1	SENATE BILL NO. 58
2	INTRODUCED BY SWYSGOOD
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING ISSUERS OF CREDIT CARDS OR SIMILAR DEVICES
5	TO OBTAIN CONSENT FROM A MINOR'S PARENT OR LEGAL GUARDIAN BEFORE ISSUING A CREDIT
6	CARD OR SIMILAR DEVICE TO THE MINOR; PROHIBITING THE COLLECTION OF ANY DEBT INCURRED
7	BY THE MINOR IN USING THE CREDIT CARD OR SIMILAR DEVICE IF THE MINOR'S PARENT OR
8	GUARDIAN DID NOT CONSENT TO THE ISSUANCE OF THE CREDIT CARD OR SIMILAR DEVICE; AND
9	AMENDING SECTION 41-1-304, MCA."
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11	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
12	
13	NEW SECTION. Section 1. Issuing credit cards to minors collection of debt. (1) An issuer of
14	a credit card or similar device may not issue a credit card or similar device to a minor, as defined in
15	41-1-101, residing in this state without first obtaining consent to the issuance from the minor's parent or
16	legal guardian.
17	(2) An issuer of a credit card or similar device that does not receive a parent's or legal guardian's
18	consent, as required in subsection (1), before issuing the credit card or similar device to a minor may not
19	collect in this state from the minor or the minor's parent or guardian any debt incurred by the minor through
20	the use of the credit card or similar device.
21	
22	Section 2. Section 41-1-304, MCA, is amended to read:
23	"41-1-304. When minors may disaffirm. (1) Except as provided in subsection (2), in to all cases
24	other than those specified by 41-1-303, 41-1-305, and 41-1-306, the contract of a minor may, upon
25	restoring the consideration to the party from whom it was received, be disaffirmed by the minor himself,
26	either before his the minor reaches majority or within a reasonable time afterwards, or, in case of his the
27	minor's death within that period, by his the minor's heirs or personal representatives.
28	(2) A minor subject to the provisions of [section 1] is not required to restore any consideration



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received from the issuer of a credit card or similar device that has not obtained the consent of the minor's

parent or legal guardian before issuing the card or similar device to the minor."

- NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 31, chapter 1, and the provisions of Title 31, chapter 1, apply to [section 1].
- 3 -END-



APPROVED BY COM ON BUSINESS & INDUSTRY

1	SENATE BILL NO. 58
2	INTRODUCED BY SWYSGOOD
2	

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A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING ISSUERS OF CREDIT CARDS OR SIMILAR LOAN

ADVANCE ACCESS DEVICES TO OBTAIN CONSENT FROM A MINOR'S PARENT OR LEGAL GUARDIAN

BEFORE ISSUING A CREDIT CARD OR SIMILAR LOAN ADVANCE ACCESS DEVICE TO THE MINOR;

PROHIBITING THE COLLECTION OF ANY DEBT INCURRED BY THE MINOR IN USING THE CREDIT CARD

OR SIMILAR LOAN ADVANCE ACCESS DEVICE IF THE MINOR'S PARENT OR GUARDIAN DID NOT

CONSENT TO THE ISSUANCE OF THE CREDIT CARD OR SIMILAR LOAN ADVANCE ACCESS DEVICE; AND

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

AMENDING SECTION 41-1-304, MCA."

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NEW SECTION. Section 1. Issuing credit cards to minors -- collection of debt. (1) An issuer of a credit card or similar LOAN ADVANCE ACCESS device may not issue a credit card or similar LOAN ADVANCE ACCESS device to a minor, as defined in 41-1-101, residing in this state without first obtaining consent to the issuance from the minor's parent or legal guardian.

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(2) An issuer of a credit card or similar <u>LOAN ADVANCE ACCESS</u> device that does not receive a parent's or legal guardian's consent, as required in subsection (1), before issuing the credit card or similar <u>LOAN ADVANCE ACCESS</u> device to a minor may not collect in this state from the minor or the minor's parent or guardian any debt incurred by the minor through the use of the credit card or similar <u>LOAN ADVANCE ACCESS</u> device.

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24

Section 2. Section 41-1-304, MCA, is amended to read:

25 26 "41-1-304. When minors may disaffirm. (1) Except as provided in subsection (2), in In all cases other than those specified by 41-1-303, 41-1-305, and 41-1-306, the contract of a minor may, upon restoring the consideration to the party from whom it was received, be disaffirmed by the minor himself, either before his the minor reaches majority or within a reasonable time afterwards, or, in case of his the minor's death within that period, by his the minor's heirs or personal representatives.

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(2) A minor subject to the provisions of [section 1] is not required to restore any consideration

1	received from the issuer of a credit card or similar LOAN ADVANCE ACCESS device that has not obtained
2	the consent of the minor's parent or legal guardian before issuing the card or similar LOAN ADVANCE
3	ACCESS device to the minor."
4	
5	NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an
6	integral part of Title 31, chapter 1, and the provisions of Title 31, chapter 1, apply to [section 1].
7	-END-



SB0058.02

1	SENATE BILL NO. 58
2	INTRODUCED BY SWYSGOOD
	WINODOCED BY SWINGOOD
3	A BULL FOR AN ACT ENTITLED. HAN ACT DECLUDING SOCIETY OF CORDINATION OF COLUMN
4	A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING ISSUERS OF CREDIT CARDS OR SIMILAR LOAN
5	ADVANCE ACCESS DEVICES TO OBTAIN CONSENT FROM A MINOR'S PARENT OR LEGAL GUARDIAN
6	BEFORE ISSUING A CREDIT CARD OR SIMILAR LOAN ADVANCE ACCESS DEVICE TO THE MINOR;
7	PROHIBITING THE COLLECTION OF ANY DEBT INCURRED BY THE MINOR IN USING THE CREDIT CARD
8	OR SIMILAR LOAN ADVANCE ACCESS DEVICE IF THE MINOR'S PARENT OR GUARDIAN DID NOT
9	CONSENT TO THE ISSUANCE OF THE CREDIT CARD OR SIMILAR <u>LOAN ADVANCE ACCESS</u> DEVICE; AND
10	AMENDING SECTION 41-1-304, MCA."
11	
12	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
13	
14	NEW SECTION. Section 1. Issuing credit cards to minors collection of debt. (1) An issuer of
15	a credit card or similar LOAN ADVANCE ACCESS device may not issue a credit card or similar LOAN
16	ADVANCE ACCESS device to a minor, as defined in 41-1-101, residing in this state without first obtaining
17	consent to the issuance from the minor's parent or legal guardian.
18	(2) An issuer of a credit card or similar LOAN ADVANCE ACCESS device that does not receive a
19	parent's or legal guardian's consent, as required in subsection (1), before issuing the credit card or similar
20	LOAN ADVANCE ACCESS device to a minor may not collect in this state from the minor or the minor's
21	parent or guardian any debt incurred by the minor through the use of the credit card or similar LOAN
22	ADVANCE ACCESS device.
23	
24	Section 2. Section 41-1-304, MCA, is amended to read:
25	"41-1-304. When minors may disaffirm. (1) Except as provided in subsection (2), in in all cases
26	other than those specified by 41-1-303, 41-1-305, and 41-1-306, the contract of a minor may, upon
27	restoring the consideration to the party from whom it was received, be disaffirmed by the minor himself,
28	either before his the minor reaches majority or within a reasonable time afterwards, or, in case of his the
2 9	minor's death within that period, by his the minor's heirs or personal representatives.

(2) A minor subject to the provisions of [section 1] is not required to restore any consideration

ı	received from the issuer of a credit card of similar EUAN ADVANCE ACCESS device that has not obtained
2	the consent of the minor's parent or legal guardian before issuing the card or similar LOAN ADVANCE
3	ACCESS device to the minor."
4	\cdot
5	NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an
6	integral part of Title 31, chapter 1, and the provisions of Title 31, chapter 1, apply to [section 1].
7	-END-

1	SENATE BILL NO. 58
2	INTRODUCED BY SWYSGOOD
3	

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING ISSUERS OF CREDIT CARDS OR SIMILAR LOAN

ADVANCE ACCESS DEVICES TO OBTAIN CONSENT FROM A MINOR'S PARENT OR LEGAL GUARDIAN

BEFORE ISSUING A CREDIT CARD OR SIMILAR LOAN ADVANCE ACCESS DEVICE TO THE MINOR;

PROHIBITING THE COLLECTION OF ANY DEBT INCURRED BY THE MINOR IN USING THE CREDIT CARD

9 CONSENT TO THE ISSUANCE OF THE CREDIT CARD OR SIMILAR LOAN ADVANCE ACCESS DEVICE; AND

OR SIMILAR LOAN ADVANCE ACCESS DEVICE IF THE MINOR'S PARENT OR GUARDIAN DID NOT

AMENDING SECTION 41-1-304, MCA: AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY

11 <u>DATE</u>."

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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NEW SECTION. Section 1. Issuing credit cards to minors -- collection of debt. (1) An issuer of a credit card or similar LOAN ADVANCE ACCESS device may not issue a credit card or similar LOAN ADVANCE ACCESS device to a minor, as defined in 41-1-101, residing in this state without first obtaining consent to the issuance from the minor's parent or legal guardian.

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(2) An issuer of a credit card or similar <u>LOAN ADVANCE ACCESS</u> device that does not receive a parent's or legal guardian's consent, as required in subsection (1), before issuing the credit card or similar <u>LOAN ADVANCE ACCESS</u> device to a minor may not collect in this state from the minor or the minor's parent or guardian any debt incurred by the minor through the use of the credit card or similar <u>LOAN ADVANCE ACCESS</u> device.

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Section 2. Section 41-1-304, MCA, is amended to read:

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"41-1-304. When minors may disaffirm. (1) Except as provided in subsection (2), in In all cases other than those specified by 41-1-303, 41-1-305, and 41-1-306, the contract of a minor may, upon restoring the consideration to the party from whom it was received, be disaffirmed by the minor himself, either before his the minor reaches majority or within a reasonable time afterwards, or, in case of his the minor's death within that period, by his the minor's heirs or personal representatives.

Legislative Services

Division

(2) A minor subject to the provisions of [section 1] is not required to restore any consideration
received from the issuer of a credit card or similar LOAN ADVANCE ACCESS device that has not obtained
the consent of the minor's parent or legal guardian before issuing the card or similar LOAN ADVANCE
ACCESS device to the minor."
NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an
integral part of Title 31, chapter 1, and the provisions of Title 31, chapter 1, apply to [section 1].
NEW SECTION. SECTION 4. APPLICABILITY. [THIS ACT] APPLIES TO CREDIT CARDS OF
SIMILAR LOAN ADVANCE ACCESS DEVICES ISSUED AFTER [THE EFFECTIVE DATE OF THIS ACT].
NEW SECTION. SECTION 5. EFFECTIVE DATE. [THIS ACT] IS EFFECTIVE JULY 1, 1997.
-END-



1	SENATE BILL NO. 58
2	INTRODUCED BY SWYSGOOD
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING ISSUERS OF CREDIT CARDS OR SIMILAR LOAN
5	ADVANCE ACCESS DEVICES TO OBTAIN CONSENT FROM A MINOR'S PARENT OR LEGAL GUARDIAN
6	BEFORE ISSUING A CREDIT CARD OR SIMILAR LOAN ADVANCE ACCESS DEVICE TO THE MINOR;
7	PROHIBITING THE COLLECTION OF ANY DEBT INCURRED BY THE MINOR IN USING THE CREDIT CARD
8	OR SIMILAR LOAN ADVANCE ACCESS DEVICE IF THE MINOR'S PARENT OR GUARDIAN DID NOT
9	CONSENT TO THE ISSUANCE OF THE CREDIT CARD OR SIMILAR LOAN ADVANCE ACCESS DEVICE; AND
10	AMENDING SECTION 41-1-304, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY
11	DATE."
12	
13	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
14	
15	NEW SECTION. Section 1. Issuing credit cards to minors collection of debt. (1) An issuer of
16	a credit card or similar LOAN ADVANCE ACCESS device may not issue a credit card or similar LOAN
17	ADVANCE ACCESS device to a minor, as defined in 41-1-101, residing in this state without first obtaining
18	consent to the issuance from the minor's parent or legal guardian.
19	(2) An issuer of a credit card or similar LOAN ADVANCE ACCESS device that does not receive a
20	parent's or legal guardian's consent, as required in subsection (1), before issuing the credit card or similar
21	LOAN ADVANCE ACCESS device to a minor may not collect in this state from the minor or the minor's
22	parent or guardian any debt incurred by the minor through the use of the credit card or similar LOAN
23	ADVANCE ACCESS device.
24	
25	Section 2. Section 41-1-304, MCA, is amended to read:
26	"41-1-304. When minors may disaffirm. (1) Except as provided in subsection (2), in the all cases
27	other than those specified by 41-1-303, 41-1-305, and 41-1-306, the contract of a minor may, upon
28	restoring the consideration to the party from whom it was received, be disaffirmed by the minor himself,
29	either before his the minor reaches majority or within a reasonable time afterwards, or, in case of his the



minor's death within that period, by hie the minor's heirs or personal representatives.

1	(2) A minor subject to the provisions of [section 1] is not required to restore any consideration
2	received from the issuer of a credit card or similar LOAN ADVANCE ACCESS device that has not obtained
3	the consent of the minor's parent or legal guardian before issuing the card or similar LOAN ADVANCE
4	ACCESS device to the minor."
5	
6	NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an
7	integral part of Title 31, chapter 1, and the provisions of Title 31, chapter 1, apply to [section 1].
8	
9	NEW SECTION. SECTION 4. APPLICABILITY. [THIS ACT] APPLIES TO CREDIT CARDS OR
10	SIMILAR LOAN ADVANCE ACCESS DEVICES ISSUED AFTER [THE EFFECTIVE DATE OF THIS ACT].
11	
12	NEW SECTION. SECTION 5. EFFECTIVE DATE. [THIS ACT] IS EFFECTIVE JULY 1, 1997.
13	-END-

