
By: Delegate Guns

Introduced and read first time: February 22, 1996
Assigned to: Commerce and Government Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection - Credit Cards - Credit Limit**

3 FOR the purpose of prohibiting credit card issuers, under certain circumstances, from
4 increasing the credit limit for a credit card issued under the same account number
5 to two or more cardholders in this State; providing that a violation of this Act is an
6 unfair and deceptive trade practice under the Maryland Consumer Protection Act;
7 defining certain terms; and generally relating to credit limits under credit cards
8 issued to cardholders in this State.

9 BY adding to

10 Article - Commercial Law
11 Section 14-1315
12 Annotated Code of Maryland
13 (1990 Replacement Volume and 1995 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
15 MARYLAND, That the Laws of Maryland read as follows:

16 **Article - Commercial Law**

17 14-1315.

18 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
19 INDICATED.

20 (2) "CARDHOLDER" MEANS A CONSUMER TO WHOM A CREDIT CARD
21 HAS BEEN ISSUED BY A CREDIT CARD ISSUER.

22 (3) "CONSUMER" MEANS A PROSPECTIVE OR ACTUAL PURCHASER OF
23 GOODS OR SERVICES PRIMARILY FOR PERSONAL, FAMILY, OR HOUSEHOLD
24 PURPOSES.

25 (4) "CREDIT CARD ISSUER" MEANS A PERSON THAT EXTENDS TO
26 CARDHOLDERS THE RIGHT TO USE A CREDIT CARD IN CONNECTION WITH
27 PURCHASES OF GOODS OR SERVICES.

28 (B) A CREDIT CARD ISSUER MAY NOT INCREASE THE CREDIT LIMIT FOR A
29 CREDIT CARD ISSUED UNDER THE SAME ACCOUNT NUMBER TO TWO OR MORE
30 CARDHOLDERS IN THIS STATE UNLESS EACH CARDHOLDER WHO IS AUTHORIZED

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1 BY THE CREDIT CARD ISSUER TO USE THE CREDIT CARD REQUESTS OR CONSENTS
2 TO THE INCREASE IN WRITING.

3 (C) A VIOLATION OF THIS SECTION IS AN UNFAIR AND DECEPTIVE TRADE
4 PRACTICE UNDER TITLE 13 OF THIS ARTICLE.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 1996.