

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)



122nd MAINE LEGISLATURE

SECOND REGULAR SESSION-2006

Legislative Document

No. 1835

H.P. 1275

House of Representatives, January 3, 2006

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

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 28, 2005. Referred to the Committee on Business, Research and Economic Development pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative ASH of Belfast.

Cosponsored by Senator NUTTING of Androscoggin and

Representatives: ADAMS of Portland, BRYANT of Windham, BURNS of Berwick, CAIN of Orono, CUMMINGS of Portland, DUNN of Bangor, FARRINGTON of Gorham, JACKSON of Fort Kent, LUNDEEN of Mars Hill, PINGREE of North Haven, THOMPSON of China, WALCOTT of Lewiston, Senators: BRYANT of Oxford, PERRY of Penobscot.

2 **Be it enacted by the People of the State of Maine as follows:**

4 **Sec. 1. 10 MRSA c. 202-E** is enacted to read:

6 **CHAPTER 202-E**

8 **HOLDS ON CREDIT CARDS OR DEBIT CARDS**

10 **§1150. Credit card or debit card holds**

12 1. Excess hold prohibited. A person, firm, partnership,
14 association, corporation or limited liability company that
accepts credit cards or debit cards for the transaction of
business may not place a hold on a credit card or debit card for
an amount that exceeds the actual transaction amount unless that
16 person, firm, partnership, association, corporation or limited
liability company, within one hour of the completion of the
18 transaction, reduces the amount of the hold to the actual
transaction amount, rounded up to the nearest dollar. As used in
20 this chapter, "hold" means a transaction conveyed to a consumer's
credit card or debit card issuer that decreases the amount of
22 credit or funds available to that consumer.

24 2. Violation. A person, firm, partnership, association,
26 corporation or limited liability company that violates this
section is subject to a fine not to exceed \$250 for the first
violation and \$1,000 for each subsequent violation. A fine may
28 not be assessed for a violation of this section if the person,
firm, partnership, association, corporation or limited liability
30 company demonstrates by a preponderance of the evidence that the
defendant has adopted procedures reasonably designed to avoid
32 errors and that the violation was unintentional and resulted from
a bona fide error.

34

36 **SUMMARY**

38 This bill prohibits a merchant from placing a hold on the
40 credit or funds available to a consumer using a credit card or
debit card in excess of the actual transaction amount unless the
42 merchant reduces the hold to the actual transaction amount within
one hour of the completion of the sale. A fine of \$250 for the
first violation and \$1,000 for subsequent violations is provided.