2022 Regular Session

HOUSE BILL NO. 1040

BY REPRESENTATIVES LACOMBE AND MIGUEZ

COMMERCE: Provides relative to payment processing services

1   AN ACT

2   To enact Chapter 20 of Title 51 of the Louisiana Revised Statutes of 1950, to be comprised

3   of R.S. 51:1751 through 1753, relative to payment processors; to provide definitions;

4   to prohibit discrimination; to provide for a violation; to provide for an unfair trade

5   practice; and to provide for related matters.

6   Be it enacted by the Legislature of Louisiana:

7   Section 1. Chapter 20 of Title 51 of the Louisiana Revised Statutes of 1950,

8   comprised of R.S. 51:1751 through 1753, is hereby enacted to read as follows:

9   CHAPTER 20. DUTY TO RETURN UNDELIVERED FUNDS

10   §1751. Definitions

11   For purposes of this Chapter, the following words have the following

12   meanings:

13   (1) "Company" means a for-profit organization, association, corporation,

14   partnership, joint venture, limited partnership, limited liability partnership, or limited

15   liability company, including a wholly owned subsidiary, majority-owned subsidiary,

16   parent company, or affiliate of those entities or associations that exists to make a

17   profit. "Company" does not mean a sole proprietorship.

18   (2) "Crowdfunding platform" means a   digital application website that

19   enables interaction between fundraisers and the crowd. A crowdfunding platform

1   allows users to make financial pledges which can be made and collected through the

2   crowdfunding platform.

3   (3) "Payment processor" means a person who provides payment-processing

4   services.

5   (4) "Payment-processing service" means accepting, maintaining, holding, or

6   distributing funds, or facilitating the acceptance, maintenance, holding, or

7   distribution of funds, on behalf of a consumer for the purpose of facilitating debt

8   settlement services.

9   §1752. Inability to perform; return of funds

10   A. A company that provides payment-processing services, including but not

11   limited to a crowdfunding platform or a payment processor shall deliver funds only

12   to the person specified as the recipient by the provider of the funds.

13   B. If the company is unable to provide the funds to the specified recipient,

14   for any reason, it shall return all of the funds to the original provider of the funds.

15   §1753. Violations; unfair trade

16   A violation of this Chapter shall be considered an unfair trade practice and

17   shall be subject to the provisions of R.S. 51:1401 et seq.

DIGEST

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Abstract: Requires payment-processing companies to return payments if those funds
          cannot be delivered to the intended recipient.

Proposed law defines "company", "crowdfunding platform", "payment processor", and
"payment-processing services".

Proposed law requires a company that provides payment-processing services to deliver funds
to the recipient, as designated by the person providing the funds.

Proposed law requires the company to return the funds to the original provider if it cannot
deliver the funding to the designated recipient.

A violation of proposed law is an unfair trade practice and is subject to provisions applicable
to unfair trade provided in present law.

(Adds R.S. 51:1751-1753)