
By: **Delegates Bobo, Barkley, Benson, Boutin, Bronrott, Conroy, Doory,
Frush, Healey, James, Jones, Madaleno, Mandel, Marriott, Menes, Moe,
Nathan-Pulliam, Niemann, and F. Turner**

Introduced and read first time: February 4, 2005

Assigned to: Appropriations

A BILL ENTITLED

1 AN ACT concerning

2 **Institutions of Higher Education - Policies and Programs Related to Student**
3 **Credit and Credit Card Marketers**

4 FOR the purpose of requiring the Maryland Higher Education Commission to
5 establish a certain policy, on or before a specified date, governing the on-campus
6 solicitation of students at institutions of higher education in the State by credit
7 card marketers; mandating that the Commission require institutions of higher
8 education to provide a certain education program concerning credit card use to
9 certain students; defining certain terms; requiring the Commission and
10 institutions of higher education to receive certain input and hold certain
11 hearings; and generally relating to policies and programs related to student
12 credit and credit card marketers at institutions of higher education.

13 BY adding to
14 Article - Education
15 Section 11-404
16 Annotated Code of Maryland
17 (2004 Replacement Volume and 2004 Supplement)

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

20 **Article - Education**

21 11-404.

22 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
23 INDICATED.

24 (2) "COMMERCIAL USE" INCLUDES USE IN MARKET SURVEYS,
25 IN-PERSON SOLICITATIONS, AND TELEPHONE SOLICITATIONS.

1 (3) "CREDIT CARD" MEANS A CARD OR DEVICE ISSUED UNDER AN
2 AGREEMENT BY WHICH THE CREDIT CARD MARKETER GIVES TO A CARDHOLDER THE
3 PRIVILEGE OF OBTAINING CREDIT FROM THE CREDIT CARD MARKETER OR ANOTHER
4 PERSON IN CONNECTION WITH THE PURCHASE OR LEASE OF GOODS OR SERVICES
5 PRIMARILY FOR PERSONAL, FAMILY, OR HOUSEHOLD USE.

6 (4) "CREDIT CARD MARKETER" MEANS A PERSON WHO PROMOTES,
7 OFFERS, OR ACCEPTS APPLICATIONS FOR A CREDIT CARD.

8 (5) "PERSONALLY IDENTIFIABLE INFORMATION" INCLUDES AN
9 INDIVIDUAL'S NAME, ADDRESS, TELEPHONE NUMBER, OR ELECTRONIC MAIL
10 ADDRESS.

11 (B) (1) ON OR BEFORE JANUARY 1, 2006, THE COMMISSION SHALL
12 ESTABLISH A WRITTEN POLICY CONCERNING THE ON-CAMPUS SOLICITATION OF
13 STUDENTS AT INSTITUTIONS OF HIGHER EDUCATION BY A CREDIT CARD MARKETER.

14 (2) THE POLICY ESTABLISHED BY THE COMMISSION SHALL:

15 (I) BE UNIFORMLY APPLIED ACROSS ALL INSTITUTIONS OF
16 HIGHER EDUCATION IN THE STATE;

17 (II) DECLARE THAT AN INSTITUTION OF HIGHER EDUCATION MAY
18 NOT SELL, DISTRIBUTE, OR DISCLOSE PERSONALLY IDENTIFIABLE INFORMATION OF
19 CURRENT UNDERGRADUATE STUDENTS FOR COMMERCIAL USE WITHOUT THE PRIOR
20 WRITTEN CONSENT OF THE STUDENT, OR IF THE STUDENT IS UNDER 18 YEARS OF
21 AGE, THE STUDENT'S PARENT OR LEGAL GUARDIAN;

22 (III) GOVERN THE TIME, LOCATION, AND FREQUENCY OF
23 ON-CAMPUS SOLICITATION OF STUDENTS AT INSTITUTIONS OF HIGHER EDUCATION
24 BY A CREDIT CARD MARKETER;

25 (IV) PROHIBIT THE OFFERING OF GIFTS OR OTHER PROMOTIONAL
26 INCENTIVES TO STUDENTS ON CAMPUS AT INSTITUTIONS OF HIGHER EDUCATION IN
27 CONNECTION WITH MARKETING EFFORTS FOR CREDIT CARDS;

28 (V) SPECIFY THE PENALTY FOR VIOLATIONS OF THE POLICY
29 GOVERNING ON-CAMPUS SOLICITATION OF STUDENTS AT INSTITUTIONS OF HIGHER
30 EDUCATION BY A CREDIT CARD MARKETER AND PROVIDE FOR THE PUBLICATION OF
31 THE PENALTY; AND

32 (VI) REQUIRE THE GOVERNING BODY OF EACH INSTITUTION OF
33 HIGHER EDUCATION THAT ALLOWS THE ON-CAMPUS SOLICITATION OF STUDENTS
34 AT THE INSTITUTION BY A CREDIT CARD MARKETER TO ADHERE TO THE POLICY
35 ESTABLISHED BY THE COMMISSION UNDER THIS SUBSECTION.

36 (C) THE COMMISSION SHALL REQUIRE EACH INSTITUTION OF HIGHER
37 EDUCATION TO PROVIDE AS PART OF ITS ON-CAMPUS PROGRAM OF FRESHMAN
38 ORIENTATION AN EDUCATIONAL PROGRAM ON THE RESPONSIBLE USE OF CREDIT,
39 WITH A PARTICULAR EMPHASIS ON CREDIT CARD USE.

1 (D) THIS SECTION MAY NOT BE CONSTRUED TO REQUIRE THE GOVERNING
2 BODY OF AN INSTITUTION OF HIGHER EDUCATION TO ALLOW THE ON-CAMPUS
3 SOLICITATION OF STUDENTS BY A CREDIT CARD MARKETER.

4 (E) THE COMMISSION, IN DEVELOPING THE POLICY REGARDING ON-CAMPUS
5 SOLICITATION REQUIRED UNDER SUBSECTION (B) OF THIS SECTION, AND EACH
6 INSTITUTION OF HIGHER EDUCATION, IN DEVELOPING THE PROGRAM OF
7 EDUCATION REQUIRED UNDER SUBSECTION (C) OF THIS SECTION, SHALL:

8 (1) RECEIVE INPUT FROM INDIVIDUAL STUDENTS AND STUDENT
9 ORGANIZATIONS, PARENTS, AND ADMINISTRATORS AT INSTITUTIONS OF HIGHER
10 EDUCATION; AND

11 (2) ADVERTISE AND HOLD PUBLIC HEARINGS AS NECESSARY TO
12 RECEIVE INPUT FROM AFFECTED AND INTERESTED PERSONS.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
14 June 1, 2005.