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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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SENATE BILL

No. 84 Session of  
2015

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INTRODUCED BY GREENLEAF, COSTA, TARTAGLIONE, HUGHES, SCHWANK AND  
RAFFERTY, JANUARY 14, 2015

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REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,  
JANUARY 14, 2015

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AN ACT

1 Imposing limitations on credit blocking by the retail industry  
2 and providers of travel services; establishing a ceiling  
3 amount on the amount of credit allowed to block; prescribing  
4 a fixed time period to block a certain amount in a consumer's  
5 account or line of credit; and providing for enforcement.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. Short title.

9 This act shall be known and may be cited as the Credit  
10 Blocking Regulation Act.

11 Section 2. Definitions.

12 The following words and phrases when used in this act shall  
13 have the meanings given to them in this section unless the  
14 context clearly indicates otherwise:

15 "Credit blocking." The process by which merchants in the  
16 retail industry or providers of travel services block a portion  
17 of a consumer's account or line of credit for a fixed period of  
18 time when a consumer makes a purchase on that consumer's debit  
19 or credit card in order to ensure payment.

1 "Provider" or "provider of travel services." A person, firm  
2 or corporation engaged in the business of furnishing travel  
3 services.

4 "Travel services." Public transportation, public  
5 accommodations in hotels, motels or motor courts, rental of  
6 motor vehicles or any other service related to travel or  
7 vacations.

8 Section 3. Ceiling amount.

9 It shall be unlawful for a merchant in the retail industry or  
10 provider of travel services to impose a credit block on a  
11 consumer's account or line of credit that is greater than 20% of  
12 the consumer's actual purchase on that consumer's debit or  
13 credit card.

14 Section 4. Time period.

15 It shall be unlawful for a merchant in the retail industry or  
16 provider of travel services to impose a credit block on a  
17 portion of a consumer's account or line of credit for a period  
18 longer than 72 hours after the actual transaction or purchase.

19 Section 5. Notification.

20 A merchant in the retail industry or provider of travel  
21 services that imposes a credit block of any amount above the  
22 purchase price of goods or travel services purchased by  
23 consumers shall notify the consumer prior to purchase of the use  
24 of credit blocking for purchases by verbal notification or by a  
25 clearly visible written notification displayed in a public  
26 location.

27 Section 6. Enforcement.

28 A violation of this act shall be deemed to be a violation of  
29 the act of December 17, 1968 (P.L.1224, No.387), known as the  
30 Unfair Trade Practices and Consumer Protection Law.

1 Section 7. Effective date.

2 This act shall take effect immediately.