

SECOND REGULAR SESSION

HOUSE BILL NO. 2350

94TH GENERAL ASSEMBLY

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

AN ACT

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

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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