



May 22, 2026

The Honorable Jared Polis
Governor of Colorado
State Capitol Building
200 E. Colfax Ave., Room 136
Denver, CO 80203

RE: Veto Request (Payment Card Networks' Fees – SB26-134, Arbitration Reform – HB26-1236)

Dear Governor Polis,

As a consumer advocacy organization that defends consumer choice, affordability, and access to innovative services, we write to you today with concerns about **HB26-1236** and **SB26-134**, which have arrived at your desk and await your final action.

As governor, you have been a noted consumer champion, forwarding a pro-innovation and pro-consumer agenda to improve the lives of Coloradans.

We believe both pieces of legislation would unduly harm consumer choice and affordability, therefore merit your attention as candidates for your veto power.

Arbitration Reform: HB 26-1236 dismantles the cost and risk model that allows app-based and consumer-facing companies to operate in Colorado.

- ***The practical result of these reforms*** is that every consumer-facing platform that scales on arbitration (ride-share, food delivery, short-term rentals, fintech, neobanking, telehealth, gig apps) faces a new Colorado-specific litigation tax.
- ***The bill raises serious federal preemption concerns*** under the Federal Arbitration Act. By singling out arbitration for special burdens, **HB 26-1236** runs directly into controlling Supreme Court precedent — including *AT&T Mobility LLC v. Concepcion*, *Kindred Nursing Centers Limited Partnership v. Clark*, and *Epic Systems Corp. v. Lewis* — and invites years of costly federal litigation before consumers see remedies.
- With increased liability risk, startups, tech innovators, and other firms face ***additional burdens in deploying products and services in the state***, meaning Colorado consumers stand to be deprived of innovative goods and services that would otherwise improve their lives.
- At present, the route of arbitration in private contracts is how Airbnb, Klarna, Uber, Lyft, DoorDash, Instacart, telehealth platforms, and most subscription services keep dispute-resolution costs low and predictable. ***Stripping that out would push costs to flow back to consumers in higher fares, higher fees, smaller markets, and slimmer driver pay.***
- ***These concerns are consistent with the reasoning you yourself articulated in vetoing HB 25-1291 last session***, when you warned that the bill's restrictions on arbitration agreements were "likely preempted by federal law" and that victims attempting to bring claims would face "substantial delay in achieving relief".

Payment Card Networks' Fees: As passed out of the General Assembly, **SB26-134** prohibits card networks from charging fees on the sales tax portion of a transaction.



- ***This law would ban Visa, Mastercard, Amex and Discover from charging interchange fees*** on the sales-tax portion of card transactions, exempt banks under \$60 billion in assets and hand trial lawyers a fresh private right of action.
- ***Interchange revenue is precisely how card networks and their issuing banks fund the rewards programs millions of consumers depend on*** — cash back, hotel points, airline miles, sign-up bonuses, and travel credits. Cap that revenue and the rewards shrink. Coloradans will see devalued points, weaker redemption rates, fewer premium cards offering lounge access and travel credits, and higher annual fees on the cards they keep.
- ***The 2010 Durbin Amendment capped debit-card interchange fees; merchants pocketed the savings, and banks responded by killing free checking.*** A George Mason University Mercatus Center [analysis](#) found the share of banks offering free checking collapsed from 76% to 38% after Durbin took effect. Consumers ate the cost, and the savings promised to retailers never reached household budgets.
- ***The legal exposure is also significant.*** Federal courts have already partially enjoined the Illinois statute that inspired SB 26-134, as preempted by national banking law. Colorado is volunteering to be the next state to spend years and taxpayer dollars defending a statute that controlling federal precedent has already weakened.
- ***The Coloradans hit hardest will be lower- and middle-income households*** who use cash-back rewards to offset the costs of everyday necessities like groceries and gas, alongside the families and small-business travelers for whom rewards points and miles make a vacation or a work trip viable in the first place.

Governor Polis, during your term you have been a champion for consumer choice in the state, vetoing a record number of bills related to affordability, online privacy, and overregulation for ride-sharing and other innovative services.

To continue this track record to the benefit of your constituents and residents in your state, we respectfully urge you to veto **HB 26-1236** and **SB 26-134**.

Thank you for your service and for hearing our concerns.

Yaël Ossowski
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SOURCES

- [Colorado can't afford to shut out consumers from credit card rewards](#) (CCC, May 2026)
- [Time to Clip the Wings of the Car Crash Lawyers](#) (CCC, May 2026)
- Payment Card Networks' Fees – [SB26-134](#)
- Arbitration Reform – [HB26-1236](#)