

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Joseph R. Driscoll, Jr.

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act relative to credit card fees.

PETITION OF:

NAME: _____ | DISTRICT/ADDRESS: _____

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT RELATIVE TO CREDIT CARD FEES.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section 1. Chapter 140D of the General Laws is hereby amended by inserting after section 28B
2 the following section:-

3 Section 28C. As used in this section the following terms shall have the following meanings unless
4 the context requires otherwise:

- 5 (1) "account" the account between a card issuer and 1 or more cardholders reflecting the
6 outstanding balance of card transactions;
- 7 (2) "account agreement" means the contract between the card issuer and the cardholder governing
8 the parties respective rights and obligations respecting the account and transactions effected
9 thereunder;
- 10 (3) "cardholder" a natural person residing in the commonwealth who has agreed with a card issuer
11 to pay debts arising from card transactions, whether the card used in such transactions has been
12 issued to the cardholder or to another person;
- 13 (4) "card issuer" or "issuer" a person doing business in the commonwealth issues a credit card or
14 that person's agent or assignee with respect to the card;
- 15 (5) "card transaction" or "transaction" a cash advance, purchase, or other extension of credit
16 effected or obtained by means of a credit card or account number;
- 17 (6) "debit card" any real or forged instrument, writing or other evidence known by any name issued
18 with or without a fee by an issuer for the use of a depositor in obtaining money, goods, services
19 or anything else of value, payment of which is made against funds previously deposited in an
20 account with the issuer; and
- 21 (7) "retail merchant" a business with at least eighty percent (80%) of its credit card transactions
22 conducted through a credit card terminal.
- 23 (a) no card issuer shall charge to any retail merchant more than seventy-five hundredths of 1
24 percent 0.75% per transaction for all processing fees involving the use of a credit or debit
25 card.

26 (b) each violation of a subsection (a) constitutes an unfair and deceptive act and shall be
27 subject to the procedures and penalties prescribed by section 31.

28 Section 2. The provision of this section shall not be construed to impair any existing contract between a
29 credit card issuer and a retail merchant. This section shall apply only to new contracts between a credit
30 card issuer and a retail merchant and upon the expiration or termination of existing contracts.

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32 Section 3. This act shall take effect on July 1, 2009.