

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1989

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SENATE BILL 377

Banks and Thrift Committee Substitute Adopted 5/4/89

Short Title: Credit Card Changes.

(Public)

Sponsors:

Referred to:

March 9, 1989

A BILL TO BE ENTITLED

1 AN ACT TO AUTHORIZE THE LEGISLATIVE RESEARCH COMMISSION TO
2 STUDY DEREGULATION OF REVOLVING CREDIT AND AUTHORIZATION
3 OF CREDIT CARD BANKS IN NORTH CAROLINA.
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5 The General Assembly of North Carolina enacts:

6 Whereas, legislation introduced during the 1989 Session of the General
7 Assembly, proposing deregulation of revolving credit and authorization of credit card
8 banks in North Carolina, raised important economic issues for the State; and

9 Whereas, the North Carolina Commission on Jobs and Economic Growth,
10 after examining identical issues, recommended in its 1988 interim report to the General
11 Assembly that the General Assembly deregulate revolving credit and authorize credit
12 card banks in North Carolina; and

13 Whereas, North Carolina is one of the leading states in the southeast in the
14 banking business with the credit card business alone having an annual payroll in excess
15 of thirty million dollars (\$30,000,000); and

16 Whereas, restrictive laws in North Carolina have apparently led some banks
17 to move their credit card operations out of the State, with more likely to do the same,
18 resulting in revenue loss for the State; and

19 Whereas, deregulation is a complex issue that requires deliberate study in
20 order to determine whether it would result in either increased rates for consumers or
21 economic growth for the State, or both; Now, therefore,

22 The General Assembly of North Carolina enacts:

1 Section 1. The Legislative Research Commission is authorized to study all
2 aspects of deregulation of revolving credit and authorization of credit card banks, with a
3 view toward determining whether these actions would be in the best interest of North
4 Carolina. The Commission may consider the potential impact of these actions on North
5 Carolina's consumers, revolving credit industry, job market, and economic growth, as
6 well as other related issues. The Commission's study may include examination of the
7 experiences of states that have already deregulated revolving credit and states that have
8 already authorized credit card banks.

9 Sec. 2. The Commission shall make a final report of its findings and
10 recommendations to the 1989 General Assembly, Regular Session 1990.

11 Sec. 3. This act is effective upon ratification.