Amendment No. 356

Senate Amendment to Senate Bill No. 302	(BDR 8-1173)
Proposed by: Senate Committee on Judiciary	
Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes	

ASSEMBLY ACTION				Initial and Date	SENATE ACTION				Initial and Date
Adopted	☐	Lost	☐		Adopted	☐	Lost	☐	
Concurred In	☐	Not	☐		Concurred In	☐	Not	☐	
Receded	☐	Not	☐		Receded	☐	Not	☐	

EXPLANATION: Matter in (1) ***blue bold italics*** is new language in the original bill; (2) ***green bold italic underlining*** is new language proposed in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill that is proposed to be retained in this amendment; and (6) **green bold** is newly added transitory language.

DY/KEL Date: 4/19/2007

S.B. No. 302—Revises provisions governing credit cards. (BDR 8-1173)

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SENATE BILL NO. 302–SENATOR TITUS

MARCH 15, 2007

Referred to Committee on Judiciary

SUMMARY—Revises provisions governing credit cards. (BDR 8-1173)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

AN ACT relating to credit cards; ~~[prohibits]~~ **prohibiting** an issuer of a credit card from increasing the interest rate charged to the cardholder based upon a late payment by the cardholder to another creditor; **providing that an issuer of a credit card may not prohibit a merchant from offering certain discounts;** and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law governs issuers of credit cards. (Chapter 97A of NRS) ~~[This]~~ **Section 2 of this** bill prohibits an issuer from increasing the interest rate charged to a cardholder based upon the late payment by the cardholder to another issuer or creditor of the cardholder ~~[. This bill]~~ **that is not an affiliate or subsidiary of the issuer or creditor. Section 2** also prohibits an issuer from including in a contract or agreement relating to a credit card account a provision which would allow the issuer to increase the interest rate for such a reason. **Section 3 of this bill provides that an issuer may not prohibit merchants from offering certain discounts to a customer to induce the customer to pay by means other than a credit card or credit card account.**

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Chapter 97A of NRS is hereby amended by adding thereto ~~[a new section to read as follows:]~~ **the provisions set forth as sections 2 and 3 of this act.**

Sec. 2. 1. An issuer shall not:

(a) Increase the interest rate charged to a cardholder based upon the late payment by the cardholder to another issuer or creditor of the cardholder ~~[;]~~ ***that is not an affiliate or subsidiary of the issuer or creditor; or***

(b) Include a universal default clause in a contract or agreement relating to a credit card account.

2. As used in this section ~~[, "universal]~~ ***:***

(a) "Affiliate or subsidiary of the issuer or creditor" means an affiliate or subsidiary that conducts business under a name which is:

(1) The same as the name of the issuer or creditor; or

(2) Sufficiently similar to the name of the issuer or creditor such that a reasonable cardholder would believe that he is conducting business with the issuer or creditor.

(b) "Universal default clause" means any clause or provision which allows an issuer to increase the interest rate charged to a cardholder based upon the late payment by the cardholder to another issuer or creditor of the cardholder ~~[.]~~ that is not an affiliate or subsidiary of the issuer or creditor.

Sec. 3. No issuer may, by contract or otherwise, prohibit a merchant from offering a discount to a customer to induce the customer to pay by cash, check or similar means rather than by use of a credit card or a credit card account for the purchase of goods or services.