

House Resolution 1135 (COMMITTEE SUBSTITUTE)

By: Representatives Jones of the 25th, Hatchett of the 155th, Jasperse of the 11th, Anulewicz of the 42nd, Powell of the 33rd, and others

A RESOLUTION

1 Creating the House Study Committee on Credit Card Fees on State Sales and Excise Tax and
2 Their Impact on Georgia Merchants and Consumers; and for other purposes.

3 WHEREAS, the Georgia General Assembly recognizes that the use of credit cards and debit
4 cards by consumers has increased over time; and

5 WHEREAS, Georgia is home to leaders in banking and the retail sector and the resulting
6 transaction processing ecosystem which helps maintain our status as the number one state
7 to do business; and

8 WHEREAS, many small businesses depended on electronic payments especially through the
9 pandemic and the reliability of that ecosystem has resulted in strengthening all businesses
10 in Georgia's economy; and

11 WHEREAS, in the case of electronic transactions, each time a consumer uses a card for a
12 transaction, merchants are charged a merchant discount fee negotiated with their contractual
13 processor; and

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14 WHEREAS, in the case of cash transactions, merchants incur significant processing and
15 handling costs as well; and

16 WHEREAS, merchants are required under Georgia law to collect and remit state and local
17 sales and excise taxes; and

18 WHEREAS, merchants retain a portion of money known as vendor compensation from state
19 tax collections as a way to defray this expense; and

20 WHEREAS, merchants are charged the merchant discount fee on the total amount of the
21 transaction, including the sales and excise tax they are required to collect under Georgia law,
22 when the consumer uses credit or debit for a transaction; and

23 WHEREAS, in response to concerns raised by some retailers, a study is needed to assess the
24 impact of electronic transaction costs to Georgia merchants and consumers, with a specific
25 focus on determining whether merchant discount fees should be imposed on the state tax
26 portion of a transaction and the impact that these fees on tax portions of transactions have on
27 the businesses that collect taxes on behalf of Georgia.

28 NOW, THEREFORE, BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES:

29 (1) **Creation of House study committee.** There is created the House Study Committee
30 on Credit Card Fees on State Sales and Excise Tax and Their Impact on Georgia
31 Merchants and Consumers.

32 (2) **Members and officers.** The committee shall be composed of ten members,
33 appointed by the Speaker of the House of Representatives as follows:

34 (A) Four members of the House of Representatives, designating one such member as
35 chairperson. Two of the members shall include the chairperson of the House Banks and

36 Banking Committee and the chairperson of the House Technology and Infrastructure
37 Innovation Committee; and

38 (B) Six nonlegislative members:

39 (i) One retail payments expert from a motor fuel or general retailer;

40 (ii) One banking industry expert;

41 (iii) One consumer member or consumer advocate;

42 (iv) One payment-processing expert from a processing company;

43 (v) One restaurant owner operator or representative from the restaurant industry; and

44 (vi) One small business owner or operator or a small business representative.

45 (3) **Powers and duties.** The committee shall undertake a study of the conditions, needs,
46 issues, and problems mentioned above or related thereto and recommend any action or
47 legislation which the committee deems necessary or appropriate.

48 (4) **Meetings.** The chairperson shall call all meetings of the committee. The committee
49 may conduct such meetings at such places and at such times as it may deem necessary or
50 convenient to enable it to exercise fully and effectively its powers, perform its duties, and
51 accomplish the objectives and purposes of this resolution.

52 (5) **Allowances, expenses, and funding.**

53 (A) The legislative members of the committee shall receive the allowances provided
54 for in Code Section 28-1-8 of the Official Code of Georgia Annotated.

55 (B) Members of the committee who are state officials, other than legislative members,
56 or state employees shall receive no compensation for their services on the committee,
57 but they may be reimbursed for expenses incurred by them in the performance of their
58 duties as members of the committee in the same manner as they are reimbursed for
59 expenses in their capacities as state officials or employees;

60 (C) Members of the committee who are not legislators, state officials, or state
61 employees shall receive a daily expense allowance in an amount the same as that
62 specified in subsection (b) of Code Section 45-7-21 of the Official Code of Georgia

63 Annotated, as well as the mileage or transportation allowance authorized for state
64 employees.

65 (D) The allowances and expenses authorized by this resolution shall not be received
66 by any member of the committee for more than five days unless additional days are
67 authorized. Funds necessary to carry out the provisions of this resolution shall come
68 from funds appropriated to the House of Representatives; except that funds for the
69 reimbursement of the expenses of state officials, other than legislative members, and
70 state employees shall come from funds appropriated to or otherwise available to their
71 respective agencies.

72 **(6) Report.**

73 (A) In the event the committee adopts any specific findings or recommendations that
74 include suggestions for proposed legislation, the chairperson shall file a report of the
75 same prior to the date of abolishment specified in this resolution, subject to
76 subparagraph (C) of this paragraph.

77 (B) In the event the committee adopts a report that does not include suggestions for
78 proposed legislation, the chairperson shall file the report, subject to subparagraph (C)
79 of this paragraph.

80 (C) No report shall be filed unless the same has been approved prior to the date of
81 abolishment specified in this resolution by majority vote of a quorum of the committee.
82 A report so approved shall be signed by the chairperson of the committee and filed with
83 the Clerk of the House of Representatives.

84 (D) In the absence of an approved report, the chairperson may file with the Clerk of the
85 House of Representatives copies of the minutes of the meetings of the committee in lieu
86 thereof.

87 **(7) Abolishment.** The committee shall stand abolished on December 1, 2024.