

SB0694/657275/1

BY: Finance Committee

AMENDMENTS TO SENATE BILL 694
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, strike “Service” and substitute “Merchant Processing”; in line 3, strike “requiring” and substitute “prohibiting”; strike beginning with “to” in line 3 down through “processor” in line 7 and substitute “from assessing or charging certain fees under certain circumstances”; in line 7, strike “the summary” and substitute “a merchant processing agreement”; strike beginning with the first “a” in line 8 down through “information” in line 10 and substitute “that certain information be provided in a certain manner in the merchant processing agreement”; in lines 11 and 12, strike “establishing certain civil penalties for a violation of this Act;”; in line 13, strike “service” and substitute “merchant processing”; and in line 16, strike “12–1405” and substitute “12–1404”.

AMENDMENT NO. 2

On page 2, in line 12, strike “SERVICES” and substitute “MERCHANT PROCESSING”; in line 17, strike “SERVICES” and substitute “MERCHANT PROCESSING”; in line 18, strike “THAT” and substitute “:”

(1) THAT MAY BE TERMINATED WITHOUT ASSESSMENT OF FEES, FINES, PENALTIES, OR LIQUIDATED DAMAGES; OR

(2) IF AT THE TIME OF ENTRY INTO THE MERCHANT PROCESSING AGREEMENT, THE BUSINESS ENTITY;

in line 19, after “EMPLOYEES” insert “OR REASONABLY ESTIMATES THAT IT WILL GENERATE MORE THAN \$2,000,000 IN CREDIT CARD OR ELECTRONIC COMMERCE TRANSACTIONS EACH YEAR”; and strike beginning with “(1)” in line 21 down through

(Over)

“PROCESSOR” in line 27 and substitute “IF A BUSINESS ENTITY CANCELS A MERCHANT PROCESSING AGREEMENT BEFORE THE EXPIRATION OF THE INITIAL TERM AGREED ON BY THE CREDIT CARD PROCESSOR AND THE BUSINESS ENTITY, THE CREDIT CARD PROCESSOR MAY NOT ASSESS OR CHARGE A FEE, FINE, OR PENALTY THAT EXCEEDS \$500”.

On pages 2 and 3, strike beginning with “THE” in line 28 on page 2 down through “PROCESSOR” in line 9 on page 3 and substitute “IF A BUSINESS ENTITY TERMINATES THE MERCHANT PROCESSING AGREEMENT AFTER THE EXPIRATION OF THE INITIAL TERM AGREED ON BY A CREDIT CARD PROCESSOR AND A BUSINESS ENTITY, THE CREDIT CARD PROCESSOR MAY NOT ASSESS A FEE, FINE, OR PENALTY, UNLESS A CREDIT CARD PROCESSOR AND A BUSINESS ENTITY HAVE ENTERED INTO A SEPARATE RENEWAL MERCHANT PROCESSING AGREEMENT”.

On page 3, strike beginning with “(1)” in line 10 down through “APPLICABLE” in line 23 and substitute “SUBJECT TO SUBSECTION (D) OF THIS SECTION, A MERCHANT PROCESSING AGREEMENT SHALL DISCLOSE CLEARLY AND CONSPICUOUSLY IN BOLD, 12 POINT FONT THE FOLLOWING INFORMATION:

(1) THE AMOUNT OF ANY EARLY TERMINATION FEE, FINE, PENALTY, OR LIQUIDATED DAMAGES THAT MAY BE ASSESSED BY THE CREDIT CARD PROCESSOR FOR TERMINATION OF A MERCHANT PROCESSING AGREEMENT BEFORE THE EXPIRATION OF THE INITIAL TERM;

(2) THE EXPIRATION DATE OF THE MERCHANT PROCESSING AGREEMENT;

(3) THE RENEWAL DATE OF THE MERCHANT PROCESSING AGREEMENT; AND

(4) THE CUSTOMER SERVICE CONTACT INFORMATION OF THE CREDIT CARD PROCESSOR, INCLUDING TELEPHONE NUMBER, MAILING ADDRESS, AND E-MAIL ADDRESS.

(D) THE INFORMATION REQUIRED UNDER SUBSECTION (C) OF THIS SECTION SHALL BE:

(1) PROVIDED ON THE SIGNATURE PAGE OF A MERCHANT SERVICES AGREEMENT; AND

(2) INITIALED SEPARATELY BY THE BUSINESS ENTITY.

(E) THE CREDIT CARD PROCESSOR SHALL PROVIDE A COPY OF THE MERCHANT PROCESSING AGREEMENT IN ELECTRONIC OR PAPER FORM TO THE BUSINESS ENTITY AT THE TIME THE BUSINESS ENTITY SIGNS THE MERCHANT PROCESSING AGREEMENT”;

and strike line 30 in its entirety.

On page 4, strike in their entirety lines 1 through 9, inclusive; and in line 10, after “ENACTED,” insert “That this Act shall be construed to apply only prospectively and may not be applied or interpreted to have any effect on or application to any merchant processing agreement entered into or renewed before the effective date of this Act.”

SECTION 3. AND BE IT FURTHER ENACTED.”.