

**SENATE . . . . . No.**

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**The Commonwealth of Massachusetts**

PRESENTED BY:

***John J. Cronin***

*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 adoption of the accompanying bill:

An Act relative to price-fixing prohibition and consumer transparency.

PETITION OF:

NAME:

*John J. Cronin*

DISTRICT/ADDRESS:

*Worcester and Middlesex*

**SENATE . . . . . No.**

[Pin Slip]

**The Commonwealth of Massachusetts**

**In the One Hundred and Ninety-Fourth General Court  
(2025-2026)**

An Act relative to price-fixing prohibition and consumer transparency.

*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. Definitions as used in this Act:

2 a. "Acquirer bank" means a member of a payment card network that contracts with a  
3 merchant for the settlement of electronic payment transactions. An acquirer bank may contract  
4 directly with merchants or indirectly through a processor to process electronic payment  
5 transactions.

6 b. "Authorization" means the process through which a merchant requests approval for an  
7 electronic payment transaction from the issuer.

8 c. "Clearance" means the process of transmitting final transaction data from a merchant to  
9 an issuer for posting to the cardholder's account and the calculation of fees and charges,  
10 including interchange fees, that apply to the issuer and the merchant.

11 d. "Consumer" means any person who has been issued a credit card or debit card or who  
12 purchases goods or services using an electronic payment transaction or another method of  
13 payment.

14 e. "Covered credit card issuer" means a credit card issuer that, together with any  
15 affiliates, had consolidated worldwide banking and nonbanking assets, including assets of  
16 affiliates, other than trust assets under management, of more than \$85,000,000,000 at any point  
17 during the previous calendar year.

18 f. "Credit card" means a card, plate, coupon book, or other credit device existing for the  
19 purpose of obtaining money, property, labor, or services on credit.

20 g. "Debit card" means a card or other payment code or device issued or approved for use  
21 through a payment card network to debit an asset account, regardless of the purpose for which  
22 the account is established, whether authorization is based on a signature, a personal identification  
23 number, or other means.

24 h. "Debit card" includes a general use prepaid card, as defined in 15 U.S.C. 16931-1.  
25 "Debit card" does not include paper checks.

26 i. "Electronic payment transaction" means a transaction in which a person uses a debit  
27 card, a credit card, or other payment code or device issued or approved through a payment card  
28 network to debit a deposit account or use a line of credit, whether authorization is based on a  
29 signature, a personal identification number, or other means.

30 j. "Fee schedule" means any schedule, list, table, chart, or similar document or  
31 agreement, whether publicly disclosed or not, that sets forth or fixes the amount, or the formula  
32 for determining the amount, of one or more fee rates.

33 k. "Gratuity" means a voluntary monetary contribution to an employee from a guest,  
34 patron, or customer in connection with services rendered.

35 l. "Interchange fee" means a fee established, charged, or received by a payment card  
36 network for the purpose of compensating the issuer for its involvement in an electronic payment  
37 transaction.

38 m. "Issuer" means a person issuing a debit card or credit card or the issuer's agent.

39 n. "Merchant" means a person that accepts electronic payment transactions and collects  
40 and remits a tax.

41 o. "Payment card network" means an entity that:

42 1. directly or through licensed members, processors, or agents, provides the proprietary  
43 services, infrastructure, and software to route information and data for the purpose of conducting  
44 electronic payment transaction authorization, clearance, and settlement; and

45 2. a merchant uses to accept as a form of payment a brand of debit card, credit card, or  
46 other device that may be used to carry out electronic payment transactions.

47 p. "Person" means any individual, firm, public or private corporation, government,  
48 partnership, association, or any other organization or entity.

49           q. "Processor" means an entity that facilitates, services, processes, or manages the debit  
50 or credit authorization, billing, transfer, payment procedures, or settlement with respect to any  
51 electronic payment transaction.

52           r. "Settlement" means the process of transmitting sales information to the issuing bank for  
53 collection and reimbursement of funds to the merchant and calculating and reporting the net  
54 transaction amount to the issuer and merchant for an electronic payment transaction that is  
55 cleared.

56           s. "Tax" means any use and occupation tax or excise tax imposed by the State or a unit of  
57 local government in the State.

58           t. "Tax documentation" means documentation sufficient for the payment card network to  
59 determine the total amount of the electronic payment transaction and the tax or gratuity amount  
60 of the transaction. Tax documentation may be related to a single electronic payment transaction  
61 or multiple electronic payment transactions aggregated over a period of time. Examples of tax  
62 documentation include, but are not limited to, invoices, receipts, journals, ledgers, and tax  
63 returns filed with the Department of Revenue or local taxing authorities.

64           Section 2. Prohibition on network interchange price-fixing on behalf of covered credit  
65 card issuers and other unfair credit card practices.

66           a. It is unlawful for any payment card network to, directly or indirectly through any  
67 agent, processor, contract, requirement, condition, penalty, technological specification,  
68 inducement, or otherwise

69 (1) fix or conspire to fix an interchange fee with, or on behalf of, another covered credit  
70 card issuer or payment card network;

71 (2) require any person to accept as payment any credit card issued by a covered credit  
72 card issuer if such person accepts as payment other credit cards that are enabled for processing  
73 over such payment card network;

74 (3) charge a consumer or a merchant a fee or assessment due to a disputed credit card  
75 transaction unless and until a finding of fact concludes that the consumer or merchant is  
76 responsible for the disputed transaction and the consumer or merchant is provided written  
77 notification of the finding of fact; or

78 (4) impose a penalty on a merchant based upon the way that merchant lawfully sets prices  
79 for goods or services.

80 b. It is unlawful for any covered credit card issuer to, directly or indirectly through any  
81 agent, processor, contract, requirement, condition, penalty, inducement, technological  
82 specification, or otherwise,

83 1. fix or conspire to fix an interchange fee with, or on behalf of, another covered credit  
84 card issuer or payment card network;

85 2. receive or charge any interchange fee with respect to a credit card transaction in an  
86 amount that is included on or determined by a fee schedule that:

87 (i) has been fixed, established, or put forward by a payment card network; or

88 (ii) the covered credit card issuer knows, or reasonably should know, is being used in the  
89 same calendar year by any other covered card issuer to determine the amount any interchange fee

90 with respect to a credit card transaction that such other covered credit card issuer receives or  
91 charges;

92 3. On or after the date that is 180 days after the enactment of this Act, issue a monthly  
93 statement to a consumer who has been issued a credit card by the covered credit card issuer  
94 without disclosing in a clear and conspicuous manner for each credit card transaction listed in the  
95 monthly statement,

96 (i) whether any interchange fees were charged on the credit card transaction; and

97 (ii) the amount charged for each such interchange fee charged on each credit card  
98 transaction.

99 (4) charge a consumer or a merchant any fee or assessment due to a disputed credit card  
100 transaction unless and until a finding of fact concludes that the consumer or merchant is  
101 responsible for the disputed transaction and the consumer or merchant is provided written  
102 notification of the finding of fact; or

103 (5) prohibit or penalize a merchant based upon the way the merchant lawfully sets prices  
104 for goods or services.

105 Section 3. Interchange fees on taxes and gratuities prohibited.

106 a. An issuer, a payment card network, an acquirer bank, or a processor may not receive or  
107 charge a merchant any interchange fee on the tax amount or gratuity of an electronic payment  
108 transaction if the merchant informs the acquirer bank or its designee of the tax or gratuity amount  
109 as part of the authorization or settlement process for the electronic payment transaction. The  
110 merchant must transmit the tax or gratuity amount data as part of the authorization or settlement

111 process to avoid being charged interchange fees on the tax or gratuity amount of an electronic  
112 payment transaction.

113           b. A merchant that does not transmit the tax or gratuity amount data in accordance with  
114 this Section may submit documentation for the electronic payment transaction to the acquirer  
115 bank or its designee no later than 180 days after the date of the electronic payment transaction,  
116 and, within 30 days after the merchant submits the necessary documentation, the issuer must  
117 credit to the merchant the amount of interchange fees charged on the tax or gratuity amount of  
118 the electronic payment transaction.

119           c. This Section does not create liability for a payment card network regarding the  
120 accuracy of the tax or gratuity data reported by the merchant.

121           d. It shall be unlawful for an issuer, a payment card network, an acquirer bank, or a  
122 processor to alter or manipulate the computation and imposition of interchange fees by  
123 increasing the rate or amount of the fees applicable to or imposed upon the portion of a credit or  
124 debit card transaction not attributable to taxes or gratuities to circumvent the effect of this  
125 Section.

#### 126           Section 4. Penalties.

127           a. The attorney general of the Commonwealth may file suit to seek injunctive relief and,  
128 if appropriate, to collect a civil penalty from any covered credit card issuer or payment card  
129 network whom the attorney general believes has violated any of the prohibitions in Section 3 of  
130 this Act.



131           b. An issuer, a payment card network, an acquirer bank, a processor, or other designated  
132 entity that has received the tax or gratuity amount data and violates Section 4 is subject to a civil  
133 penalty of \$1,000 per electronic payment transaction conducted in violation of this Act, and the  
134 issuer must refund the merchant the interchange fee calculated on the tax or gratuity amount  
135 relative to the electronic payment transaction.

136           c. An entity, other than the merchant, involved in facilitating or processing an electronic  
137 payment transaction, including, but not limited to, an issuer, a payment card network, an acquirer  
138 bank, a processor, or other designated entity, may not distribute, exchange, transfer, disseminate,  
139 or use the electronic payment transaction data except to facilitate or process the electronic  
140 payment transaction; to monitor for, detect, or prevent fraud; to support loyalty, rewards or  
141 promotional offerings; to tailor products and services to serve customer needs; or as required by  
142 law. A violation of this subsection constitutes a violation of chapter 93A of the general laws.

143           Section 5. Severability.

144           If any of the provisions of this Act are held invalid, the remainder shall not be affected as  
145 a result; nor shall the application of the provision held invalid to persons or circumstances other  
146 than those as to which it is held invalid be affected as a result.