



# Ohio Legislative Service Commission

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## Fiscal Note & Local Impact Statement

**Bill:** Sub. H.B. 12 of the 128th G.A.

**Date:** December 4, 2009

**Status:** As Passed by the House

**Sponsor:** Reps. Lundy and Schneider

**Local Impact Statement Procedure Required:** No — Minimal cost

**Contents:** Credit card marketing and financial literacy education on college campuses

### State Fiscal Highlights

STATE FUND	FY 2010	FY 2011	FUTURE YEARS
<b>State-assisted Institutions of Higher Education</b>			
Revenues	Potential decrease from loss of marketing contracts and agreements with credit card companies		
Expenditures	Potential increase from administration and oversight of on-campus credit card marketing; Potential increase for implementation of financial literacy education		

Note: The state fiscal year is July 1 through June 30. For example, FY 2010 is July 1, 2009 – June 30, 2010.

- The bill requires institutions of higher education to adopt policies prohibiting some campus credit card marketing. State institutions may incur minimal administrative expenses in the adoption and enforcement of these policies. State institutions will also lose any revenues generated from prohibited on-campus marketing.
- The development and implementation of required financial literacy education may increase expenditures for institutions of higher education.

### Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

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## Detailed Fiscal Analysis

The bill requires all institutions of higher education to establish and adhere to policies that regulate certain credit card marketing activities on college campuses in Ohio. Policies must include the prohibition of marketing designed to encourage and enable students to apply for a credit card, but do not include advertising that does not include a credit card application. Marketing that includes an application may be permitted at campus events if marketers do not knowingly provide an application to an undergraduate student. Marketing by mail and in on-campus banking facilities may be permitted. As a result of the bill's prohibitions, state institutions of higher education may forgo potential revenues from some marketing activities.

The bill requires all institutions to offer financial literacy education as part of student orientation or within a student's first academic term. The development and implementation of financial literacy education could increase administrative expenses if an institution does not have an existing financial literacy education program. The bill specifies that any state institution of higher education receiving revenue from credit card marketing agreements must use a portion of those revenues to pay for financial literacy education.