
HOUSE BILL 1934

State of Washington

58th Legislature

2003 Regular Session

By Representative McCoy

Read first time 02/17/2003. Referred to Committee on Higher Education.

1 AN ACT Relating to prohibiting the administration of credit card
2 applications on campuses of institutions of higher education; adding a
3 new section to chapter 28B.10 RCW; creating a new section; and
4 providing an effective date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

6 NEW SECTION. **Sec. 1.** The legislature finds that eighty-one
7 percent of students have received a credit card by the end of the first
8 year of college, and that the high interest rates on student credit
9 cards, coupled with their ease of use and a poor understanding of how
10 credit works, often leads to runaway and unmanageable debt. The
11 legislature also finds that students routinely apply for credit cards
12 simply to get free merchandise, but two or three years later, students
13 may begin to receive collection notices for credit cards they requested
14 but never received or used. Students in North Carolina who seek
15 assistance from student legal services about debt problems own an
16 average of four and seventy-seven one-hundredths credit cards with an
17 average balance of seven thousand dollars each. This amount of credit
18 card debt is in addition to any loans the student is obligated to pay
19 back after graduation. The legislature further finds that many states

1 have found success in regulating credit card companies' ability to
2 solicit business from college students by controlling the conditions of
3 soliciting and mandating certain behavior from the institutions of
4 higher education. Lawmakers in ten states have introduced legislation
5 to try and rein in credit card companies' solicitation of college
6 students and to increase students' access to educational programs about
7 credit and financial management. The purposes of this act are to
8 encourage young adults to obtain credit cards in a more responsible
9 manner and to keep young adults out of credit card debt. The
10 legislature finds that due to the first amendment rights in the United
11 States Constitution, this act cannot prohibit the soliciting of the
12 credit card companies, but will ban the administering of credit card
13 applications on college campuses.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 28B.10 RCW
15 to read as follows:

16 (1) Institutions of higher education shall ban the administration
17 of credit card applications on site of a college campus and shall
18 encourage young adults to establish credit in a more responsible
19 manner.

20 (2) The definitions in this section apply throughout this section
21 unless the context clearly requires otherwise.

22 (a) "Ban" means to prohibit, not allowing without any exception,
23 not having any right to do so, and banishing the right of.

24 (b) "On site of a college campus" means on any and all property
25 owned by the institution of higher education itself, within any borders
26 of the belonging property of the institution.

27 (c) "Administering" means the act of handing out or giving to, or
28 allowing one to get a hold of an application.

29 (d) "Application" means any form or piece of information that
30 allows one to apply or sign up for a credit card, and any way and/or
31 means that commits a student to the credit card requirements or its
32 commitments.

33 NEW SECTION. **Sec. 3.** If any provision of this act or its
34 application to any person or circumstance is held invalid, the
35 remainder of the act or the application of the provision to other

1 persons or circumstances is not affected.

2 NEW SECTION. **Sec. 4.** This act takes effect January 1, 2004.

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