COMMITTEE REPORT

April 23, 2009

**S. 377**

Introduced by Senators Scott, Williams, Campsen, Cleary, Sheheen, Coleman, Rose, Campbell, Cromer, Shoopman, Verdin, Reese, Anderson, Grooms, Hutto, McGill, Bryant, Matthews, Nicholson, Land, Lourie, Rankin and Ford

S. Printed 4/23/09--S.

Read the first time February 3, 2009.

**THE COMMITTEE ON EDUCATION**

To whom was referred a Bill (S. 377) to amend the Code of Laws of South Carolina, 1976, by adding Section 59‑103‑200 so as to require a public institution of higher learning to develop a, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

JOHN E. COURSON for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:

Minimal (Some additional costs expected but can be absorbed)

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:

Minimal (Some additional costs expected but can be absorbed)

**EXPLANATION OF IMPACT:**

The Commission on Higher Education reports the cost of this bill to be minimal and could be absorbed by the institutions. Most of the institutions already have credit card marketing and solicitation policies in place.

*Approved By:*

Harry Bell

Office of State Budget

**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 59‑103‑200 SO AS TO REQUIRE A PUBLIC INSTITUTION OF HIGHER LEARNING TO DEVELOP A CREDIT CARD MARKETING AND SOLICITATION POLICY, TO REQUIRE THE POLICY TO BE FILED WITH THE COMMISSION ON HIGHER EDUCATION, TO PROVIDE CONSIDERATIONS FOR THE POLICY, AND TO PROHIBIT A PUBLIC INSTITUTION OF HIGHER LEARNING THAT HAS NOT ADOPTED A POLICY FROM ALLOWING A CREDIT CARD MARKETER TO DISTRIBUTE APPLICATIONS OR PROMOTIONAL OR MARKETING MATERIALS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 2, Chapter 103, Title 59 of the 1976 Code is amended by adding:

“Section 59‑103‑200. (A) A public institution of higher learning, as defined in Section 59‑103‑5, in this State must develop, maintain, and enforce a creditor‑marketing policy regulating the distribution of applications, promotion, marketing, and other forms of solicitation for ownership of a credit card by a credit card marketer on its campus. This creditor‑marketing policy must be filed with the South Carolina Commission on Higher Education. The Commission on Higher Education must maintain a master file of all creditor‑marketing policies and make the information available for public inspection.

(B) In preparing and adopting the policy, the board of trustees or its designee must consider, but is not limited to, considering:

(1) registering on‑campus credit card marketers;

(2) limiting credit card marketers to specific designated college campus sites;

(3) providing a credit card debt education brochure with each campus bookstore purchase;

(4) developing a credit card debt education presentation as a part of orientation programs offered to new students; and

(5) prohibiting credit card marketers from offering gifts to students in exchange for completing a credit card application unless the student has been given a credit card debt education brochure;

(6) disclosing in marketing materials the contractual relationship, if any, between the institution of higher learning and the credit card marketer.

(C) A public institution of higher learning in this State, as defined in Section 59‑103‑5, that has not adopted the policy required in subsection (A) may not allow a credit card marketer to distribute applications or promotional or marketing materials, or otherwise solicit for ownership of a credit card on its campus, and a credit card marketer is prohibited from distributing applications or promotional or marketing materials, or otherwise soliciting for ownership of a credit card on the campus of a public institution of higher learning in this State that has not adopted the policy required in subsection (A).

(D) This section does not apply to:

(1) solicitation by a financial institution or credit union physically located on a campus wherein normal banking activities are conducted if the solicitation takes place within its office;

(2) solicitations by mail, e‑mail, or telephone; or

(3) contracts between institutions and creditors in existence on the date of this act.”

SECTION 2. This act takes effect upon approval by the Governor.

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