

A Bill for an Act Relating to Interest on Credit Cards.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 478-11, Hawaii Revised Statutes, is amended to read as follows:

"~~[[~~**§478-11**~~]]~~ **Interest; credit cards.** Notwithstanding any other provision to the contrary, the maximum rate of interest chargeable on indebtedness incurred under a credit card agreement shall not exceed eighteen per cent per year. For purposes of this section[, credit]:

- (1) Credit card means any instrument or device, whether known as a credit card, [credit] plate, coupon book, or other single credit device, [or by any other name,] issued with or without fee by an issuer for the use of the cardholder in obtaining money, goods, services, or anything else of value, from time to time, on credit[.], and
- (2) Credit card agreement means any agreement that provides primarily for the extension of credit pursuant to a cardholder's use of a credit card. An agreement providing for an overdraft line of credit does not, because a cardholder can access it through the use of a credit card, become a credit card agreement for purposes of this section.

This section shall remain in effect until June 30, 1985."

SECTION 2. Statutory material to be repealed is bracketed. New material is underscored.

SECTION 3. This Act shall take effect upon its approval.

(Approved May 27, 1982.)