

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 349
Economic Matters

(Delegate Minnick)

Commercial Law - Consumer Protection - Credit Card Protection Act

This bill prohibits a merchant from accepting payment by credit card for consumer goods or services unless the merchant requires the consumer to provide the consumer's zip code before completion of the transaction. The bill does not apply to transactions conducted in person. The bill authorizes the Attorney General to institute a civil action against a violator to recover for the State a civil penalty of up to \$1,000 for each prohibited transaction. In addition, the Attorney General may seek an injunction to prohibit a violator from continuing or engaging in the violation.

Fiscal Summary

State Effect: Assuming that the Consumer Protection Division receives fewer than 50 complaints per year stemming from this bill, any additional workload could be handled with existing resources.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: The information a merchant must require from a consumer in order to complete a credit card transaction is not specifically regulated.

Background: Many merchants who conduct transactions over the telephone or the Internet require credit card purchasers to furnish their zip codes or the card's CVV2

before accepting the card as payment. CVV stands for card verification value. A CVV2 is a three- or four-digit number printed in the signature space of most credit cards or, on some cards, on the front of the card.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division),
Department of Legislative Services

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mh/mdr

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