

## NY Credit Card Surcharge Law Challenges Out-of-State Merchants

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In an article for *Bloomberg Law*, Corporate Partner Christina Grigorian wrote about New York State's new disclosure law regarding credit card merchant pricing and surcharges. Effective beginning February 11, the new law presents challenges for sellers catering to New York residents but operating outside the state. Signed into law on December 13, the legislation mandates that merchants disclose the highest price a credit card user will pay for a purchase if surcharges are applied.

The article explains that merchants must now display the price of a good when purchased with alternative payment methods such as cash, check, or debit card, alongside any surcharge, which cannot exceed the fee charged by the credit card processor and must be passed on transparently. Violations of this law may result in penalties of up to \$500 per instance.

The law aims to enhance transparency for consumers by ensuring they are aware of any credit card surcharges upfront rather than discovering them at checkout. However, Christina notes that the law raises questions about its applicability to sellers outside New York who offer products to its residents, particularly concerning compliance and potential liability.

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