

HOUSE No. 238

The Commonwealth of Massachusetts

In the Year Two Thousand 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
2 section 28B the following section:-

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

5 “account” the account between a card issuer and 1 or more cardholders reflecting the
6 outstanding balance of card transactions;

7 “account agreement” means the contract between the card issuer and the cardholder
8 governing the parties respective rights and obligations respecting the account and transactions
9 effected thereunder;

10 “cardholder” a natural person residing in the commonwealth who has agreed with a card
11 issuer to pay debts arising from card transactions, whether the card used in such transactions has
12 been issued to the cardholder or to another person;

13 “card issuer” or “issuer” a person doing business in the commonwealth issues a credit
14 card or that person’s agent or assignee with respect to the card;

15 “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 “debit card” any real or forged instrument, writing or other evidence known by any name
18 issued with or without a fee by an issuer for the use of a depositor in obtaining money, goods,
19 services or anything else of value, payment of which is made against funds previously deposited
20 in an account with the issuer; and

21 “retail merchant” a business with at least eighty percent (80%) of its credit card
22 transactions conducted through a credit card terminal.

23 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 card.

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

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

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