

SENATE BILL NO. 58

INTRODUCED BY SWYSGOOD

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING ISSUERS OF CREDIT CARDS OR SIMILAR DEVICES TO OBTAIN CONSENT FROM A MINOR'S PARENT OR LEGAL GUARDIAN BEFORE ISSUING A CREDIT CARD OR SIMILAR DEVICE TO THE MINOR; PROHIBITING THE COLLECTION OF ANY DEBT INCURRED BY THE MINOR IN USING THE CREDIT CARD OR SIMILAR DEVICE IF THE MINOR'S PARENT OR GUARDIAN DID NOT CONSENT TO THE ISSUANCE OF THE CREDIT CARD OR SIMILAR DEVICE; AND AMENDING SECTION 41-1-304, MCA."

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

NEW SECTION. **Section 1. Issuing credit cards to minors -- collection of debt.** (1) An issuer of a credit card or similar device may not issue a credit card or similar 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.

(2) An issuer of a credit card or similar 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 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 device.

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

"41-1-304. When minors may disaffirm. (1) Except as provided in subsection (2), 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.

(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 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."

APPROVED BY COM ON
BUSINESS & INDUSTRY

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."

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
29 minor's death within that period, by ~~his~~ the minor's heirs or personal representatives.

30 (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-

SENATE BILL NO. 58

INTRODUCED BY SWYSGOOD

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 AMENDING SECTION 41-1-304, MCA."

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

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.

(2) An issuer of a credit card or similar LOAN ADVANCE ACCESS 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 LOAN ADVANCE ACCESS 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 LOAN ADVANCE ACCESS device.

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

"41-1-304. When minors may disaffirm. (1) Except as provided in subsection (2), 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 ~~he~~ 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.

(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-

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 ~~h~~ 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
30 minor's death within that period, by ~~his~~ the minor's heirs or personal representatives.

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 ~~in~~ 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 ~~he~~ the minor reaches majority or within a reasonable time afterwards, or, in case of ~~his~~ the
 30 minor's death within that period, by ~~his~~ the minor's heirs or personal representatives.

