
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 339 Session of
2005

INTRODUCED BY GREENLEAF, ERICKSON, M. WHITE, KASUNIC,
TARTAGLIONE, RAFFERTY, MUSTO, COSTA, STACK, KITCHEN, WAUGH,
LOGAN AND C. WILLIAMS, MARCH 3, 2005

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,
MARCH 3, 2005

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

1 or credit card in order to ensure payment.

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

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

9 Section 3. Ceiling amount.

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

15 Section 4. Time period.

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

20 Section 5. Notification.

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

28 Section 6. Enforcement.

29 A violation of this act shall be deemed to be a violation of
30 the act of December 17, 1968 (P.L.1224, No.387), known as the

- 1 Unfair Trade Practices and Consumer Protection Law.
- 2 Section 7. Effective date.
- 3 This act shall take effect immediately.