



February 21, 2013

Co-Chair Paul R. Doyle
Co-Chair David A. Baram
Senator Kevin D. Witkos
Representative Dan Carter

General Law Committee:

We are submitting testimony in **opposition to S.B. 440**, AN ACT CONCERNING DEBIT CARD PURCHASES OF GASOLINE, **H.B. 5045**, AN ACT CONCERNING CASH DISCOUNTS FOR GASOLINE AND DEBIT CARD PAYMENTS, **H.B. 5607**, AN ACT CONCERNING RETAIL DISCOUNTS AND METHODS OF PAYMENT and **H.B. 6205**, AN ACT CONCERNING DEBIT TRANSACTIONS BY CONVENIENCE STORES AND GAS STATIONS.

The Connecticut Energy Marketers Association (CEMA) [formerly the Independent Connecticut Petroleum Association (ICPA)] represents 576 petroleum marketers and their associated business in Connecticut. ICPA members employ over 13,000 people in our state. Our members own, operate and distribute fuel to more than 1,000 gasoline stations in our state.

While we understand the intention of this legislation, the problem that they propose to solve is aimed at the wrong industry. Gasoline station operators do not set fees that are assessed when motorists pay for fuel with a debit card.

Debit card fees are established by banks and credit card processing companies. Your local gasoline station has no roll in setting the fees that are assessed when a debit card is used. If passed, S.B. 440, H.B. 5607 and H.B. 5045 would require local gas stations to incur the costs that debit cards carry with them.

Debit is not the same as cash, and the law currently recognizes that. State law allows gasoline retailers to offer discounts when consumers use cash to purchase fuel. If debit cards were required by law to be treated the same as cash, retailers might choose to abandon cash discounts to avoid the potential cost of being required to treat costly debit transactions the same as cash.

Since banks and other fiduciaries charge fees when debit cards are used, we would ask that you to look upstream to where the fees originate to determine how to address this issue. Gas station operators have no control over the costs

associated with the use of debit cards and would be made to suffer financial harm if these bill were to pass into law.

H.B. 6205 would require convenience stores and gas stations to deduct only the exact amount of a debit transaction from a consumer's bank account, rather than placing a hold or tentative transaction in excess of the exact amount. Again, the amount of money that is held when a consumer uses their debit card is determined by their bank.

Gasoline station operators have no roll in placing a "hold" on their customer's bank account when they buy fuel with their debit card. Even if this bill passed into law, gasoline station operators have no way to deal with the issue that this bill attempts address.

Since gasoline station operators do not charge fees for debit card transactions and have no ability to place a hold on a customers account when they use their debit card to purchase gas we ask that you reject these bills.

CEMA asks that the General Law Committee to **oppose S.B. 440**, AN ACT CONCERNING DEBIT CARD PURCHASES OF GASOLINE, **H.B. 5045**, AN ACT CONCERNING CASH DISCOUNTS FOR GASOLINE AND DEBIT CARD PAYMENTS, **H.B. 5607**, AN ACT CONCERNING RETAIL DISCOUNTS AND METHODS OF PAYMENT and **H.B 6205**, AN ACT CONCERNING DEBIT TRANSACTIONS BY CONVENIENCE STORES AND GAS STATIONS.

Respectfully,



Christian A. Herb
Vice President