

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Bill 458
Economic Matters

(Delegate Conroy, *et al.*)

Consumer Protection - Printing Payment Device Numbers on Receipts - Penalty

This bill increases the maximum amount of the civil penalty the Attorney General may recover for the State, from \$25 to \$100, for a violation of the State's prohibition against printing more than eight digits of a credit card or other payment device number on a receipt provided to the card's holder.

Fiscal Summary

State Effect: General fund revenues would increase to the extent that the Attorney General brings successful enforcement actions. Any increase is expected to be negligible. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: A person may not print on a receipt provided to the holder more than the last eight digits of a credit card or other payment 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 Attorney General may bring a civil action against violators and recover a civil penalty for the State of up to \$25 for each violation.

Receipts from machines that are first put into service on or after October 1, 2002 must already comply with these requirements. Receipts from machines in service before October 1, 2002 must comply by January 1, 2006.

Background: The federal Fair and Accurate Credit Transactions Act of 2003 (FACTA) amends various provisions of the Fair Credit Reporting Act (FCRA). Section 113 of FACTA amends § 605 of FCRA to add a new subsection (g). Under this provision, no person that accepts credit cards or debit cards for the transaction of business may print more than the last five digits of the card number or the expiration date on any receipt provided to the cardholder at the point of the sale or transaction. The prohibition applies only to receipts that are electronically printed and does not apply to transactions in which the sole means of recording a credit or debit card account number is by handwriting or by an imprint or copy of the card. The prohibition takes effect December 4, 2006 for a cash register or other device that is in use before January 1, 2005. For a cash register or other device put into use on or after January 1, 2005, the prohibition applies when the device is put into service.

Generally, FCRA does not preempt state consumer credit reporting laws, except to the extent that the state law is inconsistent with FCRA, and then, only to the extent of the inconsistency. However, FCRA does specifically preempt some state enactments. Section 711 of FACTA amends newly renumbered FCRA § 625 to preempt specifically any state enactment with respect to the conduct required by the specific provisions of § 605(g) of FCRA. Thus, it appears that Maryland's provisions are preempted by federal law.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Office of the Attorney General (Consumer Protection Division),
Department of Legislative Services

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mh/jr

Analysis by: Ryan Wilson

Direct Inquiries to:
(410) 946-5510
(301) 970-5510

