



Ohio Legislative Service Commission

Bill Analysis

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H.B. 12

128th General Assembly
(As Introduced)

Reps. Lundy, Schneider, Fende, Newcomb, Koziura, Dyer, Harris, Murray, DeGeeter, Phillips, B. Williams, DeBose, Hagan, Skindell, Okey, Luckie, Letson, S. Williams

BILL SUMMARY

- Prohibits certain types of activities in the marketing of credit cards to college students.
 - Imposes a \$2,500 fine for each violation of the marketing prohibition.
 - Prohibits institutions of higher education from releasing certain student information for use in profit-making plans and activities and from otherwise facilitating credit card marketing to college students.
 - Requires the Ohio Board of Regents to provide a written report of certain state-college contracts for credit card marketing to students or the release of student information in violation of the bill's provisions.
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CONTENT AND OPERATION

Overview

Under current law, credit card marketing on college campuses and to students living on campus is not restricted. Furthermore, institutions of higher education in this state are allowed under current law to facilitate such marketing through contracts for the release of student directory information and by otherwise permitting on-campus marketing. The bill prohibits credit card marketing on campus, at college-authorized events, and by mail to on-campus student housing. The bill also prohibits state and private institutions of higher education from facilitating these prohibited marketing practices.

Credit card marketing to college students

(R.C. 1349.38 and 1349.99)

On-campus marketing

The bill prohibits credit card marketing at colleges and college-authorized events. Specifically, the bill prohibits any person from knowingly engaging in "campus credit card marketing activities." Those activities are defined in the bill as any activity conducted by an agent or employee of a card issuer that is (1) on property in this state that is owned or operated by a state or private institution of higher education, including campuses, or at an event that is sanctioned by such an institution, and (2) designed to encourage and enable students to apply for a credit card.¹ The bill stipulates that credit card marketing activities include the act of placing on public and private college campuses in this state a display or poster along with a form that can be returned to the card issuer as a credit card application. The credit issuer agent or employee need not be present at a display in order for the placement of the display to constitute a prohibited act under the bill.

Mail marketing

The bill also prohibits any person from knowingly mailing an advertisement or offer for a credit card to an on-campus student housing address. The bill defines "on-campus student housing" as a dormitory or other student residence that is either (1) located on the campus of a state or private institution of higher education or (2) located in this state and owned or operated by an institution.

Penalties and enforcement

The bill imposes a \$2,500 fine for each violation discussed above.

¹ "Credit card" and "card issuer" are defined in the bill by cross reference to the federal "Truth in Lending Act," 82 Stat. 146 (1968), 15 U.S.C. 1601. In that Act, "credit card" means any card, plate, coupon book or other credit device existing for the purpose of obtaining money, property, labor, or services on credit. The term "card issuer" means any person who issues a credit card, or the agent of such person with respect to such card.

Institutions of higher education--prohibitions

(R.C. 3345.331)

Release of student information

Under the federal "Family Educational Rights and Privacy Act of 1974" (FERPA) (20 U.S.C. § 1232g), the federal government may deny federal funding to any educational institution that has a policy or practice of permitting the release of personally identifiable information contained in education records, other than directory information, without the written consent of the parents. An educational institution may disclose directory information, including student name, address, telephone listing, and date and place of birth, but only when public notice has been given and students and parents have had an opportunity to request that certain information not be disclosed.

The bill prohibits state and private institutions of higher education from releasing student directory information to any person or group for use in a profit-making plan or activity. The bill also prohibits those institutions' agents, employees, student or alumni organizations, booster organizations, and affiliates from doing the same. "Student directory information" is defined in the bill to include the name, address, telephone listing, date and place of birth, social security number, and e-mail address of a student.

Other prohibited means of facilitating credit card marketing to college students

The bill prohibits state and private institutions of higher education from: (1) entering into, renewing, and rolling-over contracts and agreements with any entity to market credit cards to student, (2) permitting a card issuer to promote a credit card business or to solicit or distribute applications for a credit card on the property of the institution or at any event sanctioned by the institution, and (3) promoting a credit card business on the institution's Internet site. With regard to Internet promotions of a credit card business, private institutions of higher education that have campuses only in this state are additionally prohibited from including an electronic link to a credit card business' Internet site. Presumably private institutions that have campuses both within and outside Ohio would not be subject to that provision.

Ohio Board of Regents report

The bill requires the Ohio Board of Regents to provide a written report to the Speaker of the House of Representatives and the President of the Senate within 30 days of the bill's effective date. The report must include a list of all contracts currently in effect between a state institution of higher education and any entity to market credit



cards to students. The report also must include a list of all contracts between a state institution of higher education or the institution's agents, employees, student or alumni organizations, or affiliates, and any other entity involving the release of student directory information to that entity.

HISTORY

ACTION	DATE
Introduced	02-17-09

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