

237.150 Definitions for section -- Prohibitions on merchant category codes.

- (1) As used in this section:
- (a) "Ammunition" has the same meaning as in 18 U.S.C. sec. 921(a)(17)(A), as amended;
 - (b) "Covered entity" means any entity that establishes a relationship with a retailer for the purposes of processing credit, debit, or prepaid transactions;
 - (c) "Firearm" means any of the following as defined in 18 U.S.C. sec. 921, as amended:
 - 1. A "firearm";
 - 2. A "shotgun";
 - 3. A "rifle"; and
 - 4. An "antique firearm";
 - (d) "Firearms retailer" means a person or entity that is:
 - 1. Physically located in Kentucky; and
 - 2. Engaged in the lawful business of selling or trading firearms or ammunition;
 - (e) "Merchant category code" means a code assigned to a retailer based on the types of goods and services offered to a retailer's customers; and
 - (f) "Payment card network":
 - 1. Means any entity that, directly or through a member, processor, or agent, provides proprietary services, infrastructure, software, or hardware that routes information used to authorize, clear, and settle credit, debit, or prepaid transactions; and
 - 2. Does not include a financial institution that settles a credit, debit, or prepaid transaction directly with a retailer on behalf of a consumer.
- (2) A payment card network shall not require or incentivize the use of a merchant category code that distinguishes a firearms retailer from other retailers.
- (3) A covered entity or its agent shall not assign a firearms retailer any merchant category code that distinguishes the firearms retailer from other retailers, including the assigning of merchant category code 5723, approved in September 2022 by the International Organization for Standardization, to firearms retailers.

Effective: July 15, 2024

History: Created 2024 Ky. Acts ch. 14, sec. 1, effective July 15, 2024.