

MAINE STATE LEGISLATURE

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M
R.O.S.

L.D. 1835

DATE: 3/31/06

(Filing No. H-930)

BUSINESS, RESEARCH AND ECONOMIC DEVELOPMENT

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
122ND LEGISLATURE
SECOND REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 1275, L.D. 1835, Bill, "An Act To Protect Consumers from Credit Card and Debit Card Holds"

Amend the bill by striking out the title and substituting the following:

'Resolve, To Ensure That Consumers Are Informed of a Debit Card Hold at the Point of Sale'

Further amend the bill by striking out everything after the title and before the summary and inserting in its place the following:

'Sec. 1. Debit card hold notice requirements. Resolved: That persons, firms, partnerships, associations, corporations or limited liability companies may disclose the amount of a debit card hold in the form of a notice. A written notice may be provided directly to a customer or posted in clear view of a customer, so that the customer is able to see it prior to initiating a transaction. An oral or electronic notice may be provided instead of a posted notice, if it is given to the customer during the course of the transaction to permit the customer to cancel the transaction without incurring charges. If oral or written notice is provided, it must include, but is not limited to, a statement that indicates the preauthorization debit card hold policy of the merchant and alternatives to initiating a preauthorization debit card hold.

For the purpose of this resolve, "debit card hold" means a preauthorization hold for offline or online transactions for the future purchase of goods or services.

This section is repealed December 31, 2007; and be it further

COMMITTEE AMENDMENT

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Sec. 2. Consumer education regarding debit card holds. Resolved:
That the Department of Professional and Financial Regulation, Bureau of Financial Institutions shall work with interested parties to develop a consumer awareness brochure that explains debit card holds. The bureau shall make the brochure available, at cost, to financial institutions and merchants. The Office of the Attorney General shall report on the number of consumer complaints received regarding debit card hold practices to the joint standing committee of the Legislature having jurisdiction over business, research and economic development matters by February 15, 2007.'

SUMMARY

This amendment changes the bill to a resolve. It provides that persons, firms, partnerships, associations, corporations or limited liability companies may disclose the amount of a debit card hold in the form of a notice. It describes the forms in which the notice may be given and it specifies the information the notice must include.

This amendment also requires the Department of Professional and Financial Regulation, Bureau of Financial Institutions to work with interested parties to develop a consumer awareness brochure that explains debit card holds and to make the brochure available, at cost, to financial institutions and merchants. The Office of the Attorney General is also required to report on the number of consumer complaints received regarding debit card hold practices to the joint standing committee of the Legislature having jurisdiction over business, research and economic development matters by February 15, 2007.

FISCAL NOTE REQUIRED
(See attached)



122nd MAINE LEGISLATURE

LD 1835

LR 2627(02)

An Act To Protect Consumers from Credit Card and Debit Card Holds

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Business, Research and Economic Development

Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - General Fund

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Any additional costs to the Bureau of Financial Institutions in the Department of Professional and Financial Regulation and the Department of the Attorney General can be absorbed utilizing existing budgetary resources.