

Senate Engrossed House Bill

FILED

**KEN BENNETT
SECRETARY OF STATE**

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

CHAPTER 318

HOUSE BILL 2664

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 OTHER THAN A CARDHOLDER WHO HAS
10 ACTUAL, IMPLIED OR APPARENT AUTHORITY TO USE A CARDHOLDER'S CREDIT CARD OR
11 CREDIT CARD ACCOUNT.

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

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

17 4. "CREDIT CARD" MEANS ANY CARD, PLATE OR OTHER SINGLE CREDIT DEVICE
18 THAT MAY BE USED FROM TIME TO TIME TO OBTAIN CREDIT AND SHALL INCLUDE A
19 CHARGE CARD, COURTESY CARD, IDENTIFICATION CARD OR ACCOUNT NUMBER THAT MAY BE
20 USED TO ACCESS A LINE OF CREDIT TO PURCHASE GOODS OR SERVICES.

21 5. "CREDIT CARD ACCOUNT" MEANS A LINE OF CREDIT OFFERED BY AN ISSUER
22 TO A CARDHOLDER THAT IS ACCESSIBLE BY THE USE OF A CREDIT CARD.

23 6. "CREDIT CARD AGREEMENT" MEANS THE TERMS AND CONDITIONS GOVERNING
24 THE USE OF THE CREDIT CARD ACCOUNT.

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

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

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

30 (b) A BANKING SUBSIDIARY OWNED BY A BANK HOLDING COMPANY AS DEFINED IN
31 12 UNITED STATES CODE SECTION 1841, OR BY A SAVINGS AND LOAN HOLDING COMPANY
32 AS DEFINED IN 12 UNITED STATES CODE SECTION 1467a(a)(1)(D).

33 (c) ANY OTHER FEDERALLY REGULATED BANKING INSTITUTION.

34 9. "ISSUER" MEANS A FINANCIAL INSTITUTION OR AN AUTHORIZED AGENT OF A
35 FINANCIAL INSTITUTION THAT ISSUES A CREDIT CARD.

36 44-7802. Acceptance of credit card agreement

37 A CARDHOLDER'S ACCEPTANCE OF THE TERMS AND CONDITIONS OF A CREDIT CARD
38 ACCOUNT MAY BE ESTABLISHED AS BINDING AND ENFORCEABLE IN ACCORDANCE WITH THE
39 TERMS AND CONDITIONS OF THE CREDIT CARD AGREEMENT OR BY EITHER OF THE
40 FOLLOWING OTHER METHODS:

41 1. THE CARDHOLDER'S WRITTEN OR ELECTRONIC SIGNATURE OR BY ANY OTHER
42 ELECTRONIC RECORD ACCEPTANCE AS PROVIDED BY TITLE 44, CHAPTER 26, ARTICLE 1.

43 2. ANY CARDHOLDER OR AUTHORIZED USER USES THE CREDIT CARD ACCOUNT.

1 44-7803. Consumer credit card protections

2 A CARDHOLDER IS PERSONALLY LIABLE FOR ALL CHARGES AND INTEREST INCURRED
3 ON THE CARDHOLDER'S CREDIT CARD ACCOUNT BY THE CARDHOLDER OR AN AUTHORIZED
4 USER. IN NO CASE IS A CARDHOLDER LIABLE FOR ANY CHARGES OR INTEREST THAT
5 RESULT FROM THE UNAUTHORIZED USE OF A CREDIT CARD.

6 44-7804. Establishment of amount owed on a credit card account

7 IN AN UNCONTESTED COURT ACTION IN THIS STATE A CREDITOR MAY ESTABLISH
8 THE AMOUNT OF THE DEBT THAT IS OWED ON A CREDIT CARD ACCOUNT THROUGH A COPY
9 OF THE ISSUER'S FINAL BILLING STATEMENT OR BY THE ELECTRONIC RECORD PURSUANT
10 TO SECTION 44-7007 THAT IS MAINTAINED BY THE ISSUER AND THAT REPRESENTS THE
11 AMOUNT OWED. IN CONTESTED ACTIONS THE COURT SHALL WEIGH THE EVIDENCE OF THE
12 PARTIES AS REQUIRED BY LAW.

13 44-7805. Establishment of interest rate

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

17 1. TERMS AND CONDITIONS THAT CONTAIN A STATED OR VARIABLE INTEREST
18 RATE.

19 2. A BILLING STATEMENT GENERATED BY THE ISSUER THAT CONTAINS A STATED
20 OR VARIABLE INTEREST RATE.

21 44-7806. Consumer protection rights

22 NOTHING IN THIS CHAPTER DIMINISHES THE PARTY'S CONSUMER PROTECTION
23 RIGHTS THAT ARE PRESCRIBED IN ANY FEDERAL LAW OR OTHER STATE LAW RELATING TO
24 CONSUMERS.

APPROVED BY THE GOVERNOR MAY 9, 2012.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 10, 2012.

On Reconsideration

Passed the House March 6, 2012

Passed the Senate April 12, 2012

by the following vote: 33 Ayes,

by the following vote: 17 Ayes,

26 Nays, 1 Not Voting

13 Nays, 0 Not Voting

[Signature]
Speaker of the House

[Signature]
President of the Senate

[Signature]
Chief Clerk of the House

[Signature]
Secretary of the Senate

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR**

~~This Bill received by the Governor this
_____ day of _____, 20____
at _____ o'clock _____ M.

Secretary to the Governor~~

Approved this _____ day of

~~_____
at _____ o'clock _____ M.

Governor of Arizona~~

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE**

~~This Bill received by the Secretary of State
this _____ day of _____, 20____
at _____ o'clock _____ M.

Secretary of State~~

H.B. 2664

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

April 30, 2012,

by the following vote: 37 Ayes,

22 Nays, 1 Not Voting

[Signature]
Speaker of the House

Cheryl Laube
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

30th day of April, 2012,

at 4:30 o'clock P M.

[Signature]
Secretary to the Governor

Approved this 9th day of

May, 2012,

at 5:15 o'clock P M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 10th day of May, 2012,

at 8:27 o'clock a M.

[Signature]
Secretary of State

H.B. 2664