
Higher Education Committee

HB 1934

Brief Description: Prohibiting the administration of credit card applications on campuses of institutions of higher education.

Sponsors: Representative McCoy.

Brief Summary of Bill

- Makes certain legislative findings regarding college students and credit card debt.
- Requires institutions of higher education to prohibit credit card companies from soliciting business from college students on campus.

Hearing Date: 2/25/03

Staff: Sydney Forrester (786-7120).

Background:

Attempts by credit card companies to solicit business from college students are gaining increased attention. In response to concerns about college students' credit card debt, more than 300 college campuses across the nation have passed resolutions banning credit card companies from marketing on their campuses. Various state proposals regulating credit card marketing on college campuses also have been introduced over the past three years. The approaches contained in state proposals range from an absolute ban against credit card marketing on campuses, to prohibiting credit card companies from offering free gifts and requiring the companies to provide free credit education seminars, to requiring parental approval and evidence of means of support for a student under 21 years of age applying for a credit card.

Federal proposals also were introduced in 1999 and 2001. Most recently Senate Resolution 48 designates April 2003 as Financial Literacy for Youth Month and makes the following findings related to college students and credit cards.

- Fifty-five percent of college students acquire their first credit card during their freshman year in college;
- Eighty-three percent of college students have at least one credit card;

- Forty-five percent of college students are in credit card debt with the average debt being \$3,066; and
- Twenty-six percent of students 13 to 21 years old reported their parents actively taught them how to manage money.

Summary of Bill:

The state's public colleges and universities are required to prohibit the marketing of credit cards on campus property.

Appropriation: None.

Fiscal Note: Requested on February 18, 2003.

Effective Date: The bill takes effect on January 1, 2004.