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SENATE TO VOTE ON PROHIBITING SURCHARGES ON DEBIT CARDS

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Floridians soon might be able to wield their debit cards freely, following a legislative agreement Wednesday to ban customer surcharges on the popular alternative to cash, credit cards and checks.

For more than two decades, Florida law has prohibited merchants from passing on the fees they pay to allow for

credit card use to customers. But there has been no such rule for debit cards, in part because few retailers actually pass on the fees for these cards to consumers. A bill (HB 621) that the House passed unanimously last week would add debit cards to the surcharge prohibition.

The Senate version (SB 1106) stalled as merchants lobbied against the ban and credit card giant Visa lobbied for it. But late Wednesday, Senate sponsor Victor Crist, R-Tampa, said he planned to amend his bill to match the House version that prohibits the surcharge.

It may come up for a Senate vote today.

With only two days left in the legislative session, Crist is concerned that not adhering to the House language would doom the bill, which also includes provisions that increase penalties for taking or possessing a stolen credit card.

Visa representatives said they were trying to protect consumers by supporting a surcharge ban. The company has run full-page ads this week in five Florida newspapers, including The Palm Beach Post, urging people to call Crist's office and support the prohibition. Crist said his phone "rang off the hook."

"It is wrong for retailers to surprise and punish hard-working Floridians in today's challenging economy for simply using the payment products of their choice, particularly with highly efficient electronic payments," said Bill Sheedy, who oversees Visa operations in North America, South America, Central America and the Caribbean. "The listed price of an item ... should be the actual price consumers pay at checkout."

Robert Livingstone, president of Ideal Cost, a West Palm Beach-based consulting company that supports merchants, said Visa was acting selfishly. If a surcharge persuades customers to use cash or a check, the company loses out on the fee it collects from merchants, as well as the possibility of collecting interest from the consumer.

"They don't want retailers to be able to discriminate payment, for a merchant to talk people into using cash, check or a different brand of credit card," Livingston said.

Rick McAllister, president of the Florida Retail Federation, said most merchants don't pass along "interchange fees" to consumers. Interchange fees are what businesses are charged to use credit or debit cards.

When consumers use a PIN to pay with a debit card, a flat interchange fee can cost a retailer 8 to 45 cents per transaction, Livingston said.

If credit card companies cared about consumers, McAllister said, they could get rid of ATM charges, late fees, user fees and 29 percent interest.

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