

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 26-0672.01 Richard Sweetman x4333

SENATE BILL 26-134

SENATE SPONSORSHIP

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HOUSE SPONSORSHIP

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Senate Committees

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House Committees

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.

SENATE
Amended 2nd Reading
April 27, 2026

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.

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 - use of**
5 **savings - definitions.**

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

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

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

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

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

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

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

20 (e) "DEBIT CARD" HAS THE MEANING SET FORTH IN 15 U.S.C. SEC.
21 1693o-2 (c)(2).

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

27 (g) "EXEMPTED TRANSACTION" MEANS AN ELECTRONIC PAYMENT

1 TRANSACTION INVOLVING A DEBIT CARD OR CREDIT CARD ISSUED BY AN
2 ISSUER THAT:

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

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

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

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

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

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

23 (j) "ISSUER" MEANS:

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

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

1 (k) "MERCHANT" MEANS A PERSON THAT ACCEPTS ELECTRONIC
2 PAYMENT TRANSACTIONS AND COLLECTS AND REMITS A TAX.

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

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

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

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

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

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

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

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

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

25 EXCEPT AS DESCRIBED ELSEWHERE IN THIS SECTION, A PAYMENT CARD
26 NETWORK, WHETHER DIRECTLY OR INDIRECTLY THROUGH AN AGENT,
27 CONTRACT, REQUIREMENT, CONDITION, PENALTY, TECHNOLOGICAL

1 SPECIFICATION, OR INDUCEMENT OR OTHERWISE, SHALL NOT:

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

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

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

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

15 (3) **Exemption.**

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

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

27 (I) DENY SUCH A CARD ACCESS TO TRANSACTION PROCESSING

1 SYSTEMS; OR

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

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

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

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

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

1 DOCUMENTATION, THE MERCHANT'S ACCOUNT SHALL BE CREDITED AN
2 AMOUNT EQUAL TO THE REDUCTION IN THE INTERCHANGE FEE THAT
3 WOULD HAVE OCCURRED HAD THE CALCULATION OF THE INTERCHANGE
4 FEE AT THE TIME OF SETTLEMENT EXCLUDED THE AMOUNT ATTRIBUTABLE
5 TO ANY TAX IMPOSED ON THE TRANSACTION;

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

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

19 (5) **Penalties.**

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

27 (I) THE GREATER OF:

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

8 (B) FIVE HUNDRED DOLLARS; AND

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

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

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

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

25 (7) Use of savings. FOR THE 2026-27 STATE FISCAL YEAR AND
26 EACH STATE FISCAL YEAR THEREAFTER, A RETAIL BUSINESS THAT HAS
27 MORE THAN FIVE HUNDRED EMPLOYEES STATEWIDE ON THE EFFECTIVE

1 DATE OF THIS SECTION SHALL APPLY ANY SAVINGS RESULTING FROM THIS
2 SECTION TO REDUCING PRICES FOR CONSUMERS OR INVESTING IN
3 EMPLOYEE WAGES OR BENEFITS.

4 (8) FOR THE PURPOSES OF SUBSECTION (7) OF THIS SECTION, THE
5 FIVE-HUNDRED-EMPLOYEE THRESHOLD DESCRIBED IN SUBSECTION (7) OF
6 THIS SECTION IS BASED ON A RETAIL BUSINESS'S PARENT COMPANY AND
7 NOT ON A SINGLE LOCATION OF THE PARENT COMPANY.

8 **SECTION 2. Act subject to petition - effective date -**
9 **applicability.** (1) This act takes effect January 1, 2028; except that, if a
10 referendum petition is filed pursuant to section 1 (3) of article V of the
11 state constitution against this act or an item, section, or part of this act
12 within the ninety-day period after final adjournment of the general
13 assembly, then the act, item, section, or part will not take effect unless
14 approved by the people at the general election to be held in November
15 2026 and, in such case, will take effect January 1, 2028, or on the date of
16 the official declaration of the vote thereon by the governor, whichever is
17 later.

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