

REFERENCE TITLE: interchange fees; payment card transactions

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 2768

Introduced by
Representative Powell

AN ACT

AMENDING TITLE 44, CHAPTER 38, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 2; RELATING TO ELECTRONIC PAYMENT TRANSACTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Heading change

3 The chapter heading of title 44, chapter 38, Arizona Revised
4 Statutes, is changed from "BUSINESSES EXEMPT FROM MASK MANDATE" to
5 "BUSINESSES GENERALLY".

6 Sec. 2. Title 44, chapter 38, Arizona Revised Statutes, is amended
7 by adding article 2, to read:

8 ARTICLE 2. ELECTRONIC PAYMENT TRANSACTIONS
9 AND INTERCHANGE FEES

10 44-7961. Definitions

11 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

12 1. "ACQUIRER BANK" MEANS A FINANCIAL INSTITUTION THAT CONTRACTS
13 WITH A MERCHANT, EITHER DIRECTLY OR INDIRECTLY THROUGH A PROCESSOR, FOR
14 THE SETTLEMENT OF ELECTRONIC PAYMENT TRANSACTIONS.

15 2. "AUTHORIZATION" MEANS THE PROCESS THROUGH WHICH A MERCHANT
16 REQUESTS APPROVAL FOR AN ELECTRONIC PAYMENT TRANSACTION FROM THE ISSUER.

17 3. "CHARGEBACK" MEANS THE TRANSFER OF MONIES FROM AN ELECTRONIC
18 PAYMENT TRANSACTION AFTER SETTLEMENT FROM A MERCHANT'S ACQUIRER BANK TO AN
19 ISSUER BECAUSE OF A DISPUTE OVER THE ELECTRONIC PAYMENT TRANSACTION.

20 4. "CHARGEBACK DISPUTE" MEANS A PROCESS FOR RESOLVING A DISPUTE
21 THAT HAS BEEN RAISED ABOUT THE VALIDITY OF AN ELECTRONIC PAYMENT
22 TRANSACTION AND THAT SEEKS A CHARGEBACK OF MONIES.

23 5. "CHARITABLE CONTRIBUTION" MEANS A CHARITABLE CONTRIBUTION AS
24 DEFINED IN 26 UNITED STATES CODE SECTION 170(c).

25 6. "CLEARANCE" MEANS THE PROCESS OF TRANSMITTING FINAL TRANSACTION
26 DATA FROM A MERCHANT TO AN ISSUER FOR POSTING TO THE CARDHOLDER'S ACCOUNT
27 AND CALCULATING FEES AND CHARGES, INCLUDING INTERCHANGE FEES, THAT APPLY
28 TO THE ISSUER AND THE MERCHANT.

29 7. "COVERED ISSUER" MEANS AN ISSUER THAT HELD CONSOLIDATED
30 WORLDWIDE BANKING AND NONBANKING ASSETS, INCLUDING ASSETS OF AFFILIATES,
31 OTHER THAN TRUST ASSETS UNDER MANAGEMENT OF MORE THAN \$50,000,000,000
32 DURING ANY POINT IN THE PREVIOUS CALENDAR YEAR.

33 8. "CREDIT CARD" MEANS A CARD, PLATE, COUPON BOOK OR OTHER CREDIT
34 DEVICE EXISTING FOR THE PURPOSE OF OBTAINING MONEY, PROPERTY, LABOR OR
35 SERVICES ON CREDIT.

36 9. "DEBIT CARD":

37 (a) MEANS A CARD OR OTHER PAYMENT CODE OR DEVICE THAT IS ISSUED OR
38 APPROVED FOR USE THROUGH A PAYMENT CARD NETWORK TO DEBIT AN ASSET ACCOUNT,
39 REGARDLESS OF THE PURPOSE FOR WHICH THE ACCOUNT IS ESTABLISHED, WHETHER
40 AUTHORIZATION IS BASED ON A SIGNATURE, A PERSONAL IDENTIFICATION NUMBER OR
41 OTHER MEANS.

42 (b) INCLUDES A GENERAL-USE PREPAID CARD AS DEFINED IN 15 UNITED
43 STATES CODE SECTION 16931-1.

44 (c) DOES NOT INCLUDE PAPER CHECKS.

1 10. "ELECTRONIC PAYMENT TRANSACTION" MEANS A TRANSACTION IN WHICH A
2 PERSON USES A DEBIT CARD, CREDIT CARD OR OTHER PAYMENT CODE OR DEVICE THAT
3 IS ISSUED OR APPROVED THROUGH A PAYMENT CARD NETWORK TO DEBIT A DEPOSIT
4 ACCOUNT OR USE A LINE OF CREDIT, WHETHER AUTHORIZATION IS BASED ON A
5 SIGNATURE, A PERSONAL IDENTIFICATION NUMBER OR OTHER MEANS.

6 11. "FEE SCHEDULE" MEANS ANY SCHEDULE, LIST, TABLE, CHART,
7 AGREEMENT, COMMUNICATION OR OTHER DOCUMENT, WHETHER PUBLICLY AVAILABLE OR
8 NOT, THAT SETS FORTH AN AMOUNT OR FORMULA FOR DETERMINING ONE OR MORE
9 FEES.

10 12. "INTERCHANGE FEE" MEANS A FEE THAT IS ESTABLISHED, CHARGED OR
11 RECEIVED BY A PAYMENT CARD NETWORK FOR THE PURPOSE OF COMPENSATING THE
12 ISSUER FOR ITS INVOLVEMENT IN AN ELECTRONIC PAYMENT TRANSACTION.

13 13. "ISSUER" MEANS A PERSON, OR THE PERSON'S AGENT, THAT ISSUES A
14 DEBIT CARD OR CREDIT CARD.

15 14. "MERCHANT" MEANS A PERSON THAT ACCEPTS ELECTRONIC PAYMENT
16 TRANSACTIONS AND COLLECTS AND REMITS A TAX.

17 15. "PAYMENT CARD NETWORK" MEANS AN ENTITY THAT BOTH:

18 (a) DIRECTLY, OR THROUGH A LICENSED MEMBER, PROCESSOR OR AGENT,
19 PROVIDES THE PROPRIETARY SERVICES, INFRASTRUCTURE AND SOFTWARE TO ROUTE
20 INFORMATION AND DATA FOR THE PURPOSE OF CONDUCTING ELECTRONIC PAYMENT
21 TRANSACTION AUTHORIZATION, CLEARANCE AND SETTLEMENT.

22 (b) IS USED BY A MERCHANT TO ACCEPT AS A FORM OF PAYMENT A BRAND OF
23 DEBIT CARD OR CREDIT CARD OR ANOTHER DEVICE THAT MAY BE USED TO CARRY OUT
24 ELECTRONIC PAYMENT TRANSACTIONS.

25 16. "PROCESSOR" MEANS AN ENTITY THAT FACILITATES, SERVICES,
26 PROCESSES OR MANAGES THE DEBIT OR CREDIT AUTHORIZATION, BILLING, TRANSFER,
27 PAYMENT PROCEDURES OR SETTLEMENT WITH RESPECT TO ANY ELECTRONIC PAYMENT
28 TRANSACTION.

29 17. "SETTLEMENT" MEANS THE PROCESS OF TRANSMITTING SALES
30 INFORMATION TO THE ISSUER FOR COLLECTION AND REIMBURSEMENT OF MONIES TO
31 THE MERCHANT AND CALCULATING AND REPORTING THE NET TRANSACTION AMOUNT TO
32 THE ISSUER AND MERCHANT FOR AN ELECTRONIC PAYMENT TRANSACTION THAT IS
33 CLEARED.

34 18. "TAX" MEANS ANY TRANSACTION PRIVILEGE TAX, USE AND OCCUPATION
35 TAX OR EXCISE TAX IMPOSED BY THIS STATE OR ANY UNIT OF LOCAL GOVERNMENT IN
36 THIS STATE.

37 44-7962. Interchange fees; prohibition; rates

38 A PAYMENT CARD NETWORK, WHETHER DIRECTLY OR THROUGH AN AGENT,
39 ACQUIRER BANK, PROCESSOR, CONTRACT, REQUIREMENT, CONDITION, PENALTY,
40 TECHNOLOGICAL SPECIFICATION OR INDUCEMENT, MAY NOT:

41 1. ESTABLISH, CHARGE OR PUT FORWARD ON A FEE SCHEDULE AN
42 INTERCHANGE FEE THAT THE PAYMENT CARD NETWORK KNOWS OR REASONABLY SHOULD
43 KNOW HAS BEEN USED BY A COVERED ISSUER IF BOTH:

1 (a) THE FEE IS OR INCLUDES A PERCENTAGE MULTIPLIED BY THE GROSS
2 DOLLAR AMOUNT OF A TRANSACTION THAT IS CONDUCTED WITH A DEBIT CARD OR
3 CREDIT CARD.

4 (b) THE FEE DOES NOT EXCLUDE FROM THE GROSS DOLLAR AMOUNT OF THE
5 TRANSACTION ANY AMOUNT ATTRIBUTABLE TO A TAX.

6 2. INCREASE THE RATE OR AMOUNT OF AN INTERCHANGE FEE OR OTHER FEE
7 THAT APPLIES TO THE PORTION OF AN ELECTRONIC PAYMENT TRANSACTION OTHER
8 THAN THE PORTION ATTRIBUTABLE TO A TAX ON THE TRANSACTION IN AN ATTEMPT TO
9 OR IN A MANNER THAT WOULD CIRCUMVENT THE PROHIBITION PRESCRIBED IN
10 PARAGRAPH 1 OF THIS SECTION.

11 44-7963. Payment card networks; fees; changes; disclosure;
12 violation; unlawful practice

13 A. A PAYMENT CARD NETWORK THAT ESTABLISHES OR IMPLEMENTS A FEE
14 SCHEDULE THAT THE PAYMENT CARD NETWORK KNOWS, OR REASONABLY SHOULD KNOW,
15 HAS BEEN USED BY ONE OR MORE ISSUERS, OTHER THAN THE PAYMENT CARD NETWORK,
16 TO DETERMINE THE AMOUNT OF AN INTERCHANGE FEE CHARGED OR RECEIVED BY THE
17 ISSUER ON AN ELECTRONIC PAYMENT TRANSACTION IN THE CURRENT OR PREVIOUS
18 CALENDAR YEAR SHALL DISCLOSE TO THE ATTORNEY GENERAL AND TO THE PUBLIC ALL
19 THE FOLLOWING:

20 1. ANY CHANGE OR ADDITION TO A FEE RATE, FORMULA OR CATEGORY ON THE
21 FEE SCHEDULE AT LEAST NINETY DAYS BEFORE THE CHANGE OR ADDITION TAKES
22 EFFECT IN THIS STATE.

23 2. A LIST IDENTIFYING EACH ISSUER THAT USED THE PAYMENT CARD
24 NETWORK'S FEE SCHEDULE IN THE PREVIOUS CALENDAR YEAR TO DETERMINE THE
25 AMOUNT OF AN INTERCHANGE FEE CHARGED OR RECEIVED BY THAT ISSUER ON A
26 ELECTRONIC PAYMENT TRANSACTION CONDUCTED BY A MERCHANT THAT IS LOCATED IN
27 THIS STATE. THE DISCLOSURE DESCRIBED IN THIS PARAGRAPH SHALL BE MADE
28 ANNUALLY.

29 3. AT LEAST NINETY DAYS BEFORE ANY CHANGE, ADDITION, NEW FEE OR
30 CHANGED FEE APPLICATION TAKES EFFECT IN THIS STATE, THE CHANGE IN A OR A
31 NEW OR ADDITIONAL FEE, FEE RATE, FEE FORMULA, FEE CATEGORY OR FEE
32 APPLICATION THAT THE PAYMENT CARD NETWORK ESTABLISHES, CHARGES OR
33 RECEIVES. THIS PARAGRAPH APPLIES TO ANY FEE OTHER THAN AN INTERCHANGE FEE
34 THAT IS ESTABLISHED, CHARGED OR RECEIVED BY THE PAYMENT CARD NETWORK ON AN
35 ELECTRONIC PAYMENT TRANSACTION.

36 B. A VIOLATION OF THIS SECTION IS AN UNLAWFUL PRACTICE PURSUANT TO
37 SECTION 44-1522.

38 44-7964. Merchant pricing; penalties prohibited

39 A PAYMENT CARD NETWORK, WHETHER DIRECTLY OR THROUGH AN AGENT,
40 ACQUIRER BANK, PROCESSOR, CONTRACT, REQUIREMENT, CONDITION, PENALTY,
41 TECHNOLOGICAL SPECIFICATION OR INDUCEMENT, MAY NOT IMPOSE A PENALTY ON A
42 MERCHANT FOR SETTING PRICES IN A MANNER THAT COMPLIES WITH STATE AND
43 FEDERAL LAW.

1 44-7966. Fee schedules; limits; charitable contributions

2 A PAYMENT CARD NETWORK, WHETHER DIRECTLY OR THROUGH AN AGENT,
3 ACQUIRER BANK, PROCESSOR, CONTRACT, REQUIREMENT, CONDITION, PENALTY,
4 TECHNOLOGICAL SPECIFICATION OR INDUCEMENT, MAY NOT ESTABLISH OR IMPLEMENT
5 A FEE SCHEDULE THAT THE PAYMENT CARD NETWORK KNOWS OR REASONABLY SHOULD
6 KNOW HAS BEEN USED BY ONE OR MORE ISSUERS OTHER THAN THE PAYMENT CARD
7 NETWORK TO DETERMINE THE AMOUNT OF AN INTERCHANGE FEE CHARGED OR RECEIVED
8 WITH RESPECT TO A CHARITABLE CONTRIBUTION, UNLESS THE INTERCHANGE FEE DOES
9 NOT EXCEED EITHER:

10 1. TWO-TENTHS OF ONE PERCENT OF THE AMOUNT OF A CHARITABLE
11 CONTRIBUTION MADE BY MEANS OF A DEBIT CARD.

12 2. THREE-TENTHS OF ONE PERCENT OF THE AMOUNT OF A CHARITABLE
13 CONTRIBUTION MADE BY MEANS OF A CREDIT CARD.

14 44-7967. Violation; civil penalties; attorney general action;
15 exception

16 A. A PAYMENT CARD NETWORK THAT VIOLATES THIS ARTICLE IS SUBJECT TO
17 A CIVIL PENALTY OF NOT MORE THAN \$1,000 PER ELECTRONIC PAYMENT TRANSACTION
18 THAT IS RELATED TO THE VIOLATION.

19 B. THE ATTORNEY GENERAL MAY FILE AN ACTION AGAINST A PAYMENT CARD
20 NETWORK THAT VIOLATES THIS ARTICLE AND MAY SEEK INJUNCTIVE RELIEF, A CIVIL
21 PENALTY AND RESTITUTION.

22 C. THIS SECTION DOES NOT APPLY TO SECTION 44-7963.

23 Sec. 3. Effective date

24 This act is effective from and after December 31, 2026.