

House Bill 883 (AS PASSED HOUSE AND SENATE)

By: Representatives Strickland of the 111<sup>th</sup>, Ehrhart of the 36<sup>th</sup>, Williamson of the 115<sup>th</sup>, Douglas of the 78<sup>th</sup>, Fludd of the 64<sup>th</sup>, and others

A BILL TO BE ENTITLED  
AN ACT

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

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

5 style="text-align:center">**SECTION 1.**

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

9 "7-9-2.

10 As used in this chapter, the term:

11 (1) 'Commissioner' means the commissioner of banking and finance.

12 (2) 'Corporation' means a corporation organized under the laws of this state, the United  
13 States, or any other state, territory, or dependency of the United States or under the laws  
14 of a foreign country.

15 (3) 'Department' means the Department of Banking and Finance.

16 (4) 'Eligible organization' means a corporation that at all times maintains an office in the  
17 State of Georgia at which it or its parent, affiliates, or subsidiaries employ at least 250  
18 persons residing in this state who are directly or indirectly engaged in merchant acquiring  
19 activities or settlement activities, including providing the following services related to  
20 merchant acquiring activities or settlement activities, either for the eligible organization  
21 or on behalf of others:

22 (A) Administrative support;

23 (B) Information technology support;

24 (C) Financial support; and

25 (D) Tax and finance support.

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

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

31 (7) 'Merchant acquirer limited purpose bank' means a corporation organized under this  
 32 chapter and the activities of which are limited to those permitted under Code Section  
 33 ~~7-9-11~~ 7-9-12.

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

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

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

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

## 56 **SECTION 2.**

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

59 "7-9-13.

60 (a) All merchant acquirer limited purpose banks chartered by the department shall be  
 61 subject to supervision, regulation, and examination by the department, including, but not

62 limited to, the examination powers as provided in Code Sections 7-1-64 through 7-1-73,  
63 and the department shall have all enforcement powers provided in this title.

64 (b) In the event any chartered merchant acquirer limited purpose bank does not conduct  
65 its activities within the limitations provided in Code Section ~~7-9-11~~ 7-9-12, the department  
66 may require such merchant acquirer limited purpose bank to cease all unauthorized  
67 activities. In the event such chartered merchant acquirer limited purpose bank fails to abide  
68 by such order, the department may:

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

72 (2) Require divestiture of such chartered merchant acquirer limited purpose bank by any  
73 holding company not qualified to acquire such chartered merchant acquirer limited  
74 purpose bank on the date it ceased to operate within the limitations imposed by Code  
75 Section ~~7-9-11~~ 7-9-12 and became a bank for purposes of this title.

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

78 **SECTION 3.**

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