

Legislative Analysis



PROHIBIT SURCHARGE ON CREDIT CARD PURCHASES

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House Bill 4255

Sponsor: Rep. Jeff Farrington

Committee: Commerce

Complete to 4-8-13

A SUMMARY OF HOUSE BILL 4255 AS INTRODUCED 2-14-13

The bill would amend Section 3 of the Michigan Consumer Protection Act to prohibit a business from imposing a surcharge on a consumer who elects to pay for goods or services by credit card rather than in cash, by check, by debit card, or similar means.

Section 3 of the act lists the types of conduct that are to be classified as "unfair, unconscionable, or deceptive methods, acts, or practices in the conduct of trade or commerce." Such conduct is unlawful under the act. Generally speaking, the act is enforced by the attorney general, local prosecutors, and private lawsuits.

(The Consumer Protection Act contains a provision that says the act does not apply to "a transaction or conduct specifically authorized under laws administered by a regulatory board or officer acting under statutory authority of this state or the United States." The act also says that it does not apply to conduct made unlawful by the Insurance Code and, with some exceptions, made unlawful by certain other regulatory statutes, including banking-related statutes, the Public Service Commission Act, and the Motor Carrier Act.)

The term "surcharge" is defined in the bill to refer to any additional amount imposed at the time of a sale of goods or services that increases the charge to the consumer for the privilege of using a credit card to make payment.

MCL 445.903

FISCAL IMPACT:

The bill would increase the oversight and enforcement responsibilities of the Attorney General and local prosecutors. However, any costs associated with the increased oversight would be absorbed under current appropriation levels. Additionally, any legal fees collected enforcing the provisions of the bill would assist in offsetting any added costs.

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