

HOUSE BILL No. 2668

By Representative Ward

1-24

9 AN ACT relating to credit cards or debit cards; concerning the placing
10 of holds; penalties.

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12 *Be it enacted by the Legislature of the State of Kansas:*

13 Section 1. (a) A person, firm, partnership, association, corporation or
14 limited liability company that accepts credit cards or debit cards for the
15 transaction of business may not place a hold on a credit card or debit card
16 for an amount that exceeds the actual transaction amount unless that
17 person, firm, partnership, association, corporation or limited liability com-
18 pany, within one hour of the completion of the transaction, reduces the
19 amount of the hold to the actual transaction amount, rounded up to the
20 nearest dollar.

21 (b) As used in this section, “hold” means a transaction conveyed to a
22 consumer’s credit card or debit card issuer that decreases the amount of
23 credit or funds available to that consumer.

24 (c) A person, firm, partnership, association, corporation or limited
25 liability company that violates this section is subject to a fine not to exceed
26 \$250 for the first violation and \$1,000 for each subsequent violation. A
27 fine may not be assessed for a violation of this section if the person, firm,
28 partnership, association, corporation or limited liability company dem-
29 onstrates by a preponderance of the evidence that the defendant has
30 adopted procedures reasonably designed to avoid errors and that the vi-
31 olation was unintentional and resulted from a bona fide error.

32 Sec. 2. This act shall take effect and be in force from and after its
33 publication in the statute book.