

SECOND REGULAR SESSION

# HOUSE BILL NO. 2350

## 94TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVES YAEGER (Sponsor), SCAVUZZO,  
MEINERS AND HODGES (Co-sponsor).

Read 1st time March 5, 2008 and copies ordered printed.

D. ADAM CRUMBLISS, Chief Clerk

4713L.01I

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### AN ACT

To amend chapter 407, RSMo, by adding thereto one new section relating to merchants' access to credit and debit card rate information.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Chapter 407, RSMo, is amended by adding thereto one new section, to be  
2 known as section 407.438, to read as follows:

**407.438. 1. As used in this section, the following words shall mean:**

2       **(1) "Acquirer", a business organization, financial institution, or an agent of a**  
3 **business organization or financial institution that authorizes a merchant to accept payment**  
4 **by credit card for merchandise;**

5       **(2) "Credit card" or "debit card", any instrument or device, whether known as a**  
6 **credit card, credit plate, bank service card, banking card, check guarantee card, or debit**  
7 **card or by any other name, issued with or without fee by an issuer for the use of the**  
8 **cardholder in obtaining money or merchandise on credit, or for use in an automated**  
9 **banking device to obtain any of the services offered through the device. The presentation**  
10 **of a credit card account number is deemed to be the presentation of a credit card;**

11       **(3) "Financial institution", any bank, bank holding company, sales finance**  
12 **company, consumer finance company, credit union, savings and loan association, savings**  
13 **and loan association holding company, or savings and loan association service corporation;**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

14 (4) "Interchange fees", the fee the acquirer pays to an issuing bank when a  
15 cardholder uses a credit card or debit card as payment during a retail transaction;

16 (5) "Issuing bank", a financial institution which issues credit cards to cardholders;

17 (6) "Merchant", an owner or operator of any retail mercantile establishment, or  
18 any agent, employee, lessee, consignee, officer, director, franchisee, or independent  
19 contractor of such owner or operator. A merchant includes a person who receives from  
20 an authorized user of a payment card, or an individual the person believes to be an  
21 authorized user, a payment card or information from a payment card as the instrument  
22 for obtaining, purchasing, or receiving goods, services, money, or anything of value from  
23 the person.

24 2. Whenever a contract authorizing a merchant to accept a credit card or debit  
25 card specifies that the merchant is bound by the rules of the financial institution, the  
26 contracting financial institution shall:

27 (1) Give the merchant access in this state to the complete rules referenced in the  
28 contract, either individually or through an acquirer;

29 (2) Notify the merchant when a referenced rule has been changed or new rule  
30 added; and

31 (3) Provide a printed copy or Internet access to the original, new, or modified rule.

32 3. A contract authorizing a merchant to accept a credit card shall contain:

33 (1) The contracting financial institution's complete schedule of interchange fees,  
34 credit card and debit card transaction rates, and any other fees that the financial  
35 institution charges to merchants; and

36 (2) An explanation of which rates apply to the merchant and the situations in which  
37 those rates apply.

38 4. A contract authorizing a merchant to accept a credit card or debit card shall not  
39 require a merchant to agree not to disclose the contracting financial institution's rules or  
40 rates as a condition of receiving access to the rules or rates.

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