

1 TO THE HONORABLE SENATE:

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

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

9 Subchapter 9. Credit Card Terminal 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 lease for the use of a credit card terminal:

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

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

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

3 (3) shall not make a material misrepresentation to the prospective lessee
4 concerning the nature of his or her relationships pursuant to subdivision (1) of
5 this subsection, or concerning a lease and its terms pursuant to subdivision (2)
6 of this subsection.

7 § 2482i. CREDIT CARD TERMINAL; LEASE PROVISIONS

8 The following provisions apply to a lease for the use of a credit card
9 terminal:

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

13 (2) Lease; option to purchase; total cost; disclosure.

14 (A) The lease shall specify whether the consumer has an option to
15 purchase the credit card terminal that is the subject of the lease, and if so, the
16 purchase price and terms.

17 (B) If the lessor does not offer the option to purchase the credit card
18 terminal, the lease shall include a disclaimer that the lessee may be able to
19 purchase the same or a similar credit card terminal from another source.

20 (C) The lease shall specify the terms of the lease and shall provide a
21 cap on the total cost the lessee is required to pay to use the credit card terminal,

1 which shall not exceed 300 percent of the lessor's original purchase price for
2 the credit card terminal or, if the lessor is the manufacturer of the credit card
3 terminal, its total cost of manufacture.

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

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

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

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

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

15 (4) Record keeping. A lessor shall retain the following information in
16 electronic format or hard copy for not less than four years after the lease ends:

17 (A) the lease; and

18 (B) a record that establishes the lessor's original purchase price for
19 the credit card terminal or, if the lessor is the manufacturer of the credit card
20 terminal, its total cost of manufacture.

1 (5) Prohibited provisions.

2 (A) If the judicial forum chosen by the parties to the lease is a forum
3 that would not otherwise have jurisdiction over the lessee, the choice is not
4 enforceable.

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

7 (6) Duty to provide lease; right to rescission.

8 (A) A lessor shall have the duty to provide a copy of the executed
9 lease to the lessee.

10 (B) A lessee shall have the right to rescind a lease not later than three
11 months from the date the lessee receives a copy of the executed lease from the
12 lessor.

13 § 2482j. VIOLATIONS

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

16 Sec. 2. RULEMAKING

17 The Attorney General shall adopt proposed rules to implement the
18 provisions of this act on or before January 15, 2019.

19 Sec. 3. EFFECTIVE DATE

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

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(Committee vote: _____)

Senator _____

FOR THE COMMITTEE