

ENGROSSED SENATE  
BILL NO. 23

By: Milacek, Taylor, Johnson  
and Snyder of the Senate

and

Reese of the House

An Act relating to consumer credit; prohibiting lender, seller or other credit issuer from issuing, providing, assigning or delivering credit card account to persons under twenty-one (21) years of age without certain approval; requiring provision of certain notice; providing for form thereof; specifying circumstances in which provisions not applicable; prohibiting collection of debt incurred in violation of law; prohibiting institutions within The Oklahoma State System of Higher Education from entering into agreement for merchandising of credit cards through institution to enrolled students thereof and providing exception; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-111 of Title 14A, unless there is created a duplication in numbering, reads as follows:

A. No lender, seller or other credit issuer shall issue, provide, assign or deliver in any way a credit card account to and in the name of any person under twenty-one (21) years of age without the express written approval of such person's parent or legal guardian.

B. Upon delivery of a credit card or upon otherwise opening of an account to and in the name of any person under twenty-one (21) years of age, the lender, seller or other credit issuer shall provide to such person a written notice, on a form approved by the Commission on Consumer Credit, which details the responsible use of a credit card, an explanation of applicable credit limits and fees,

payment and interest requirements and the penalties for the misuse and fraudulent use of a credit card.

C. The provisions of this section shall not apply:

1. If a person over twenty-one (21) years of age agrees in writing to be a joint holder of a credit card account with a person under the age of twenty-one (21) years of age and accepts the responsibility for any debt or cost associated with the credit card;

2. To a supplementary card issued to a person under twenty-one (21) years of age that allows that person to access a credit card account in the name of a person over twenty-one (21) years of age if the person over twenty-one (21) years of age requested in writing that the supplementary card be issued to the person under the age of twenty-one (21) years; or

3. To a person under twenty-one (21) years of age who is financially independent. A person shall be deemed to be financially independent for purposes of this section if the lender, seller or other credit issuer can demonstrate that the person is not shown as a dependent on another person's federal income tax return and that the person has filed his or her own individual federal income tax return for the most recent tax year.

D. A lender, seller or other credit issuer which issues, provides, assigns or delivers in any way a credit card account in violation of the provisions of this section may not collect any debt incurred by a person under twenty-one (21) years of age through the use of such credit card from such person or the parent or legal guardian of such person, unless such credit card was obtained fraudulently by the account holder.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1-112 of Title 14A, unless there is created a duplication in numbering, reads as follows:

No institution within The Oklahoma State System of Higher Education shall be authorized to enter into any agreement for the

merchandising of credit cards through such institution to any enrolled student thereof who is under twenty-one (21) years of age except as provided in subsection C of Section 1 of this act.

SECTION 3. This act shall become effective November 1, 1999.

Passed the Senate the 24th day of February, 1999.

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President of the Senate

Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_ ,  
1999.

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Speaker of the House of  
Representatives