

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 533 (Delegate Kelly)

Economic Matters

Consumer Protection - Credit Card Issuers - Sale of Information About Applicants and Cardholders

This bill prohibits a credit card issuer from selling the name, address, Social Security number, marketing information, or any other identifying information relating to a credit card applicant or cardholder unless the applicant or cardholder consents to the sale in writing. Marketing information is defined as the categorization of cardholders compiled by a credit card issuer, based on a cardholder's shopping patterns, spending history, or behavioral characteristics derived from account activity which is provided to a marketer of goods for consideration. If an applicant or a cardholder consents to the sale of information, the credit card issuer must: (1) notify the cardholder in each billing statement that the cardholder has the right to revoke consent; and (2) provide a preprinted form or a toll-free telephone number to enable a cardholder to revoke consent.

Fiscal Summary

State Effect: None. Assuming that the Consumer Protection Division receives less than 50 complaints as a result of this bill, any additional workload could be absorbed within existing resources.

Local Effect: None.

Small Business Effect: Potential minimal impact. It is likely that many cardholders would not give credit card issuers written consent to sell information about them. Therefore, this bill could have a negative impact on small businesses that currently rely on information compiled by credit card companies in order to develop marketing strategies.

Information Source: Attorney General's Office (Consumer Protection Division)

Fiscal Note History:

First Reader - February 16, 1998

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