

# ALASKA STATE LEGISLATURE

## HOUSE LABOR & COMMERCE COMMITTEE



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### Sectional Analysis: House Labor & Commerce CS for Senate Bill 79 (Version N)

#### Section 1.

This section adds new sections to AS 06.90:

**Sec 06.09.020(a):** prohibits issuers, payment card networks, acquirer banks, or processors from receiving or charging merchants interchange fees on the tax or gratuity portion of an electronic payment transaction if proper documentation is provided during the authorization or settlement process.

**Sec 06.09.020(b):** Allows merchants to submit tax or gratuity documentation up to 180 days after the transaction if it was not originally transmitted. The issuer must refund the merchant within 30 days of receiving this documentation.

**Sec 06.09.020(c):** Clarifies that documentation may be for individual or multiple transactions, as long as it clearly shows total transaction amounts and tax or gratuity portions.

**Sec 06.09.020(d):** States that payment card networks are not liable for the accuracy of the tax or gratuity documentation submitted by merchants.

**Sec 06.09.020(e):** Prohibits raising interchange fees on the remaining (non-tax/gratuity) portion of a transaction to compensate for prohibited fees on tax or gratuity.

**Sec 06.09.020(f):** Establishes a civil penalty of \$1,000 per violation and requires refunding the improper fee to the merchant.

**Sec 06.09.020(g):** Restricts use of electronic payment transaction data to processing or legal requirements only, safeguarding data privacy.

**Sec 06.09.020(h):** Defines key terms such as “acquirer bank,” “issuer,” “interchange fee,” “electronic payment transaction,” “settlement,” “tax,” and others for the purposes of this section.

## **Section 2.**

Amends AS 23.10.040(a) to add AS 23.10.044 allowing an employer to pay via payroll card account.

## **Section 3.**

AS 23.10 is amended by adding a new section, AS 23.10.044, to read as follows.

**AS 23.10.044(a):** Allows an employer to pay wages to a payroll card account if an employee has voluntarily authorized or if an employee has not authorized deposit of their wages to a bank account.

**AS 23.10.044(b):** States an employer paying wages to a payroll card account shall notify the employee of the terms and conditions of payroll cards.

**AS 23.10.044(c):** A payroll card account must provide an employee with at least one cost-free withdrawal each pay period, up to the amount of the employee's net wages, and a cost-free mechanism to check the account balance through a phone system and an additional unlimited cost-free electric mechanism to check account balances.

**AS 23.10.044(d):** An employer may not offer a payroll card account that charges fees for employee application or participation in the account, or issuance of an employee's card and one replacement each calendar year, or transfer of employee wages to the account, or point-of sale purchase transactions.

**AS 23.10.044(e):** An employer may not offer a payroll card account unless the wages are insured on a passthrough basis by an entity that insures bank deposits.

**AS 23.10.044(f):** This section protects employees' right to bargain collectively through representatives of their choice to establish mechanisms for payments of wages.

**AS 23.10.044(g):** Defines "payroll card" and "payroll card account" in statute.

## **Section 4.**

**AS 45.50.471(b):** Amended to add a new violation under the Act for misuse of electronic payment transaction data as described in Section 1, AS 06.09.020 (g).