

REFERENCE TITLE: credit card agreements

State of Arizona  
House of Representatives  
Fiftieth Legislature  
Second Regular Session  
2012

## HB 2664

Introduced by  
Representatives: Dial, Merriam; Senators: Lujan, McComish, Reagan

AN ACT

AMENDING TITLE 44, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 35; RELATING TO CREDIT CARD AGREEMENTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 44, Arizona Revised Statutes, is amended by adding  
3 chapter 35, to read:

4 CHAPTER 35

5 CREDIT CARD AGREEMENTS

6 ARTICLE 1. GENERAL PROVISIONS

7 44-7801. Definitions

8 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "AUTHORIZED USER" MEANS ANY PERSON GRANTED EXPRESS, IMPLIED OR  
10 APPARENT AUTHORITY TO USE A CARDHOLDER'S CREDIT CARD OR CREDIT CARD ACCOUNT.

11 2. "CARDHOLDER" MEANS THE NAMED ACCOUNT MEMBER WHO APPLIES FOR OR  
12 ACCEPTS THE CREDIT CARD ACCOUNT.

13 3. "CHARGES" MEANS PURCHASES, CASH ADVANCES, ANNUAL MEMBERSHIP FEES,  
14 DELINQUENT PAYMENT FEES, INSUFFICIENT FUND FEES, OVER LIMIT FEES OR OTHER  
15 AMOUNTS INCURRED THROUGH USE OF THE CREDIT CARD.

16 4. "CREDIT CARD" MEANS ANY INSTRUMENT OR DEVICE, WHETHER KNOWN AS A  
17 CREDIT CARD, CHARGE CARD, CREDIT PLATE, COURTESY CARD OR IDENTIFICATION CARD  
18 OR BY ANY OTHER NAME, THAT IS ISSUED WITH OR WITHOUT A FEE BY AN ISSUER FOR  
19 THE USE OF THE CARDHOLDER IN OBTAINING MONEY, GOODS, SERVICES OR ANYTHING  
20 ELSE OF VALUE, EITHER ON CREDIT OR IN POSSESSION OR IN CONSIDERATION OF AN  
21 UNDERTAKING OR GUARANTY BY THE ISSUER OF THE PAYMENT OF A CHECK DRAWN BY THE  
22 CARDHOLDER ON A PROMISE TO PAY IN PART OR IN FULL AT A FUTURE TIME, WHETHER  
23 OR NOT ALL OR ANY PART OF THE INDEBTEDNESS THAT IS REPRESENTED BY THE PROMISE  
24 TO MAKE DEFERRED PAYMENT IS SECURED OR UNSECURED.

25 5. "CREDIT CARD ACCOUNT" MEANS A LINE OF CREDIT OFFERED BY AN ISSUER  
26 TO A CARDHOLDER FOR THE USE OF A CREDIT CARD.

27 6. "CREDIT CARD AGREEMENT" MEANS THE TERMS AND CONDITIONS GOVERNING  
28 THE USE OF THE CREDIT CARD ACCOUNT.

29 7. "CREDITOR" MEANS THE PERSON, BUSINESS, FINANCIAL INSTITUTION OR  
30 COMMERCIAL ENTERPRISE THAT OWNS THE CREDIT CARD ACCOUNT.

31 8. "FINANCIAL INSTITUTION" MEANS ANY OF THE FOLLOWING:

32 (a) A BANKING INSTITUTION THAT IS AUTHORIZED TO ISSUE CREDIT CARDS  
33 PURSUANT TO FEDERAL OR STATE LAW.

34 (b) A BANKING SUBSIDIARY OWNED BY A BANK HOLDING COMPANY AS DEFINED IN  
35 12 UNITED STATES CODE SECTION 1841, OR BY A SAVINGS AND LOAN HOLDING COMPANY  
36 AS DEFINED IN 12 UNITED STATES CODE SECTION 1467a(a)(1)(D).

37 (c) ANY OTHER FEDERALLY REGULATED BANKING INSTITUTION.

38 9. "INTEREST" MEANS ANY PAYMENT TO COMPENSATE A CREDITOR OR  
39 PROSPECTIVE CREDITOR FOR MAKING AN EXTENSION OF CREDIT OR MAKING AVAILABLE A  
40 LINE OF CREDIT OR FOR A BORROWER'S DEFAULT OR BREACH OF A CONDITION ON WHICH  
41 CREDIT WAS EXTENDED.

42 10. "ISSUER" MEANS A FINANCIAL INSTITUTION OR AN AUTHORIZED AGENT OF A  
43 FINANCIAL INSTITUTION THAT ISSUES A CREDIT CARD.

1           44-7802. Acceptance of credit card agreement

2           A CARDHOLDER'S ACCEPTANCE OF THE TERMS AND CONDITIONS OF A CREDIT CARD  
3 ACCOUNT MAY BE ESTABLISHED AS BINDING AND ENFORCEABLE BY EITHER OF THE  
4 FOLLOWING:

- 5           1. THE CARDHOLDER'S WRITTEN SIGNATURE.  
6           2. WITHOUT THE CARDHOLDER'S WRITTEN SIGNATURE IF BOTH OF THE FOLLOWING  
7 APPLY:

8           (a) THE CREDIT CARD AGREEMENT PROVIDES THAT ANY USE OF THE CREDIT CARD  
9 CONSTITUTES ACCEPTANCE OF THE TERMS OF THE CREDIT CARD AGREEMENT.

10          (b) AFTER THE CARDHOLDER RECEIVES THE CREDIT CARD AGREEMENT, THE  
11 CARDHOLDER OR AUTHORIZED USER USES THE CREDIT CARD OR ANOTHER PERSON USES THE  
12 CREDIT CARD FOR THE BENEFIT OF THE CARDHOLDER.

13           44-7803. Liability for use of a credit card account

14           A CARDHOLDER IS PERSONALLY LIABLE FOR ALL CHARGES AND INTEREST INCURRED  
15 ON THE CARDHOLDER'S CREDIT CARD ACCOUNT BY EITHER OF THE FOLLOWING:

- 16           1. THE CARDHOLDER OR AN AUTHORIZED USER.  
17           2. ANY OTHER PERSON IF THE CHARGES RESULT IN A BENEFICIAL USE TO THE  
18 CARDHOLDER.

19           44-7804. Establishment of amount owed on a credit card account

20           A CREDITOR MAY ESTABLISH A PRESUMPTION OF THE AMOUNT OF THE DEBT THAT  
21 IS OWED ON A CREDIT CARD ACCOUNT THROUGH A COPY OF THE ISSUER'S FINAL BILLING  
22 STATEMENT OR BY THE ELECTRONIC DATA THAT IS MAINTAINED BY THE ISSUER AND THAT  
23 REPRESENTS THE AMOUNT OWED.

24           44-7805. Establishment of interest rate

25           A. SUBJECT TO SECTIONS 44-1205 AND 44-6002, IF APPLICABLE, A CREDITOR  
26 MAY ESTABLISH THE CONTRACTED INTEREST RATE FOR A CREDIT CARD ACCOUNT THROUGH  
27 EITHER OF THE FOLLOWING:

- 28           1. TERMS AND CONDITIONS THAT CONTAIN A STATED OR VARIABLE INTEREST  
29 RATE.  
30           2. A BILLING STATEMENT GENERATED BY THE ISSUER THAT CONTAINS A STATED  
31 OR VARIABLE INTEREST RATE.