

Legislative Analysis



CREDIT CARD ARRANGEMENTS: EXCLUDE CREDIT FOR COMMERCIAL PURPOSES

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Senate Bill 728 as enrolled
Sponsor: Sen. Peter MacGregor
House Committee: Financial Services
Senate Committee: Banking and Financial Institutions
Complete to 12-28-18

Analysis available at
<http://www.legislature.mi.gov>

(Vetoed by the Governor 12-27-18)

SUMMARY:

Senate Bill 728 would amend Public Act 379 of 1984 to redefine the term *credit card arrangement* to mean a card-accessed loan or extension of credit made for personal, family, or household purposes (that is, not for business or commercial purposes).

Under the bill, *credit card arrangement* would mean an unsecured loan or extension of credit that is made to the holder of a credit card or charge card for a personal, family, or household purpose and is accessed via that card. (The underlined phrase would be added to the definition by the bill.)

The bill contains an enacting section stating that the provision underlined above would apply retroactively, and the bill would give its amended definition a start date of December 28, 1984 (the effective date of Public Act 379 of 1984).

The bill itself would take effect 90 days after enactment.

MCK 493.101

FISCAL IMPACT:

Senate Bill 728 would not have a fiscal impact on any unit of state or local government.

Vetoed 12-27-18:

In his veto message, Governor Snyder wrote that the language in the bill making its provisions retroactive to December 28, 1984, “could subject the State to legal challenge concerning how the Department of Insurance and Financial Services has administered this Act for over three decades.”

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