

# 122<sup>nd</sup> MAINE LEGISLATURE

## Second Regular Session

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Legislative Document

No. 1835

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H.P. 1275

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

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Referred to the Committee on Business, Research and Economic Developm .

Presented by Representative ASH of Belfast.

Cosponsored by Senator NUTTING J of Androscoggin and

Senators BRYANT B of Oxford, PERRY J of Penobscot, Representatives ADAMS of Portland, BRYANT M 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.

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

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

#### CHAPTER 202-E

#### HOLDS ON CREDIT CARDS OR DEBIT CARDS

#### §1150. Credit card or debit card holds

1. Excess hold prohibited. A person, firm, partnership, 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 person, firm, partnership, association, corporation or limited liability company, within one hour of the completion of the transaction, reduces the amount of the hold to the actual transaction amount, rounded up to the nearest dollar. As used in this chapter, "hold" means a transaction conveyed to a consumer's credit card or debit card issuer that decreases the amount of credit or funds available to that consumer.

2. Violation. A person, firm, partnership, association, 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 not be assessed for a violation of this section if the person, firm, partnership, association, corporation or limited liability company demonstrates by a preponderance of the evidence that the defendant has adopted procedures reasonably designed to avoid errors and that the violation was unintentional and resulted from a bona fide error.

#### **SUMMARY**

This bill prohibits a merchant from placing a hold on the credit or funds available to a consumer using a credit card or debit card in excess of the actual transaction amount unless the 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.