

# SENATE BILL REPORT

## SB 6259

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As Reported By Senate Committee On:  
Commerce, Trade, Housing & Financial Institutions, February 3, 2000

**Title:** An act relating to issuing credit cards to persons under the age of twenty-one.

**Brief Description:** Issuing credit cards to persons under the age of twenty-one.

**Sponsors:** Senators Patterson, Prentice, Shin, Eide, Heavey, Deccio, Gardner, Kohl-Welles, McAuliffe, Kline, Thibaudeau, Franklin, Bauer, Goings and Costa.

**Brief History:**

**Committee Activity:** Commerce, Trade, Housing & Financial Institutions: 1/25/2000, 2/3/2000 [DPS, DNPS].

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### SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

**Majority Report:** That Substitute Senate Bill No. 6259 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Shin, Vice Chair; Deccio, Gardner, Heavey, Rasmussen and Winsley.

**Minority Report:** Do not pass substitute.

Signed by Senator Hale.

**Staff:** Dave Cheal (786-7576)

**Background:** Credit card debt and personal bankruptcies have increased dramatically in recent years. Low income debtors, including young people, are the fastest growing segment of people with credit and debt problems.

**Summary of Substitute Bill:** Credit cards may not be issued to persons under 21 without obtaining a written application that includes all existing available credit, by source and amount, and the applicant qualifies for credit under reasonable and prudent industry standards. An exception is made for minors who have been emancipated by a court order.

Credit card issuers may not offer gifts for the completion of credit card applications. Colleges and universities may not sell or transfer lists of student names to credit card issuers.

**Substitute Bill Compared to Original Bill:** The substitute bill does not require permission of a parent or guardian. The substitute bill requires a credit card issuer to consider existing available credit when deciding whether a person under 21 qualifies for a credit card.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Testimony For:** Many young people are vulnerable to the temptation of abusing credit resources. Some kind of protection or caution could save young people and their families a lot of grief.

**Testimony Against:** The concept is admirable but the methods are very cumbersome. There is nothing in the original bill to prevent a young person from having multiple credit cards, and that's one of the biggest sources of difficulty.

**Testified:** PRO: Roxanna Davila; Barbara Smith, CMI; Chad Savailere; CON: Gary Gardner, Boeing Employees Credit Union; Bruce Roppe, Washington Bankers Assn.