



2025

VOTE YES ON HB 25-1282

COLORADO SWIPE FEE

FAIRNESS & CONSUMER SAFEGUARDS ACT

BILL SPONSORS

REPRESENTATIVES: Brooks and Lindstedt
SENATORS: Daugherty and Kirkmeyer

The Colorado Swipe Fee Fairness and Consumer Safeguards Act addresses the unfair "swipe" fees paid by Colorado businesses to card networks.

Coloradans pay \$2 billion annually in swipe fees with no market competition to drive down costs.¹ The bill eliminates fees on taxes and tips, caps swipe fees on charitable contributions, prohibits price fixing by card networks, and delivers much-needed relief to small businesses struggling under excessive fees. Seventeen states are pursuing similar legislation, showing growing agreement on this issue's importance.

This bill will be enforced by businesses through their contracts, not a traditional private right of action. It sets clear limits on when fees can be applied, ensuring businesses can hold card networks accountable for contract violations. Only directly involved parties can seek enforcement, maintaining fair and targeted accountability.

What does the bill do?

- **Prohibits Fixing Fees:** Payment card networks cannot fix or conspire to fix interchange fees with credit card issuers.
- **Banning Fees on Taxes and Tips:** Interchange fees cannot be applied to the portions of a transaction attributable to sales tax or gratuity. This will end the practice of banks unfairly profiting from Main Street merchants collecting and remitting taxes to the state and ensure that workers receive their tips from customers without the credit card industry taking a cut.
- **Merchant Rights:** Merchants cannot be forced to accept all credit cards from a network if they accept some. Limits how payment data can be used by card networks.
- **Consumer Protections:** Fees related to disputed transactions cannot be charged until disputes are resolved.
- **Charitable Donation Caps:** Limits interchange fees on charitable contributions to 0.2% for debit cards and 0.3% for credit cards.
- **Penalties for Violations:** Merchants, consumers, or affected entities can sue payment card networks for damages, including treble damages for bad faith conduct.

Who does the bill apply to, and how?

- **Payment Card Networks (Visa, Mastercard, AmEx, Discover):** These companies face restrictions on their ability to charge excessive fees, forcing them to comply with fairer fee practices.
- **Merchants & Small Businesses:** They gain directly from lower transaction fees, enhanced ability to negotiate with card networks, and savings on costs from interchange fees on taxes and tips. This bill delivers essential relief to businesses facing mounting operational costs.
- **Consumers:** Consumers benefit through reduced costs on each transaction and stop networks from charging consumers disputed fees until they're officially notified in writing that they're responsible.

Who is excluded from direct regulation?

- **Small Banks & Debit Card Issuers (under \$50 billion in assets):** Can continue using Visa/Mastercard fee schedules, with the requirement that taxes and tips are excluded from swipe fees.
- **Credit Card-Issuing Banks (of any size):** Not directly penalized under the bill—only payment card networks are subject to enforcement.

Our Supporters:



¹ Credit Card Competition Act Could Result in Annual Savings Upward of \$16.4 Billion | CMSPI Global