

in increased rates or a transaction fee and this is an unfair distribution of cost. Would you agree with that statement?

SENATOR DeCAMP: Yes, sir.

SENATOR STONEY: Thank you, Senator DeCamp, it appears to me, members of the Legislature that the proposal in its present form is discriminatory on its face. I think if there is a problem with profitability to these institutions with inactive accounts then we should attempt to address that. But with those individuals that use those credit cards and are charged an interest rate on a monthly basis on these accounts, it seems unfair that they should also pay this annual fee. I have placed on the Clerk's desk an amendment which would provide that any fee that is charged by the bank would address itself to those inactive credit cards. For example, if an individual has this credit card, does not use it, he is charged at the beginning of each year the fee up to \$24. Therefore, if they make charges and pay for those items within the thirty day period they still are subjected to that charge. But what this amendment proposes is that those individuals that are using those cards on a continuing basis and are paying interest on those charges, if it be \$24, that charge can be up to \$24, any amount that is decided upon to be charged, that would be offset in accrued interest. In other words, any interest that is due on that account up to the amount that is charged for the annual fee would be deducted before that person has to pay interest on that account. I think that is only fair and equitable. The individuals that are actively using the accounts and are paying interest on the accounts should not be subjected to the fee because it appears that the ones that we are attempting to get to are the ones who have the cards, they are inactive and they, through payment of the bills on a timely basis, do not generate interest for the lending institutions. So that amendment will be coming up and I hope you will give it your favorable consideration.

SPEAKER MARVEL: Okay, the motion at the moment is on the amendments, committee amendments. Senator DeCamp, do you wish to close on the committee amendments?

SENATOR DeCAMP: Yes, Mr. President. I would like to address all of the objections raised or questions raised by the members of the Legislature on the issue. Senator Johnson said that there would be very little value in passing this law in view of the fact that they could go to federal law, the federal loophole we have discussed. Answer: Only one bank elected to do that. Despite the fact that they have been