

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Prevent Credit Card Company Unfair Trade Practices

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 10 MRSA c. 205-B is enacted to read:

CHAPTER 205-B

CREDIT CARD COMPANY UNFAIR TRADE PRACTICES

§ 1210-C. Prevention of credit card company unfair trade practices

1. Definitions. As used in this chapter, unless the context otherwise indicates, the following terms have the following meanings.

A. "Electronic payment system" means an entity, other than a national bank, that directly or through licensed members, processors or agents provides the proprietary services, infrastructure and software that route information and data to facilitate transaction authorization, clearance and settlement and that merchants access in order to accept a brand of generalpurpose credit card, charge card, debit card or storedvalue card as payment for goods and services.

B. "Merchant" means a person or entity doing business in this State that offers goods or services for sale in this State.

2. Electronic payment systems. With respect to transactions involving merchants, an electronic payment system may not directly or through any agent, processor or member of the electronic payment system impose any requirement, condition, penalty or fine in a contract with a merchant that:

A. Restricts the display of pricing for goods or services for sale by a merchant;

B. Inhibits the ability of a merchant to offer its customers a discount or other inkind incentives for using a particular form of payment;

C. Inhibits the ability of a merchant to offer its customers a discount or other inkind incentives for using a debit card or credit card of another electronic payment system;

D. Prevents a merchant from setting a minimum or maximum dollar value for its acceptance of a credit card;

E. Inhibits the ability of a merchant to not accept the products of an electronic payment system at one or more of its locations;

F. Prevents a merchant from not accepting a certain product of an electronic payment system based on the fees associated with that product while still accepting other products of that electronic payment system; or

G. Prevents a merchant from choosing how to route a transaction among any of the electronic payment systems authorized to process transactions on the card in question.

3. Rates. An electronic payment system may not require, suggest or set maximum rates for the fees to be charged by any issuer of its payment cards or any agent, processor or member of the electronic payment system for transactions occurring within this State unless the issuer, agent, processor or member is the electronic payment system itself and not a separate legal entity.

4. Penalties. The following penalties apply to a violation of this chapter.

A. An electronic payment system found to have violated a provision of this chapter shall reimburse an affected merchant for any penalties or fines related to the prohibitions described in this chapter that were collected from the affected merchant, whether directly or through an agent, processor or member of the electronic payment system, during the period of time the electronic payment system was in violation and is liable for a civil penalty of \$10,000 per penalty or fine levied for a violation of this chapter.

B. A merchant whose rights under this chapter have been violated may maintain a civil action for damages or equitable relief.

C. The Attorney General may maintain a civil action for damages or equitable relief pursuant to this section and pursuant to Title 5, chapter 10 for any violation of this chapter.

These penalties do not apply to entities acting exclusively as agents, processors or members of electronic payment systems but are not themselves electronic payment systems.

SUMMARY

This bill prohibits electronic payment systems from imposing certain restrictions on merchants relating to the acceptance of credit cards, charge cards, debit cards or other storedvalue cards as payment for goods and services.