

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE
Revised

Senate Bill 25

(Senator Lawlah, *et al.*)

Finance

Economic Matters

Commercial Law - Payment Devices - Receipts

This bill prohibits a person from printing on a receipt provided to the credit device holder more than the last eight digits of a credit card or other credit device number in connection with the purchase of a consumer good or service. The bill applies only to electronically printed receipts and excludes receipts where the sole means of recording the credit card or credit device number is by handwriting, imprinting, or copying the card or device. The bill authorizes the Attorney General to bring a civil action against violators and to recover a civil penalty of up to \$25 for each violation.

Receipts from machines that are first put into service on or after October 1, 2002 must comply with the bill's provisions on October 1, 2002. Receipts from machines in service before October 1, 2002 must comply by January 1, 2006.

Fiscal Summary

State Effect: Potential minimal increase in expenditures in FY 2003 to replace receipt-printing equipment. Potential minimal increase in general fund revenues from civil penalties under the bill. Assuming that the Consumer Protection Division receives fewer than 50 complaints per year stemming from this bill, any additional workload could be handled with existing resources.

Local Effect: Potential minimal increase in expenditures for local governments that accept credit card payments to the extent they must bear the cost of replacing equipment.

Small Business Effect: Potential meaningful.

Analysis

Current Law: With certain exceptions, there is a prohibition against recording the address or telephone number of a credit card holder as a condition of accepting the credit card as payment for consumer credit, goods, realty, or services. A person accepting a credit card or device as payment for consumer credit, goods, realty, or services may request that the credit card holder display a form of identification.

Under the Credit Card Number Protection Act, a person may not use or disclose any credit card number or other payment device number or the holder's signature unless: (1) the person is the holder; (2) the disclosure is made to the holder or issuer; (3) the use or disclosure is: (a) pursuant to obligations under federal or State law; (b) at the lawful direction of a governmental entity; or (c) in response to a court order; (4) disclosure is in connection with an authorization, processing, billing, collection, charge back, insurance collection, fraud prevention, or recovery; (5) except as otherwise provided, disclosure is reasonably necessary in connection with the sale of a business or its assets, the operation or other activities involving the internal functioning of the person making the disclosure, or the activities involving disclosure between or among a corporation and its subsidiaries; (6) the disclosure is made to a consumer reporting agency; or (7) the disclosure is otherwise permitted or required by law. Violators of the Act are subject to civil and criminal penalties.

Background: California enacted a similar provision in 1999.

State Expenditures: Some units of State government are already in compliance with the bill's provisions, and others would have the costs of repairing or replacing receipt-printing equipment borne by outside vendors. Units not in compliance with the bill's requirements could incur minimal expenditures of up to \$1,200 to repair or replace credit card receipt printing equipment.

Small Business Effect: Small businesses that accept credit cards and are not currently in compliance with the bill could experience additional costs to update or replace their credit card receipt printing equipment. The cost to repair or replace an existing machine could be as much as \$1,200, depending on the type of machine currently in operation and a business's contract with a credit card processor.

A business may also need a special printer to print a second copy of the receipt for the business's records. Such a printer could cost as much as \$1,000. These costs would be mitigated by the bill's exemptions and delayed effective date.

Additional Information

Prior Introductions: Similar bills, SB 377 and HB 1428, were introduced in the 2000 session. SB 377 received an unfavorable report from the Senate Finance Committee. HB 1428 was withdrawn. The bills would have limited the information about a credit card holder that may be included on a credit card receipt for consumer goods to the last four digits of the credit card number.

Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division), Department of Transportation (Motor Vehicle Administration), Comptroller's Office, Department of Legislative Services

Fiscal Note History: First Reader - January 29, 2002
mld/jr Revised - Senate Third Reader - March 22, 2002
Revised - Enrolled Bill - April 22, 2002

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