

BILL ANALYSIS

C.S.H.B. 2014
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Business & Industry
Committee Report (Substituted)

BACKGROUND AND PURPOSE

College students are often persuaded to open unnecessary lines of credit through the use of simple gifts. Credit card marketers sometimes offer a t-shirt or stuffed animal to a student if the student completes a credit card application, giving the student a line of credit that, in many cases, is used irresponsibly. In other cases, credit card companies purchase student lists from universities and use those lists to solicit college students. College students should not be subject to the sale of their contact information for the purposes of credit card marketing. In both of these situations, the student loses.

C.S.H.B. 2014 attempts to reduce predatory credit card marketing by prohibiting a postsecondary educational institution from disclosing student contact information to a credit card issuer. The bill makes provisions relating to credit card marketing at postsecondary educational institutions inapplicable to certain credit card marketing activities conducted by credit card issuers at events held on the campus of a postsecondary educational institution.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2014 amends the Business & Commerce Code to prohibit a postsecondary educational institution from disclosing to a credit card issuer contact information regarding any student of the institution. The bill establishes that, for purposes of the bill's provisions, a student's contact information includes a student's name, telephone number, e-mail address, permanent or campus residence address, and mailing address. The bill exempts an institution, if it is subject to state public information law, from seeking a decision from the attorney general under that law in order to withhold student contact information from a credit card issuer that makes a written request for the information. The bill removes the exception to the prohibition against a credit card issuer offering a gift or other incentive in exchange for the completion of a credit card application as part of a campus credit card marketing activity that the issuer provides financial educational material to the individual completing the application.

C.S.H.B. 2014 makes provisions relating to credit card marketing at postsecondary educational institutions inapplicable to credit card marketing activities conducted by credit card issuers at events held on the campus of a postsecondary educational institution that are not primarily for students or are not exclusively student-related activities and that either are open to the general public or are conducted for persons who are not required to be students, such as athletics events, concerts, other special events, or alumni meetings. The bill establishes that this provision does not prohibit the governing board of a postsecondary educational institution from establishing restrictions on campus credit card marketing activities within the scope of the general authority of the governing board.

C.S.H.B. 2014 establishes that its provisions take effect either as amendments to Subchapter L, Chapter 35, Business & Commerce Code, as added by Chapter 130 (H.B. 85), Acts of the 80th Legislature, Regular Session, 2007, and Section 35.135, Business & Commerce Code, as added by Chapter 130 (H.B. 85), Acts of the 80th Legislature, Regular Session, 2007, or as Subchapter B, Chapter 761, Business & Commerce Code, and Section 761.052, Business & Commerce Code, as added by the general code update bill, contingent on passage of the bill of the 81st Legislature, 2009, relating to nonsubstantive additions to and corrections in existing codes.

EFFECTIVE DATE

September 1, 2009.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2014 add a provision not in the original making provisions relating to credit card marketing at postsecondary educational institutions inapplicable to credit card marketing activities conducted by credit card issuers at events held on the campus of a postsecondary educational institution that are not primarily for students or are not exclusively student-related activities and that either are open to the general public or are conducted for persons who are not required to be students. The substitute adds a provision not in the original specifying that this exemption from applicability does not prohibit the governing board of an institution from establishing restrictions on campus credit card marketing activities.