

SENATE BILL NO. 699

October 21, 2021, Introduced by Senators IRWIN, CHANG, BAYER, WOJNO and SANTANA
and referred to the Committee on Finance.

A bill to regulate certain agreements involving credit card
processing services.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act may be cited as the "credit card processing
2 service act".

3 Sec. 2. As used in this act:

4 (a) "Agreement" means a written contractual agreement between
5 a person that offers a credit card processing service and a
6 merchant.

1 (b) "Financial institution" means a state or nationally
2 chartered bank, state or federally chartered savings bank, or state
3 or federally chartered credit union.

4 (c) "Merchant" means a person that utilizes a credit card
5 processing service in the operation of their business.

6 (d) "Person" means an individual, partnership, limited
7 liability company, corporation, association, or other legal entity.

8 Sec. 3. (1) A person that offers a credit card processing
9 service in this state shall disclose in an agreement to provide a
10 credit card processing service all of the following:

11 (a) The effective date of the agreement.

12 (b) The term of the agreement.

13 (c) The amount of any monthly minimum fee or charge for the
14 credit card processing service.

15 (d) The amount of a fee for terminating the agreement.

16 (2) A person that offers a credit card processing service in
17 this state shall not charge a fee of more than \$50.00 for
18 terminating an agreement for a credit card processing service.

19 (3) Equipment rental or lease purchase payments charged by a
20 person that offers a credit card processing service are not
21 considered fees.

22 (4) The disclosures required under subsection (1) and any
23 other terms and conditions pertaining to the use of the credit card
24 processing service must be printed in not less than 8-point type.

25 Sec. 5. (1) An agreement that violates a provision of this act
26 is void and unenforceable. This subsection applies only to an
27 agreement that takes effect or is extended, renewed, or modified
28 after the effective date of this act.

29 (2) This act does not apply to a financial institution that

1 offers a credit card processing service or the parent, affiliate,
2 or subsidiary of a financial institution that offers a credit card
3 processing service.