRANSACTION  
26 AND THAT, WITHIN THIRTY DAYS AFTER THE SUBMISSION OF SUCH  
27 DOCUMENTATION, THE MERCHANT'S ACCOUNT SHALL BE CREDITED AN

1 AMOUNT EQUAL TO THE REDUCTION IN THE INTERCHANGE FEE THAT  
2 WOULD HAVE OCCURRED HAD THE CALCULATION OF THE INTERCHANGE  
3 FEE AT THE TIME OF SETTLEMENT EXCLUDED THE AMOUNT ATTRIBUTABLE  
4 TO ANY TAX IMPOSED ON THE TRANSACTION;

5 (d) THAT NO INTERCHANGE FEE ESTABLISHED, CHARGED, OR  
6 INCLUDED IN A FEE SCHEDULE BY THE PAYMENT CARD NETWORK IS OR  
7 INCLUDES A PERCENTAGE MULTIPLIED BY THE GROSS DOLLAR AMOUNT OF  
8 A TRANSACTION UNLESS THE AMOUNT OF ANY TAX IS EXCLUDED FROM  
9 SUCH GROSS DOLLAR AMOUNT; OR

10 (e) THAT NO INTERCHANGE FEES ESTABLISHED, CHARGED, OR  
11 INCLUDED IN A FEE SCHEDULE BY THE PAYMENT CARD NETWORK ARE  
12 DEDUCTED BEFORE SETTLEMENT FROM THE TRANSACTION AMOUNT OF  
13 ANY ELECTRONIC PAYMENT TRANSACTION AND THAT SUCH INTERCHANGE  
14 FEES ARE INSTEAD CUMULATIVELY CHARGED ON A REGULAR BILLING  
15 CYCLE AFTER TRANSACTIONS HAVE SETTLED AND AFTER ALL TAX  
16 AMOUNTS HAVE BEEN IDENTIFIED AND EXCLUDED FROM TRANSACTION  
17 AMOUNTS IN THE CALCULATION OF INTERCHANGE FEES.

18 (5) **Penalties.**

19 (a) IF A PAYMENT CARD NETWORK VIOLATES SUBSECTION (2) OR  
20 (3) OF THIS SECTION, A MERCHANT, CONSUMER, OR OTHER PERSON THAT  
21 IS INJURED AS A RESULT OF THE VIOLATION MAY BRING A CIVIL ACTION  
22 AGAINST THE PAYMENT CARD NETWORK. EXCEPT IN A CERTIFIED CLASS  
23 ACTION, AND NOTWITHSTANDING ANY OTHER LAW, A PAYMENT CARD  
24 NETWORK THAT IS FOUND IN A CIVIL ACTION TO HAVE VIOLATED THIS  
25 SECTION IS LIABLE IN AN AMOUNT EQUAL TO THE SUM OF:

26 (I) THE GREATER OF:

27 (A) THE AMOUNT OF ACTUAL DAMAGES SUSTAINED OR, IF IT IS

1 ESTABLISHED BY CLEAR AND CONVINCING EVIDENCE THAT THE PAYMENT  
2 CARD NETWORK ENGAGED IN BAD FAITH CONDUCT, THREE TIMES THE  
3 AMOUNT OF ACTUAL DAMAGES. ACTUAL DAMAGES INCLUDES  
4 PREJUDGMENT INTEREST OF EITHER EIGHT PERCENT PER YEAR OR AT THE  
5 RATE PROVIDED IN SECTION 13-21-101, WHICHEVER IS GREATER, FROM  
6 THE DATE THE CLAIM ACCRUED.

7 (B) FIVE HUNDRED DOLLARS; AND

8 (II) IN THE CASE OF ANY SUCCESSFUL ACTION TO ENFORCE A  
9 LIABILITY ESTABLISHED IN SUBSECTION (5)(a)(I) OF THIS SECTION, THE  
10 COSTS OF THE ACTION TOGETHER WITH REASONABLE ATTORNEY FEES AS  
11 DETERMINED BY THE COURT.

12 (b) IN A CASE CERTIFIED AS A CLASS ACTION, A SUCCESSFUL  
13 PLAINTIFF MAY RECOVER ACTUAL DAMAGES, AS DESCRIBED IN SUBSECTION  
14 (5)(a)(I)(A) OF THIS SECTION; INJUNCTIVE RELIEF ALLOWED BY LAW; AND  
15 REASONABLE ATTORNEY FEES AND COSTS.

16 (c) A PERSON THAT BRINGS AN ACTION UNDER THIS SECTION THAT  
17 IS FOUND BY THE COURT TO BE FRIVOLOUS, GROUNDLESS, AND BROUGHT  
18 IN BAD FAITH OR FOR THE PURPOSE OF HARASSMENT IS LIABLE TO THE  
19 DEFENDANT FOR THE COSTS OF THE ACTION TOGETHER WITH REASONABLE  
20 ATTORNEY FEES AS DETERMINED BY THE COURT.

21 (6) **Antitrust authority.** NOTHING IN THIS SECTION LIMITS OR  
22 OTHERWISE AFFECTS THE ATTORNEY GENERAL'S AUTHORITY TO ENFORCE  
23 THE "COLORADO STATE ANTITRUST ACT OF 2023", ARTICLE 4 OF TITLE 6.

24 **SECTION 2. Act subject to petition - effective date -**  
25 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
26 the expiration of the ninety-day period after final adjournment of the  
27 general assembly (August 12, 2026, if adjournment sine die is on May 13,

1 2026); except that, if a referendum petition is filed pursuant to section 1  
2 (3) of article V of the state constitution against this act or an item, section,  
3 or part of this act within such period, then the act, item, section, or part  
4 will not take effect unless approved by the people at the general election  
5 to be held in November 2026 and, in such case, will take effect on the  
6 date of the official declaration of the vote thereon by the governor.

7 (2) This act applies to conduct occurring on or after the applicable  
8 effective date of this act.