



House of Representatives

File No. 947

General Assembly

January Session, 2009

(Reprint of File No. 227)

Substitute House Bill No. 6483
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 11, 2009

**AN ACT CONCERNING CREDIT CARD OFFERS ON COLLEGE
CAMPUSES.**

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2009*) (a) For purposes of this
2 section, "marketing" means any activity attended and facilitated by an
3 agent or employee of a credit card issuer when such activity is
4 designed to offer a credit card to students enrolled at a public
5 institution of higher education in this state, but does not include (1)
6 activities that are open to the general public or accessible by
7 populations that include the general public, such as advertisements in
8 posters, newspapers, magazines, television, radio or Internet or other
9 similar activities; or (2) activities or merchandising conducted within
10 the physical boundaries of a financial services business located on or
11 within a campus of a public institution of higher education.

12 (b) On or before January 1, 2010, the Board of Governors of Higher
13 Education shall adopt policies regulating the marketing practices of
14 credit card issuers on the campuses of public institutions of higher
15 education. Such policies shall (1) require credit card issuers to register

16 with the public institution of higher education before conducting any
17 marketing activities on the campus of the institution; (2) require such
18 registered issuers, at least once each year in which the issuers are
19 engaged in marketing credit cards on the campus of the institution, to
20 appear in person at a location that is open to all students of the
21 institution for the purpose of providing educational information and
22 answering questions, and require the institution to advertise such
23 appearance; (3) prohibit credit card issuers from marketing to
24 undergraduate students during the orientation and class registration
25 periods; (4) require credit card issuers that engage in marketing
26 practices at public institutions of higher education to distribute credit
27 card management education materials along with any marketing
28 materials; (5) prohibit public institutions of higher education from
29 disclosing identifying information of undergraduate students at such
30 institutions to credit card issuers unless such institutions have
31 provided such students with notice of and the opportunity to opt out
32 of such disclosure in accordance with the regulations adopted by the
33 United States Department of Education pursuant to the Family
34 Educational Records and Privacy Act, 20 USC 1232g, as amended from
35 time to time; (6) prohibit employees of such public institutions of
36 higher education from marketing credit cards to students; (7) restrict
37 the time and place in which credit card marketing may occur; and (8)
38 prohibit the use of gifts and incentives in such marketing at
39 intercollegiate athletic events.

40 Sec. 2. (NEW) (*Effective July 1, 2009*) (a) No credit card issuer shall
41 take any debt collection action, including, but not limited to, telephone
42 calls or demand letters, against the parent or legal guardian of a
43 student to whom a credit card has been issued, unless the parent or
44 legal guardian has agreed in writing to be liable for the debts of the
45 student pursuant to the terms of the credit card agreement.

46 (b) For purposes of this section, "student" means a person who is
47 under twenty-one years of age and is enrolled in a public institution of
48 higher education on a full or part-time basis.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2009</i>	New section
Sec. 2	<i>July 1, 2009</i>	New section

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill requires the Board of Governors of Higher Education to adopt policies regulating credit card company marketing practices on Connecticut's public college campuses, and does not result in a fiscal impact.

House "A" is technical and has no fiscal impact.

OLR Bill Analysis**sHB 6483 (as amended by House "A")******AN ACT CONCERNING CREDIT CARD OFFERS ON COLLEGE CAMPUSES.*****SUMMARY:**

This bill requires the Board of Governors of Higher Education, by January 1, 2010, to adopt policies regulating credit card issuer marketing practices on Connecticut's public college campuses. The bill defines "marketing" as any activity attended and facilitated by a credit card issuer's agent or employee when it is designed to offer a credit card to students enrolled at a Connecticut public college. This does not include (1) activities open to or accessible by the general public, such as advertisements in posters, newspapers, magazines, television, radio, Internet, or other similar activities; or (2) activities or merchandising conducted within the physical boundaries of an on-campus financial services business.

The bill also prohibits credit card issuer's from taking any debt collection action, including, telephone calls or demand letters, against a student's parent or legal guardian, unless the parent or guardian has agreed in writing to be liable for the student's debts under the credit card agreement. The bill defines a student as a person who is under age 21 enrolled full- or part-time at a public college.

*House Amendment "A" defines "marketing"; adds information session requirements for issuers marketing on campus; specifies that the educational material is to be distributed with marketing material; prohibits marketing during orientation; replaces a prohibition against selling student information with a requirement to comply with a

federal privacy law before disclosing data; limits the ban on gifts and incentives to marketing at athletic events; and adds the provision on debt collection actions.

EFFECTIVE DATE: July 1, 2009

POLICIES

Requirements and Prohibitions

The policies regulating credit card marketing on public college campuses must require credit card issuers to:

1. register with a public higher education institution before marketing on a campus;
2. at least once every year that they market on campus, personally appear at an on-campus location open to all students to provide educational information and answer questions (the school must advertise the appearance); and
3. distribute credit card management education material along with any marketing material.

The policies must also restrict the time and place for marketing credit cards and prohibit:

1. credit card issuers from soliciting undergraduate students during orientation and class registration periods;
2. public colleges from disclosing undergraduate students' identifying information to credit card issuers unless the schools provide the students with notice and the opportunity to opt out of the disclosure in accordance with the federal Family Educational Records and Privacy Act regulations;
3. public college employees from marketing credit cards to students; and
4. the use of gifts and incentives in marketing at intercollegiate

athletic events.

COMMITTEE ACTION

Banks Committee

Joint Favorable Substitute

Yea 16 Nay 0 (03/10/2009)

Higher Education and Employment Advancement Committee

Joint Favorable

Yea 15 Nay 0 (04/07/2009)