

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Commerce and Economic Development to which was
3 referred Senate Bill No. 206 entitled “An act relating to business consumer
4 protection for point-of-sale equipment leases” respectfully reports that it has
5 considered the same and recommends that the House propose to the Senate that
6 the bill be amended by striking out all after the enacting clause and inserting in
7 lieu thereof the following:

8 Sec. 1. 9 V.S.A. chapter 63, subchapter 9 is added to read:

9 Subchapter 9. Credit Card Terminal Finance Leases

10 § 2482h. SOLICITATION; MATERIAL MISREPRESENTATION

11 (a) As used in this subchapter, “credit card terminal” means physical
12 equipment used at the point of sale to accept payment by a payment card,
13 including a credit card, debit card, EBT card, prepaid card, or gift card.

14 (b) A person who solicits a finance lease for the use of a credit card
15 terminal shall accurately disclose:

16 (1) the nature and scope of his or her relationship to the person or
17 persons who own, lease, service, and finance the credit card terminal and, if
18 known, provide related services, including whether he or she is an employee,
19 independent contractor, or agent of one or more of those persons;

20 (2) the terms of a finance lease and whether oral statements or
21 commitments he or she makes to the prospective lessee while soliciting a

1 finance lease are included in the terms of the finance lease and enforceable
2 against a party to a finance lease; and

3 (3) whether the consumer has an option to purchase the credit card
4 terminal that is the subject of the finance lease.

5 § 2482i. CREDIT CARD TERMINAL; FINANCE LEASE PROVISIONS

6 The following provisions apply to a finance lease for the use of a credit card
7 terminal:

8 (1) Plain language. The party primarily responsible for drafting the
9 finance lease shall use plain language designed to be understood by ordinary
10 consumers, presented in a reasonable format, typeface, and font.

11 (2) Finance lease; costs; disclosure. The finance lease shall specify:

12 (A) the terms of the finance lease;

13 (B) the total price of the finance lease;

14 (C) the total monthly payment due, including any recurring monthly
15 fees or charges; and

16 (D) any other penalties, charges, or fees and the conditions under
17 which they may be incurred.

18 (3) Relationship to processing services and fees. If a lessee who enters
19 into a finance lease for a credit card terminal also agrees to receive bundled
20 services for the terminal, such as credit card processing services, from the
21 lessor or a business affiliated with the lessor, either the finance lease or a

1 separate agreement for the bundled services shall include an itemized
2 statement of the terms, costs, fees, and potential penalties for each service, as
3 specified in subdivision (2) of this subsection.

4 (4) Contact information. The finance lease shall clearly and
5 conspicuously identify the lessor of the credit card terminal and the name,
6 mailing address, telephone number, email address or website, and relationship
7 to the lessor of:

8 (A) the person to whom the lessee is required to make payments for
9 the credit card terminal;

10 (B) the person whom the lessee should contact with questions or
11 problems concerning the credit card terminal;

12 (C) the person to whom the lessee should deliver the credit card
13 terminal for return or repair; and

14 (D) the sales representative or other person acting with actual or
15 apparent authority on behalf of the lessor to solicit the finance lease.

16 (5) Prohibited provisions.

17 (A) A provision of a finance lease that permits or requires a dispute
18 to be resolved in a judicial forum that would not otherwise have jurisdiction
19 over the lessee is against public policy and unenforceable.

20 (B) A lessor shall not collect any charge or fee for business personal
21 property tax on the credit card terminal unless the tax is actually imposed.

1 (6) Duty to retain and provide finance lease; right to cancel.

2 (A) A lessor shall provide a copy of the executed finance lease to the
3 lessee and shall retain a written or electronic copy of the finance lease for not
4 less than four years after the lease terminates.

5 (B) A lessee shall have the right to cancel a finance lease not later
6 than 45 days after the lessor provides a copy of the executed finance lease to
7 the lessee.

8 (C) If the lessee exercises his or her right to cancel:

9 (i) the lessor may retain any payments made by the lessee after the
10 lessor delivered a copy of the executed finance lease;

11 (ii) the lessor may impose a reasonable cancellation fee, not to
12 exceed the total monthly payment amount specified in subdivision (2)(C) of
13 this section.

14 § 2482j. VIOLATIONS

15 A person who violates this subchapter commits an unfair and deceptive act
16 in trade and commerce in violation of section 2453 of this title.

17 Sec. 2. EFFECTIVE DATE

18 This act shall take effect on July 1, 2018.

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4 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE