

HB 1270 -- CREDIT CARD CONTRACT DISCLOSURES

SPONSOR: Lant

COMMITTEE ACTION: Voted "Do Pass by Consent" by the Committee on Financial Institutions by a vote of 18 to 0.

Beginning with new contracts entered into after August 28, 2014, this bill requires any person or entity that offers a credit card processing service in this state to disclose, in writing, in at least an eight-point font, the term and effective date of the contract, the amount of any monthly minimum fee or charge for the service, and the amount of any fee or charge for terminating the contract or agreement.

Any person or entity offering this service cannot charge a fee of more than \$50 for terminating a contract or a monthly minimum fee for more than one month after the contract has been terminated. The rental or lease of equipment cannot be considered fees under these provisions.

A violation of these provisions constitutes an unfair and deceptive act under Chapter 407, RSMo. These provisions cannot limit the rights or remedies otherwise available to any person or entity contracting for this service and the obligations under these provisions are cumulative and do not limit the obligations imposed under any other state or federal law.

These provisions do not apply to a state or national bank, savings association, credit union or the parent, affiliate, or subsidiary of any bank, credit union or savings association that offers a credit card processing service or a state or national bank, savings association, that is party to a contract that offers a credit card processing service, and will not affect the jurisdiction of state or federal bank regulators over regulations of credit card processing services provided by state or national banks.

PROPOSERS: Supporters say that this bill will impact small businesses by increasing competition on credit card processing services and with increased competition that should help to lower costs of these services.

Testifying for the bill were Representative Lant; Missouri Petroleum Marketers & Convenience Store Association; Missouri Bankers Association; and Missouri Retailers Association.

OPPOSERS: There was no opposition voiced to the committee.