

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 86th General Assembly
3 Regular Session, 2007
4

As Engrossed: H3/19/07 S3/28/07

A Bill

HOUSE BILL 1640

5 By: Representative Schulte
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For An Act To Be Entitled

9 AN ACT TO REQUIRE CERTAIN DISCLOSURES ON CREDIT
10 CARD PROCESSING SERVICE CONTRACTS; TO PROVIDE
11 PENALTIES FOR FAILURE TO MAKE REQUIRED
12 DISCLOSURES; AND FOR OTHR PURPOSES.
13

Subtitle

15 TO REQUIRE CERTAIN DISCLOSURES ON CREDIT
16 CARD PROCESSING SERVICE CONTRACTS AND TO
17 PROVIDE PENALTIES FOR FAILURE TO MAKE
18 REQUIRED DISCLOSURES.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code Title 4 is amended to add an additional
24 chapter to read as follows:

25 4-112-101. Credit card processing service – Required disclosures –
26 Prohibitions.

27 (a)(1) Any person or entity that offers a credit card processing
28 service in this state shall disclose the following information on any
29 contract or agreement to render a credit card processing service:

30 (A) The effective date of the contract;

31 (B) The term of the contract;

32 (C) The amount of any monthly minimum fee or charge for
33 the credit card processing service; and

34 (D) The amount of any fee or charge for terminating the
35 contract or agreement.

36 (2) The disclosures required in subsection (a) of this section



1 and any other terms and conditions pertaining to the use of the credit card
2 processing service shall be printed in eight-point font at a minimum.

3 (b) a person or entity that offers a credit card processing service in
4 this state shall not charge:

5 (1) A fee of more than fifty dollars (\$50.00) for terminating a
6 contract for credit card processing service; or

7 (2) A monthly minimum fee under a credit card processing service
8 contract for more than one (1) month after the credit card processing service
9 contract is terminated.

10 (3) Equipment rentals or lease purchase payments charged by a
11 person or entity that offers a credit card processing service shall not be
12 considered to be fees for the purposes of this chapter.

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14 4-112-102. Penalty.

15 (a)(1) A violation of the provisions of this chapter by any person or
16 entity providing credit card processing service shall constitute an unfair
17 and deceptive act or practice, as defined by § 4-88-101 et seq.

18 (2) All remedies, penalties, and authority granted to the
19 Attorney General under § 4-88-101 et seq. shall be available to the Attorney
20 General for the enforcement of this chapter.

21 (b) Nothing in this chapter shall limit the rights or remedies that
22 are otherwise available to a person or an entity that has contracted with a
23 credit card processing service.

24 (c) The obligations under this chapter are cumulative and do not limit
25 the obligations imposed under any other state or federal law.

26 (d) The foregoing provisions of this chapter do not apply to:

27 (1) A state bank or a state savings association that offers a
28 credit card processing service;

29 (2) A national bank or a national savings association as defined
30 in 12 U.S.C. 1813, as it existed on January 1, 2007, that offers a credit
31 card processing service; or

32 (3) The parent, affiliate, or subsidiary of any bank or savings
33 association that offers a credit card processing service.

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35 4-112-103. Exclusions.

36 (a) Nothing contained in this chapter shall affect the jurisdiction of

1 state or federal bank regulators over regulations of credit card processing
2 services provided by state or national banks.

3 (b) The provisions of this chapter shall only apply to new contracts
4 entered into after the effective date of this act.

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/s/ Schulte