House Bill 883 (AS PASSED HOUSE AND SENATE)
By: Representatives Strickland of the 111th, Ehrhart of the 36th, Williamson of the 115th, Douglas of the 78th, Fludd of the 64th, and others

A BILL TO BE ENTITLED
AN ACT

To amend Chapter 9 of Title 7 of the Official Code of Georgia Annotated, relating to Georgia merchant acquirer limited purpose banks, so as to correct cross-references; to provide for related matters; to repeal conflicting laws; and for other purposes.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

SECTION 1.
Chapter 9 of Title 7 of the Official Code of Georgia Annotated, relating to Georgia merchant acquirer limited purpose banks, is amended by revising Code Section 7-9-2, relating to definitions, as follows:

"7-9-2.
As used in this chapter, the term:

(1) 'Commissioner' means the commissioner of banking and finance.
(2) 'Corporation' means a corporation organized under the laws of this state, the United States, or any other state, territory, or dependency of the United States or under the laws of a foreign country.
(3) 'Department' means the Department of Banking and Finance.
(4) 'Eligible organization' means a corporation that at all times maintains an office in the State of Georgia at which it or its parent, affiliates, or subsidiaries employ at least 250 persons residing in this state who are directly or indirectly engaged in merchant acquiring activities or settlement activities, including providing the following services related to merchant acquiring activities or settlement activities, either for the eligible organization or on behalf of others:

(A) Administrative support;
(B) Information technology support;
(C) Financial support; and
(D) Tax and finance support.

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(5) 'Holding company' means any company that controls a merchant acquirer limited purpose bank. For purposes of this paragraph, the terms 'company' and 'control' shall have the meanings set forth in Code Section 7-1-605.

(6) 'Merchant' means an individual or entity authorized by a payment card network to accept payments in exchange for goods or services.

(7) 'Merchant acquirer limited purpose bank' means a corporation organized under this chapter and the activities of which are limited to those permitted under Code Section 7-9-11 to 7-9-12.

(8) 'Merchant acquiring activities' means the various activities associated with effecting transactions within payment card networks, including obtaining and maintaining membership in one or more payment card networks; signing up and underwriting merchants to accept payment card network branded payment cards; providing the means to authorize valid card transactions at client merchant locations; facilitating the clearing and settlement of the transactions through a payment card network; providing access to one or more payment card networks to merchant acquirer limited purpose bank affiliates, customers, or customers of its affiliates; sponsoring the participation of merchant acquirer limited purpose bank affiliates, customers, or customers of its affiliates in one or more payment card networks; and conducting such other activities as may be necessary, convenient, or incidental to effecting transactions within payment card networks.

(9) 'Payment card network' means any organization, group, system, or other collection of individuals or entities that is organized to allow participants to accept or make payments for goods or services using a credit card, debit card, or any other payment device.

(10) 'Self-acquiring activities' means the act of a merchant, for itself or through an affiliated entity, engaging in merchant acquiring or settlement activities on its own behalf for payments it, or its affiliated entity, receives for goods and services it, or its affiliated entity, provides to consumers.

(11) 'Settlement activities' means the processing of payment card transactions to send to a payment card network for processing, to make payments to a merchant, and, ultimately, for cardholder billing.

SECTION 2.

Said chapter is further amended by revising Code Section 7-9-13, relating to enforcement of rules and regulation by the department, as follows:

7-9-13. (a) All merchant acquirer limited purpose banks chartered by the department shall be subject to supervision, regulation, and examination by the department, including, but not
limited to, the examination powers as provided in Code Sections 7-1-64 through 7-1-73, and the department shall have all enforcement powers provided in this title.

(b) In the event any chartered merchant acquirer limited purpose bank does not conduct its activities within the limitations provided in Code Section 7-9-11, the department may require such merchant acquirer limited purpose bank to cease all unauthorized activities. In the event such chartered merchant acquirer limited purpose bank fails to abide by such order, the department may:

(1) Impose upon the chartered merchant acquirer limited purpose bank or its parent holding company a penalty of up to $10,000.00 per day for each day such order is violated; and

(2) Require divestiture of such chartered merchant acquirer limited purpose bank by any holding company not qualified to acquire such chartered merchant acquirer limited purpose bank on the date it ceased to operate within the limitations imposed by Code Section 7-9-11 and became a bank for purposes of this title.

(c) The department shall have the power to promulgate rules and regulations implementing the provisions of this chapter."

SECTION 3.

All laws and parts of laws in conflict with this Act are repealed.