

SENATE BILL 911

By Johnson

AN ACT to amend Tennessee Code Annotated, Title 45
and Title 47, relative to payment cards.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 22, is amended by adding the following language as a new part:

47-22-401. As used in this part:

(1) "Credit card" means any card, plate, coupon book, or other credit device existing for the purpose of obtaining money, property, labor, or services on credit;

(2) "Debit card":

(A) Means any card, or other payment code or device, issued or approved for use through a payment card network to debit an asset account, regardless of the purpose for which the account is established, whether authorization is based on signature, PIN, or other means;

(B) Includes a general-use prepaid card, as defined in 15 U.S.C. § 1693l-1(a)(2)(A); and

(C) Does not include paper checks;

(3) "Merchant" means a person, located in this state, that is in the business of selling property or services and that accepts credit cards, debit cards, or other payment cards as payment for property or services sold;

(4) "Other payment card":

(A) Means any stored value card, smart card, gift card, or other similar device that enables a person to obtain property or services in a transaction with a

merchant, the payment for which is initiated through a payment card network;

and

(B) Does not include credit cards or debit cards; and

(5) "Payment processor" means a person that contracts directly with a merchant to provide settlement for the merchant's credit card, debit card, or other payment card transactions.

47-22-402. Any payment processor that contracts with a merchant to supply a device that enables credit card, debit card, or other payment card processing shall ensure that the written contract between the payment processor and the merchant has the following information printed in at least fourteen-point bold font and placed clearly and conspicuously within the written contract:

- (1) The cost to lease the device on a monthly basis;
- (2) The total cost to lease the device over the term of the lease;
- (3) The minimum time period for which the device may be leased; and
- (4) The total cost to purchase the device outright.

SECTION 2. This act shall take effect July 1, 2015, the public welfare requiring it.