

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 911 - HB 1172

March 8, 2015

SUMMARY OF BILL: Requires any contracts between a merchant and payment processor that requires the processor to supply a device that enables credit card, debit card, or other payment card processing capabilities to ensure that such contracts have the following information printed in at least fourteen-point bold font and placed clearly and conspicuously within the written contract:

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

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- Requiring a payment processor to provide information within a written contract with regards to the cost of providing a payment card processing device will have no significant impact on the oversight and regulatory responsibilities of state government.
- Any increase in civil penalties or court cases arising from a violation of the provisions of this legislation is assumed to be not significant.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

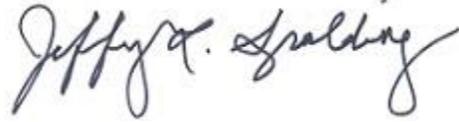
- This legislation may result in an increase in business expenses to payment processing companies in providing information regarding the cost of providing of a payment card processing device to businesses utilizing such device. Any such increase is assumed to be not significant.
- This legislation will result in businesses having greater awareness as to the contractual cost of acquiring payment card processing capabilities, which could result in greater market awareness for such acquiring businesses. Through greater competition, this could

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decrease the amount of expenses related to contractual rates of payment card processing devices. Any such decrease is assumed to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Jeffrey L. Spalding". The signature is written in a cursive style with a large, prominent initial "J".

Jeffrey L. Spalding, Executive Director

/jdb