

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1999

H

1

HOUSE BILL 1107

Short Title: Parent Consent/College Credit Card.

(Public)

Sponsors: Representatives Gardner; Luebke and Russell.

Referred to: Education.

April 15, 1999

1 A BILL TO BE ENTITLED
2 AN ACT TO PROVIDE FOR PARENTAL CONSENT FOR CERTAIN STUDENTS
3 WHO COMPLETE CREDIT CARD APPLICATIONS AND TO PROHIBIT DEBT
4 COLLECTION PRACTICES AGAINST CERTAIN PARENTS.

5 The General Assembly of North Carolina enacts:

6 Section 1. Chapter 116 of the General Statutes is amended by adding a new
7 Article to read:

8 **“ARTICLE 32.**

9 **“COLLEGE CAMPUS CREDIT CARD SOLICITATION ACT.**

10 **“§ 116-260. Definitions.**

11 The following definitions apply in this Article:

- 12 (1) ‘College campus.’ – The premises and grounds of a constituent
13 institution.
14 (2) ‘Constituent institution.’ – As defined in G.S. 116-2.
15 (3) ‘Credit card.’ – A writing, number, or other evidence of an undertaking
16 to pay for property or services delivered or rendered to or upon the order
17 of a designated person or bearer.
18 (4) ‘Credit card issuer.’ – A person, corporation, financial institution, or
19 business entity that offers and issues credit cards.

1 (5) 'Solicitation.' – An act of asking, enticing, or requesting a student to
2 read, review, or consider materials relating to an application for a credit
3 card or to complete an application for a credit card.

4 (6) 'Student.' – A person who is under 21 years of age and who attends a
5 constituent institution, whether enrolled on a full-time or part-time
6 basis.

7 **"§ 116-261. Registration prior to solicitation.**

8 Prior to engaging in the solicitation of a student on a college campus, a credit card
9 issuer shall register its intent to solicit the student for that purpose with an appropriate
10 official of the constituent institution. The registration shall include the principal place of
11 business of the credit card issuer and shall be in such form as required by regulation of
12 the Board of Governors of The University of North Carolina.

13 **"§ 116-262. Parental consent required.**

14 An application for a credit card executed by a student who was solicited for the credit
15 card on a college campus shall be void and unenforceable unless the parent or legal
16 guardian of the student consents in writing to the student's submission of the application
17 to the credit card issuer. Parental consent under this section shall not be construed as an
18 agreement by the parent or legal guardian to be liable under the credit card agreement
19 unless the parent or legal guardian specifically agrees in writing to do so.

20 **"§ 116-263. Debt collection against parent or guardian prohibited.**

21 It is unlawful for a credit card issuer to take any debt collection action against the
22 parent or legal guardian of a student for whom a credit card has been issued unless the
23 parent or legal guardian has agreed in writing to be liable for the debts of the student
24 under the credit card agreement. A violation of this section shall be construed as an
25 unlawful trade practice."

26 Section 2. This act becomes effective July 1, 1999.