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AMENDED IN ASSEMBLY APRIL 24, 2013
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CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 844

Introduced by Assembly Member Dickinson

February 21, 2013

An act to amend Sections 1747.02, 1747.08, 1747.09, and 1748.30 of, and to ~~add Section 1747.08.1 to,~~ the Civil Code, and to amend Section 99030 of the Education Code, relating to credit and debit cards.

LEGISLATIVE COUNSEL'S DIGEST

AB 844, as amended, Dickinson. Credit and debit cards: transactions: personal information.

Existing state and federal law regulate the provision of credit and the use of credit cards. Existing state law prohibits a person, firm, partnership, association, or corporation that accepts credit cards for the transaction of business from requesting or requiring the cardholder to provide personal identification information, which is then recorded, as a condition to accepting the credit card as payment in full or in part for goods or services, but provides various exceptions to this prohibition.

Under existing law, a person who violates the above provisions is subject to specified civil penalties, an action for injunctive relief, or both.

This bill would extend the above restrictions regarding the collection of personal identification information to debit cards. The bill would

define “debit card” and related terms for these purposes, and would make conforming changes.

This bill would permit the operator of a commercial Internet Web site or online service ~~that collects~~ *to collect* personal ~~identifiable~~ *identification* information, as defined, ~~to require a credit cardholder or debit cardholder to provide only a ZIP Code to complete the Internet credit card or debit card transaction,~~ if used solely for the prevention of fraud, theft, or identity theft, ~~except under specified circumstances.~~ The bill would require that operator to destroy *or dispose of* the ~~ZIP Code~~ *personal identification* information so collected, ~~as specified,~~ and would prohibit the operator from ~~aggregating or sharing the ZIP Code~~ *personal identification* information, as specified. The bill would authorize the assessment of civil penalties or an action for injunctive relief, or both, for a violation of these provisions.

Existing law prohibits a person, firm, partnership, association, corporation, or limited liability company that accepts credit or debit cards for the transaction of business from printing more than the last 5 digits of an individual’s credit card or debit card number, or the expiration date, on a transaction receipt, as specified.

This bill would revise the above provisions to remove specific references to printed receipts, and would make other conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1747.02 of the Civil Code is amended
- 2 to read:
- 3 1747.02. As used in this title:
- 4 (a) “Credit card” means any card, plate, coupon book, or other
- 5 single credit device existing for the purpose of being used from
- 6 time to time to obtain money, property, labor, or services on credit.
- 7 “Credit card” does not mean any of the following:
- 8 (1) Any single credit device used to obtain telephone property,
- 9 labor, or services in any transaction under public utility tariffs.
- 10 (2) Any device that may be used to obtain credit pursuant to an
- 11 electronic fund transfer, but only if the credit is obtained under an
- 12 agreement between a consumer and a financial institution to extend
- 13 credit when the consumer’s asset account is overdrawn or to

1 maintain a specified minimum balance in the consumer’s asset
2 account.

3 (3) Any key or card key used at an automated dispensing outlet
4 to obtain or purchase petroleum products, as defined in subdivision
5 (c) of Section 13401 of the Business and Professions Code, that
6 will be used primarily for business rather than personal or family
7 purposes.

8 (b) “Accepted credit card” means any credit card that the
9 cardholder has requested or applied for and received or has signed,
10 or has used, or has authorized another person to use, for the purpose
11 of obtaining money, property, labor, or services on credit. Any
12 credit card issued in renewal of, or in substitution for, an accepted
13 credit card becomes an accepted credit card when received by the
14 cardholder, whether the credit card is issued by the same or a
15 successor card issuer.

16 (c) “Debit card” means an accepted debit card or other means
17 of access to a debit cardholder’s account that may be used to initiate
18 electronic funds transfers and may be used without unique
19 identifying information such as a personal identification number
20 to initiate access to the debit cardholder’s account.

21 (d) “Accepted debit card” means a debit card that the debit
22 cardholder has requested and received or has signed, or has used,
23 or has authorized another person to use, for the purpose of
24 obtaining money, property, labor, or services. Any debit card issued
25 in renewal of, or in substitution for, an accepted debit card becomes
26 an accepted debit card when received by the debit cardholder,
27 whether the debit card is issued by the same or by a successor card
28 issuer.

29 (e) “Card issuer” means any person who issues a credit card or
30 the agent of that person for that purpose with respect to the credit
31 card.

32 (f) “Cardholder” means a natural person to whom a credit card
33 is issued for consumer credit purposes, or a natural person who
34 has agreed with the card issuer to pay consumer credit obligations
35 arising from the issuance of a credit card to another natural person.
36 For purposes of Sections 1747.05, 1747.10, and 1747.20, the term
37 includes any person to whom a credit card is issued for any
38 purpose, including business, commercial, or agricultural use, or a
39 person who has agreed with the card issuer to pay obligations
40 arising from the issuance of that credit card to another person.

1 (g) “Debit card issuer” means any person who issues a debit
2 card or the agent of that person for that purpose.

3 (h) “Debit cardholder” means a natural person to whom a debit
4 card is issued.

5 (i) “Retailer” means every person other than a card issuer or
6 debit card issuer who furnishes money, goods, services, or anything
7 else of value. “Retailer” does not mean the state, a county, city,
8 city and county, or any other public agency.

9 (j) “Unauthorized use” means the use of a credit card or debit
10 card by a person, other than the cardholder or debit cardholder,
11 (1) who does not have actual, implied, or apparent authority for
12 that use and (2) from which the cardholder or debit cardholder
13 receives no benefit. “Unauthorized use” does not include the use
14 of a credit card or debit card by a person who has been given
15 authority by the cardholder or debit cardholder to use the credit
16 card or debit card. Any attempted termination by the cardholder
17 or debit cardholder of the person’s authority is ineffective as against
18 the card issuer or debit card issuer until the cardholder or debit
19 cardholder complies with the procedures required by the card issuer
20 or debit card issuer to terminate that authority. Notwithstanding
21 the above, following the card issuer’s or debit card issuer’s receipt
22 of oral or written notice from a cardholder or debit cardholder
23 indicating that it wishes to terminate the authority of a previously
24 authorized user of a credit card or debit card, the card issuer or
25 debit card issuer shall follow its usual procedures for precluding
26 any further use of a credit card or debit card by an unauthorized
27 person.

28 (k) “Inquiry” means a writing that is posted by mail to the
29 address of the card issuer or debit card issuer to which payments
30 are normally tendered, unless another address is specifically
31 indicated on the statement for that purpose, then to that other
32 address, and that is received by the card issuer or debit card issuer
33 no later than 60 days after the card issuer transmitted the first
34 periodic statement that reflects the alleged billing error, and that
35 does all of the following:

36 (1) Sets forth sufficient information to enable the card issuer or
37 debit card issuer to identify the cardholder or debit cardholder and
38 the account.

39 (2) Sufficiently identifies the billing error.

1 (3) Sets forth information providing the basis for the
2 cardholder's or debit cardholder's belief that the billing error exists.

3 (l) "Response" means a writing that is responsive to an inquiry
4 and mailed to the cardholder's or debit cardholder's address last
5 known to the card issuer or debit card issuer.

6 (m) "Timely response" means a response that is mailed within
7 two complete billing cycles, but in no event later than 90 days,
8 after the card issuer or debit card issuer receives an inquiry.

9 (n) "Billing error" means an error by omission or commission
10 in (1) posting any debit or credit, or (2) in computation or similar
11 error of an accounting nature contained in a statement given to the
12 cardholder or debit cardholder by the card issuer or debit card
13 issuer. A "billing error" does not mean any dispute with respect
14 to value, quality, or quantity of goods, services, or other benefit
15 obtained through use of a credit card or debit card.

16 (o) "Adequate notice" means a printed notice to a cardholder
17 or debit cardholder that sets forth the pertinent facts clearly and
18 conspicuously so that a person against whom it is to operate could
19 reasonably be expected to have noticed it and understood its
20 meaning.

21 (p) "Secured credit card" means any credit card issued under
22 an agreement or other instrument that pledges, hypothecates, or
23 places a lien on real property or money or other personal property
24 to secure the cardholder's obligations to the card issuer.

25 (q) "Student credit card" means any credit card that is provided
26 to a student at a public or private college or university and is
27 provided to that student solely based on his or her enrollment in a
28 public or private university, or is provided to a student who would
29 not otherwise qualify for that credit card on the basis of his or her
30 income. A "student credit card" does not include a credit card
31 issued to a student who has a cocardholder or cosigner who would
32 otherwise qualify for a credit card other than a student credit card.

33 (r) "Retail motor fuel dispenser" means a device that dispenses
34 fuel that is used to power internal combustion engines, including
35 motor vehicle engines, that processes the sale of fuel through a
36 remote electronic payment system, and that is in a location where
37 an employee or other agent of the seller is not present.

38 (s) "Retail motor fuel payment island automated cashier" means
39 a remote electronic payment processing station that processes the
40 retail sale of fuel that is used to power internal combustion engines,

1 including motor vehicle engines, that is in a location where an
2 employee or other agent of the seller is not present, and that is
3 located in close proximity to a retail motor fuel dispenser.

4 SEC. 2. Section 1747.08 of the Civil Code is amended to read:

5 1747.08. (a) Except as provided in subdivision (c), no person,
6 firm, partnership, association, or corporation that accepts credit
7 cards or debit cards for the transaction of business shall do any of
8 the following, *whether in person or through an operator of a*
9 *commercial Internet Web site or online service*:

10 (1) Request, or require as a condition to accepting the credit
11 card or debit card as payment in full or in part for goods or services,
12 the cardholder or debit cardholder to provide any personal
13 identification information.

14 (2) Request, or require as a condition to accepting the credit
15 card or debit card as payment in full or in part for goods or services,
16 the cardholder or debit cardholder to provide personal identification
17 information, which the person, firm, partnership, association, or
18 corporation accepting the credit card or debit card collects, causes
19 to be collected, or otherwise records upon the credit card or debit
20 card transaction template or otherwise.

21 (3) Utilize, in any credit card or debit card transaction, a credit
22 card or debit card template which contains spaces specifically
23 designated for filling in any personal identification information of
24 the cardholder or debit cardholder.

25 (b) For purposes of this section—~~personal~~, *the following terms*
26 *have the following meanings*:

27 (1) “*Personal identification information*,” means information
28 concerning the cardholder or debit cardholder, other than
29 information set forth on the credit card or debit card, and including,
30 but not limited to, the cardholder’s or debit cardholder’s address
31 and telephone number.

32 (2) “*Operator*” means a person or entity and any and all
33 affiliated corporate entities that own an Internet Web site or online
34 service and that accepts a credit card or debit card for the
35 transaction of business from a cardholder or debit cardholder
36 residing in California.

37 (c) Subdivision (a) does not apply in the following instances:

38 (1) If the credit card or debit card is being used as a deposit to
39 secure payment in the event of default, loss, damage, or other
40 similar occurrence.

1 (2) Cash advance transactions.

2 (3) If any of the following applies:

3 (A) The person, firm, partnership, association, or corporation
4 accepting the credit card or debit card is contractually obligated
5 to provide personal identification information in order to complete
6 the credit card or debit card transaction.

7 (B) The person, firm, partnership, association, or corporation
8 accepting the credit card or debit card in a sales transaction at a
9 retail motor fuel dispenser or retail motor fuel payment island
10 automated cashier uses the ZIP Code information solely for
11 prevention of fraud, theft, or identity theft.

12 (C) The person, firm, partnership, association, or corporation
13 accepting the credit card or debit card is obligated to collect and
14 record the personal identification information by federal or state
15 law or regulation.

16 (D) *The person, firm, partnership, association, or corporation,*
17 *including the operator of a commercial Internet Web site or online*
18 *service, accepting the credit card or debit card in a business*
19 *transaction uses the personal identification information solely for*
20 *the prevention of fraud, theft, or identity theft. An operator of a*
21 *commercial Web Site or online service accepting the credit card*
22 *or debit card shall destroy or dispose of the personal identification*
23 *information in a secure manner after it is no longer needed for the*
24 *prevention of fraud, theft, or identity theft. An operator of a*
25 *commercial Web Site or online service may not share the personal*
26 *identification information with any other operator of a commercial*
27 *Internet Web site or online service.*

28 (4) If personal identification information is required for a special
29 purpose incidental but related to the individual credit card or debit
30 card transaction, including, but not limited to, information relating
31 to shipping, delivery, servicing, or installation of the purchased
32 merchandise, or for special orders.

33 (d) This section does not prohibit any person, firm, partnership,
34 association, or corporation from requiring the cardholder or debit
35 cardholder, as a condition to accepting the credit card or debit card
36 as payment in full or in part for goods or services, to provide
37 reasonable forms of positive identification, which may include a
38 driver's license or a California state identification card, or where
39 one of these is not available, another form of photo identification,
40 provided that none of the information contained thereon is collected

1 or recorded on the credit card or debit card transaction template
2 or otherwise. If the cardholder or debit cardholder pays for the
3 transaction with a credit card or debit card number and does not
4 make the credit card or debit card available upon request to verify
5 the number, the cardholder's or debit cardholder's driver's license
6 number or identification card number may be recorded on the
7 credit card or debit card transaction or otherwise.

8 *(e) This section does not prohibit any person, firm, partnership,*
9 *association, or corporation, including the operator of a commercial*
10 *Internet Web site or online service, from collecting personal*
11 *identification information if the operator maintains an account*
12 *associated with the credit cardholder or debit cardholder and if*
13 *the cardholder provides personal information as part of that*
14 *account.*

15 ~~(e)~~

16 *(f) Any person who violates this section shall be subject to a*
17 *civil penalty not to exceed two hundred fifty dollars (\$250) for the*
18 *first violation and one thousand dollars (\$1,000) for each*
19 *subsequent violation, to be assessed and collected in a civil action*
20 *brought by the person paying with a credit card or debit card, by*
21 *the Attorney General, or by the district attorney or city attorney*
22 *of the county or city in which the violation occurred. However,*
23 *no civil penalty shall be assessed for a violation of this section if*
24 *the defendant shows by a preponderance of the evidence that the*
25 *violation was not intentional and resulted from a bona fide error*
26 *made notwithstanding the defendant's maintenance of procedures*
27 *reasonably adopted to avoid that error. When collected, the civil*
28 *penalty shall be payable, as appropriate, to the person paying with*
29 *a credit card or debit card who brought the action, or to the general*
30 *fund of whichever governmental entity brought the action to assess*
31 *the civil penalty.*

32 ~~(f)~~

33 *(g) The Attorney General, or any district attorney or city attorney*
34 *within his or her respective jurisdiction, may bring an action in*
35 *the superior court in the name of the people of the State of*
36 *California to enjoin violation of subdivision (a) and, upon notice*
37 *to the defendant of not less than five days, to temporarily restrain*
38 *and enjoin the violation. If it appears to the satisfaction of the court*
39 *that the defendant has, in fact, violated subdivision (a), the court*
40 *may issue an injunction restraining further violations, without*

1 requiring proof that any person has been damaged by the violation.
2 In these proceedings, if the court finds that the defendant has
3 violated subdivision (a), the court may direct the defendant to pay
4 any or all costs incurred by the Attorney General, district attorney,
5 or city attorney in seeking or obtaining injunctive relief pursuant
6 to this subdivision.

7 ~~(g)~~

8 ~~(h)~~ Actions for collection of civil penalties under subdivision
9 ~~(e)~~ ~~(f)~~ and for injunctive relief under subdivision ~~(f)~~ ~~(g)~~ may be
10 consolidated.

11 ~~(h)~~

12 ~~(i)~~ The changes made to this section by Chapter 458 of the
13 Statutes of 1995 apply only to credit card transactions entered into
14 on and after January 1, 1996. Nothing in those changes shall be
15 construed to affect any civil action which was filed before January
16 1, 1996.

17 ~~SEC. 3. Section 1747.08.1 is added to the Civil Code, to read:~~

18 ~~1747.08.1. (a) An operator of a commercial Internet Web site~~
19 ~~or online service that collects personal identifiable information for~~
20 ~~a credit card or debit card transaction may require a cardholder or~~
21 ~~debit cardholder, as a condition to accepting a credit card or debit~~
22 ~~card as payment in full or in part in an online transaction, to provide~~
23 ~~only the billing ZIP Code number associated with the credit card~~
24 ~~or debit card, if used solely for the prevention of fraud, theft, or~~
25 ~~identity theft. An operator of a commercial Internet Web site or~~
26 ~~online service accepting the credit card or debit card shall destroy~~
27 ~~or dispose of the ZIP Code in a secure manner after it is no longer~~
28 ~~needed for the prevention of fraud, theft, or identity theft. An~~
29 ~~operator of a commercial Internet Web site or online service~~
30 ~~accepting the credit card or debit card may not aggregate the ZIP~~
31 ~~Code with any other personal identifiable information and may~~
32 ~~not share the ZIP Code with any other operator of a commercial~~
33 ~~Internet Web site or online service.~~

34 ~~(b) Subdivision (a) does not apply to any of the following:~~

35 ~~(1) Instances in which the credit card or debit card is being used~~
36 ~~as a deposit to secure payment in the event of default, loss, damage,~~
37 ~~or other similar occurrence.~~

38 ~~(2) Cash advance transactions.~~

39 ~~(3) Instances in which any of the following applies:~~

1 ~~(A) An operator of a commercial Internet Web site or online~~
2 ~~service is contractually obligated to provide personal identifiable~~
3 ~~information in order to complete the credit card or debit card~~
4 ~~transaction.~~

5 ~~(B) An operator of a commercial Internet Web site or online~~
6 ~~service is obligated to collect and record the personal identifiable~~
7 ~~information by federal or state law or regulation.~~

8 ~~(C) An operator of a commercial Internet Web site or online~~
9 ~~service maintains an account associated with the cardholder or~~
10 ~~debit cardholder where the cardholder or debit cardholder provides~~
11 ~~personal identifiable information as part of the account on the~~
12 ~~commercial Internet Web site or online service.~~

13 ~~(4) Instances in which personal identifiable information is~~
14 ~~required for a special purpose incidental but related to the~~
15 ~~individual credit card or debit card transaction, including, but not~~
16 ~~limited to, information relating to shipping, delivery, servicing, or~~
17 ~~installation of the purchased merchandise, or for special orders.~~

18 ~~(e) For purposes of this section, the following definitions apply:~~

19 ~~(1) “Personal identifiable information” means individually~~
20 ~~identifiable information concerning a cardholder or debit~~
21 ~~cardholder, other than information set forth on the credit card or~~
22 ~~debit card, collected online by the operator from that cardholder~~
23 ~~or debit cardholder, including, but not limited to, the following:~~

24 ~~(A) Home or other physical address, including street name and~~
25 ~~name of a city or town.~~

26 ~~(B) Email address.~~

27 ~~(C) Telephone number.~~

28 ~~(2) “Operator” means a person or entity and any and all affiliated~~
29 ~~corporate entities that own an Internet Web site or an online service~~
30 ~~that collects and maintains personal identifiable information from~~
31 ~~a cardholder or debit cardholder residing in California who uses~~
32 ~~or visits the Internet Web site or online service if the Internet Web~~
33 ~~site or online service is operated for commercial purposes.~~

34 ~~(d) (1) A person who violates this section shall be subject to a~~
35 ~~civil penalty not to exceed two hundred fifty dollars (\$250) for the~~
36 ~~first violation and one thousand dollars (\$1,000) for each~~
37 ~~subsequent violation, to be assessed and collected in a civil action~~
38 ~~brought by the person paying with a credit card or debit card, by~~
39 ~~the Attorney General, or by the district attorney or city attorney~~
40 ~~of the county or city in which the violation occurred.~~

1 ~~(2) Notwithstanding paragraph (1), a civil penalty shall not be~~
2 ~~assessed for a violation of this section if the defendant shows, by~~
3 ~~a preponderance of the evidence, that the violation was not~~
4 ~~intentional and resulted from a bona fide error made~~
5 ~~notwithstanding the defendant's maintenance of procedures~~
6 ~~reasonably adopted to avoid that error.~~

7 ~~(3) When collected, the civil penalty shall be payable, as~~
8 ~~appropriate, to the person paying with a credit card or debit card~~
9 ~~who brought the action, or to the general fund of the governmental~~
10 ~~entity that brought the action to assess the civil penalty.~~

11 ~~(e) The Attorney General, or any district attorney or city attorney~~
12 ~~within his or her respective jurisdiction, may bring an action in~~
13 ~~the superior court in the name of the people of the State of~~
14 ~~California to enjoin violation of subdivision (a) and, upon notice~~
15 ~~to the defendant of not less than five days, to temporarily restrain~~
16 ~~and enjoin the violation. If it appears to the satisfaction of the court~~
17 ~~that the defendant has, in fact, violated subdivision (a), the court~~
18 ~~may issue an injunction restraining further violations, without~~
19 ~~requiring proof that any person has been damaged by the violation.~~
20 ~~In these proceedings, if the court finds that the defendant has~~
21 ~~violated subdivision (a), the court may direct the defendant to pay~~
22 ~~any or all costs incurred by the Attorney General, district attorney,~~
23 ~~or city attorney in seeking or obtaining injunctive relief pursuant~~
24 ~~to this subdivision.~~

25 ~~(f) Actions for collection of civil penalties under subdivision~~
26 ~~(d) and for injunctive relief under subdivision (e) may be~~
27 ~~consolidated.~~

28 ~~(g) This section shall apply only to credit card and debit card~~
29 ~~transactions entered into on and after January 1, 2014. This section~~
30 ~~shall not be construed to affect any civil action that was filed before~~
31 ~~January 1, 2014.~~

32 ~~SEC. 4.~~

33 *SEC. 3.* Section 1747.09 of the Civil Code is amended to read:
34 1747.09. (a) Except as provided in this section, no person,
35 firm, partnership, association, corporation, or limited liability
36 company that accepts credit or debit cards for the transaction of
37 business shall display more than the last five digits of the credit
38 or debit card account number or the expiration date upon any of
39 the following:

40 (1) Any receipt provided to the cardholder.

1 (2) Any receipt retained by the person, firm, partnership,
2 association, corporation, or limited liability company.

3 (3) Any receipt retained by the person, firm, partnership,
4 association, corporation, or limited liability company that at the
5 time of the purchase, exchange, refund, or return, is not signed by
6 the cardholder, because the cardholder or debit cardholder used a
7 personal identification number to complete the transaction.

8 (b) This section shall apply only to receipts that include a credit
9 or debit card account number that are electronically printed and
10 shall not apply to transactions in which the sole means of recording
11 the person's credit or debit card account number is by handwriting
12 or by an imprint or copy of the credit or debit card.

13 (c) This section shall not apply to documents, other than the
14 receipts described in paragraphs (1) to (3), inclusive, of subdivision
15 (a), used for internal administrative purposes.

16 (d) Paragraphs (2) and (3) of subdivision (a) shall become
17 operative on January 1, 2009.

18 ~~SEC. 5.~~

19 *SEC. 4.* Section 1748.30 of the Civil Code is amended to read:

20 1748.30. For purposes of this title, the following definitions
21 shall apply:

22 (a) "Accepted debit card" means any debit card which the debit
23 cardholder has requested and received or has signed, or has used,
24 or has authorized another person to use, for the purpose of
25 obtaining money, property, labor, or services. Any debit card issued
26 in renewal of, or in substitution for, an accepted debit card becomes
27 an accepted debit card when received by the debit cardholder,
28 whether the debit card is issued by the same or by a successor card
29 issuer.

30 (b) "Account" means a demand deposit (checking), savings, or
31 other consumer asset account, other than an occasional or incidental
32 credit balance in a credit plan, established primarily for personal,
33 family, or household purposes.

34 (c) "Adequate notice" has the same meaning as found in
35 subdivision (o) of Section 1747.02.

36 (d) "Debit card" means an accepted debit card or other means
37 of access to a debit cardholder's account that may be used to initiate
38 electronic funds transfers and may be used without unique
39 identifying information such as a personal identification number
40 to initiate access to the debit cardholder's account.

1 (e) “Debit card issuer” means any person who issues a debit
2 card or the agent of that person for that purpose.

3 (f) “Debit cardholder” means a natural person to whom a debit
4 card is issued.

5 (g) “Unauthorized use” means the use of a debit card by a
6 person, other than the debit cardholder, to initiate an electronic
7 fund transfer from the debit cardholder’s account without actual
8 authority to initiate the transfer and from which the debit cardholder
9 receives no benefit. The term does not include an electronic fund
10 transfer initiated in any of the following manners:

11 (1) By a person who was furnished the debit card to the debit
12 cardholder’s account by the debit cardholder, unless the debit
13 cardholder has notified the debit card issuer that transfers by that
14 person are no longer authorized.

15 (2) With fraudulent intent by the debit cardholder or any person
16 acting in concert with the debit cardholder.

17 (3) By the debit card issuer or its employee.

18 ~~SEC. 6.~~

19 *SEC. 5.* Section 99030 of the Education Code is amended to
20 read:

21 99030. The Regents of the University of California and the
22 governing body of each accredited private or independent college
23 or university in the state are requested to, and the Trustees of the
24 California State University and the Board of Governors of the
25 California Community Colleges shall, adopt policies to regulate
26 the marketing practices used on campuses by credit card
27 companies. In adopting the policies, it is the intent of the
28 Legislature that those entities consider including all of the
29 following requirements:

30 (a) That sites at which student credit cards are marketed be
31 registered with the campus administration and that consideration
32 be given to limiting the number of sites allowed on a campus.

33 (b) That marketers of student credit cards be prohibited from
34 offering gifts to students for filling out credit card applications.

35 (c) That credit card and debt education and counseling sessions
36 become a regular part of campus orientation of new students. For
37 purposes of this section, colleges and universities shall utilize
38 existing debt education materials prepared by nonprofit entities
39 and thus not incur the expense of preparing new materials.

- 1 (d) For the purposes of this chapter, “student credit card” has
- 2 the meaning set forth in subdivision (q) of Section 1747.02 of the
- 3 Civil Code.

O