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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2013

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A N A C T

RELATING TO COMMERCIAL LAW--GENERAL REGULATORY PROVISIONS --
SURCHARGES ON CREDIT CARD TRANSACTIONS

Introduced By: Representatives Lombardi, Almeida, Shekarchi, Craven, and Williams

Date Introduced: January 31, 2013

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Title 6 of the General Laws entitled "COMMERCIAL LAW - GENERAL
2 REGULATORY PROVISIONS" is hereby amended by adding thereto the following chapter:

3 CHAPTER 26.2

4 SURCHARGES ON CREDIT CARD TRANSACTIONS

5 **6-26.2-1. Legislative intent.** -- It is the intent of the general assembly to promote the
6 effective operation of the free market and protect consumers from deceptive price increases for
7 goods and services by prohibiting credit card surcharges and encouraging the availability of
8 discounts by those retailers who wish to offer a lower price for goods and services purchased by
9 some form of payment other than credit card.

10 **6-26.2-2. Definitions.** -- As used in this chapter:

11 (1) "Consumer" means the person named on the face of a credit card to whom or for
12 whose benefit the credit card is issued by an issuer and shall include any employee or other agent
13 or authorized user of the card;

14 (2) "Credit card" means any instrument or device, whether known as a credit card, credit
15 plate, or by any other name, issued with or without fee by an issuer for the use of the cardholder
16 in obtaining money, goods, services, or anything else of value on credit; and

17 (3) "Person" means an individual or corporation, partnership, trust, association, joint
18 venture pool, syndicate, sole proprietorship, unincorporated organization, or any other legal

1 entity; and

2 (4) "Retailer" means a person who furnishes money, goods, services, or anything else of
3 value upon presentation, whether physically, in writing, verbally, electronically or otherwise, of a
4 credit card by the cardholder, or any agent or employee of such person.

5 **6-26.2-3. Surcharges on credit card transactions prohibited.** -- (a) No retailer in any
6 sales, service, or lease transaction with a consumer may impose a surcharge on a cardholder who
7 elects to use a credit card in lieu of payment by cash, check, or similar means. A retailer may,
8 however, offer discounts for the purpose of inducing payment by cash, check, or other means not
9 involving the use of a credit card, provided that the discount is offered to all prospective buyers
10 and its availability is disclosed to all prospective buyers clearly and conspicuously.

11 (b) A consumer shall not be deemed to have elected to use a credit card in lieu of another
12 means of payment for purposes of this section in a transaction with a retailer if only credit cards
13 are accepted by that retailer in payment for an order made by a consumer over a telephone, and
14 only cash is accepted at a public store or other facility of the same retailer.

15 (c) Charges for third-party credit card guarantee services, when added to the price
16 charged by the retailer if cash were to be paid, shall be deemed surcharges for purposes of this
17 section even if they are payable directly to the third party or are charged separately.

18 **6-26.2-4. Penalties.** -- Any retailer who violates the provision of this chapter shall be
19 guilty of a misdemeanor punishable by a fine not to exceed five hundred dollars (\$500) or a term
20 of imprisonment up to one year, or both.

21 **6-26.2-5. Exemptions.** -- Nothing in this chapter shall prohibit any retailer from
22 conditioning acceptance of a credit card on a consumer's minimum purchase. Each retailer shall
23 disclose any such minimum purchase policy orally or in writing at the point of purchase. For the
24 purposes of this section "at the point of purchase" includes, but is not limited to, at or on a cash
25 register, in an advertisement or menu.

26 SECTION 2. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO COMMERCIAL LAW--GENERAL REGULATORY PROVISIONS --
SURCHARGES ON CREDIT CARD TRANSACTIONS

1 This act would prohibit retailers from imposing surcharges on consumers who utilize
2 credit cards to purchase goods, services or lease transactions in lieu of payments by cash, check
3 or similar means. Violations would be punishable by fine or imprisonment or both.

4 This act would take effect upon passage.

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