COMMITTEE ON BANKING AND FINANCIAL SERVICES

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2220

(Reference to printed bill)

Strike everything after the enacting clause and insert:

"Section 1. Title 44, chapter 11, article 6, Arizona Revised Statutes, is amended by adding section 44-1698.02, to read:

44-1698.02. Security freezes; credit reports; protected consumer; fees; definitions

A. A CONSUMER REPORTING AGENCY SHALL PLACE A SECURITY FREEZE ON A PROTECTED CONSUMER'S RECORD OR CREDIT REPORT IF BOTH OF THE FOLLOWING APPLY:
   1. THE CONSUMER REPORTING AGENCY RECEIVES A REQUEST FROM THE PROTECTED CONSUMER'S REPRESENTATIVE FOR THE PLACEMENT OF THE SECURITY FREEZE.
   2. THE PROTECTED CONSUMER'S REPRESENTATIVE DOES ALL OF THE FOLLOWING:
      (a) SUBMITS THE REQUEST TO THE CONSUMER REPORTING AGENCY AT THE ADDRESS OR OTHER POINT OF CONTACT AND IN THE MANNER SPECIFIED BY THE CONSUMER REPORTING AGENCY.
      (b) PROVIDES TO THE CONSUMER REPORTING AGENCY SUFFICIENT PROOF OF IDENTIFICATION OF THE PROTECTED CONSUMER AND THE REPRESENTATIVE.
      (c) PROVIDES TO THE CONSUMER REPORTING AGENCY SUFFICIENT PROOF OF AUTHORITY TO ACT ON BEHALF OF THE PROTECTED CONSUMER.
      (d) PAYS TO THE CONSUMER REPORTING AGENCY A FEE AS PRESCRIBED IN SUBSECTION H OF THIS SECTION:

B. IF A CONSUMER REPORTING AGENCY DOES NOT HAVE A FILE PERTAINING TO A PROTECTED CONSUMER WHEN THE CONSUMER REPORTING AGENCY RECEIVES A REQUEST PURSUANT TO SUBSECTION A, PARAGRAPH 1 OF THIS SECTION, THE CONSUMER REPORTING AGENCY SHALL CREATE A RECORD FOR THE PROTECTED CONSUMER.

C. WITHIN THIRTY DAYS AFTER RECEIVING A REQUEST PURSUANT TO THIS SECTION, A CONSUMER REPORTING AGENCY SHALL PLACE A SECURITY FREEZE ON THE PROTECTED CONSUMER'S RECORD OR CREDIT REPORT.

D. UNLESS A SECURITY FREEZE IS REMOVED PURSUANT TO SUBSECTION F OR J OF THIS SECTION, A CONSUMER REPORTING AGENCY MAY NOT RELEASE THE PROTECTED CONSUMER'S CREDIT REPORT, ANY INFORMATION DERIVED FROM THE PROTECTED CONSUMER'S CREDIT REPORT OR ANY RECORD CREATED FOR THE PROTECTED CONSUMER.

E. A SECURITY FREEZE THAT IS PLACED ON A PROTECTED CONSUMER'S RECORD OR CREDIT REPORT PLACED UNDER THIS SECTION REMAINS IN EFFECT UNTIL EITHER:
1. The protected consumer or the protected consumer's representative requests that the consumer reporting agency remove the security freeze pursuant to subsection f of this section.

2. The security freeze is removed pursuant to subsection j of this section.

F. To remove a security freeze for a protected consumer, the protected consumer or the protected consumer's representative shall submit a request for the removal of the security freeze to the consumer reporting agency at the address or other point of contact and in the manner specified by the consumer reporting agency and pay a fee as prescribed in subsection h of this section. In addition:

1. If the protected consumer requested the removal of the security freeze, the protected consumer shall provide to the consumer reporting agency either of the following:

   (a) Proof that the protected consumer's representative no longer has sufficient proof of authority to act on behalf of the protected consumer.

   (b) Sufficient proof of identification of the protected consumer.

2. If the protected consumer's representative requested the removal of the security freeze on behalf of the protected consumer, the protected consumer's representative shall provide to the consumer reporting agency both of the following:

   (a) Sufficient proof of identification of the protected consumer and the representative.

   (b) Sufficient proof of authority to act on behalf of the protected consumer.

G. Within thirty days after receiving a request to remove a security freeze placed pursuant to subsection a of this section, the consumer reporting agency shall remove the security freeze for the protected consumer.

H. A consumer reporting agency may charge a reasonable fee, not exceeding twenty dollars, for each placement or removal of a security freeze on a protected consumer's record or credit report.

I. Notwithstanding subsection h of this section, a consumer reporting agency may not charge any fee under this section if either of the following applies:

1. The protected consumer's representative provides a copy of a police report to the consumer reporting agency alleging that the protected consumer has been a victim of an offense involving a violation of section 13-2008 or 13-2009.

2. A request for the placement or removal of a security freeze is for a protected consumer who is under sixteen years of age at the time of the
REQUEST AND THE CONSUMER REPORTING AGENCY HAS A CREDIT REPORT PERTAINING TO
THE PROTECTED CONSUMER.

J. A CONSUMER REPORTING AGENCY MAY REMOVE A SECURITY FREEZE FOR A
PROTECTED CONSUMER OR MAY DELETE A PROTECTED CONSUMER'S RECORD IF THE
SECURITY FREEZE WAS PLACED OR THE RECORD WAS CREATED BASED ON A MATERIAL
MISREPRESENTATION OF FACT BY THE PROTECTED CONSUMER OR THE PROTECTED
CONSUMER'S REPRESENTATIVE.

K. THE ATTORNEY GENERAL SHALL ENFORCE THIS SECTION.

L. THIS SECTION DOES NOT APPLY TO THE USE OF A PROTECTED CONSUMER'S
CREDIT REPORT OR RECORD BY ANY OF THE FOLLOWING:
1. A PERSON ADMINISTERING A CREDIT FILE MONITORING SUBSCRIPTION
SERVICE TO WHICH EITHER:
   (a) THE PROTECTED CONSUMER HAS SUBSCRIBED.
   (b) THE PROTECTED CONSUMER'S REPRESENTATIVE HAS SUBSCRIBED ON BEHALF
      OF THE PROTECTED CONSUMER.

2. A PERSON PROVIDING THE PROTECTED CONSUMER OR THE PROTECTED
   CONSUMER'S REPRESENTATIVE WITH A COPY OF THE PROTECTED CONSUMER'S CREDIT
   REPORT ON THE REQUEST OF THE PROTECTED CONSUMER OR THE PROTECTED CONSUMER'S
   REPRESENTATIVE.

3. A CHECK SERVICES OR FRAUD PREVENTION SERVICES COMPANY THAT ISSUES
   EITHER:
   (a) REPORTS ON INCIDENTS OF FRAUD.
   (b) AUTHORIZATIONS FOR THE PURPOSE OF APPROVING OR PROCESSING
       NEGOTIABLE INSTRUMENTS, ELECTRONIC FUNDS TRANSFERS OR SIMILAR PAYMENT
       METHODS.

4. A DEPOSIT ACCOUNT INFORMATION SERVICE COMPANY THAT ISSUES REPORTS
   RELATING TO ACCOUNT CLOSURES DUE TO FRAUD, SUBSTANTIAL OVERDRAFTS, AUTOMATED
   TELLER MACHINE ABUSE OR SIMILAR NEGATIVE INFORMATION ABOUT A CONSUMER TO
   INQUIRING BANKS OR OTHER FINANCIAL INSTITUTIONS FOR USE ONLY IN REVIEWING A
   CONSUMER REQUEST FOR A DEPOSIT ACCOUNT AT THE INQUIRING BANK OR FINANCIAL
   INSTITUTION.

5. AN INSURANCE COMPANY FOR THE PURPOSE OF CONDUCTING ITS ORDINARY
   BUSINESS.

6. A CONSUMER REPORTING AGENCY THAT BOTH:
   (a) ACTS ONLY TO RESELL CREDIT INFORMATION BY ASSEMBLING AND Merging
       INFORMATION CONTAINED IN A DATABASE OF ANOTHER CONSUMER REPORTING AGENCY.
   (b) DOES NOT MAINTAIN A PERMANENT DATABASE OF CREDIT INFORMATION FROM
       WHICH NEW CREDIT REPORTS ARE PRODUCED.
7. A CONSUMER REPORTING AGENCY'S DATABASE OR FILE THAT CONSISTS OF INFORMATION CONCERNING AND USED FOR ONE OR MORE OF THE FOLLOWING, BUT NOT FOR CREDIT GRANTING, PURPOSES:
(a) CRIMINAL RECORD INFORMATION.
(b) FRAUD PREVENTION OR DETECTION.
(c) PERSONAL LOSS HISTORY INFORMATION.
(d) EMPLOYMENT, TENANT OR INDIVIDUAL BACKGROUND SCREENING.
M. FOR THE PURPOSES OF THIS SECTION:
1. "PROTECTED CONSUMER" MEANS AN INDIVIDUAL WHO IS UNDER SIXTEEN YEARS OF AGE AT THE TIME A REQUEST FOR THE PLACEMENT OF A SECURITY FREEZE IS MADE OR WHO IS AN INCAPACITATED PERSON OR A PROTECTED PERSON FOR WHOM A GUARDIAN OR CONSERVATOR HAS BEEN APPOINTED.
2. "RECORD" MEANS A COMPILATION OF INFORMATION TO WHICH ALL OF THE FOLLOWING APPLY:
   (a) THE RECORD IDENTIFIES A PROTECTED CONSUMER.
   (b) THE RECORD IS CREATED BY A CONSUMER REPORTING AGENCY SOLELY FOR THE PURPOSE OF COMPLYING WITH THIS SECTION.
   (c) THE RECORD IS NOT CREATED OR USED TO CONSIDER THE PROTECTED CONSUMER'S CREDIT WORTHINESS, CREDIT STANDING, CREDIT CAPACITY, CHARACTER, GENERAL REPUTATION, PERSONAL CHARACTERISTICS OR MODE OF LIVING.
3. "REPRESENTATIVE" MEANS A PERSON WHO PROVIDES TO A CONSUMER REPORTING AGENCY SUFFICIENT PROOF OF AUTHORITY TO ACT ON BEHALF OF A PROTECTED CONSUMER.
4. "SECURITY FREEZE" MEANS:
   (a) IF A CONSUMER REPORTING AGENCY DOES NOT HAVE A FILE PERTAINING TO A PROTECTED CONSUMER, A RESTRICTION THAT IS PLACED ON THE PROTECTED CONSUMER'S RECORD AND THAT PROHIBITS THE CONSUMER REPORTING AGENCY FROM RELEASING THE PROTECTED CONSUMER'S RECORD.
   (b) IF A CONSUMER REPORTING AGENCY HAS A FILE PERTAINING TO THE PROTECTED CONSUMER, A RESTRICTION THAT IS PLACED ON THE PROTECTED CONSUMER'S CREDIT REPORT AND THAT PROHIBITS THE CONSUMER REPORTING AGENCY FROM RELEASING THE PROTECTED CONSUMER'S CREDIT REPORT OR ANY INFORMATION DERIVED FROM THE PROTECTED CONSUMER'S CREDIT REPORT.
5. "SUFFICIENT PROOF OF AUTHORITY" MEANS DOCUMENTATION THAT SHOWS A REPRESENTATIVE HAS AUTHORITY TO ACT ON BEHALF OF A PROTECTED CONSUMER AND INCLUDES:
   (a) A COURT ORDER.
   (b) A LAWFULLY EXECUTED AND VALID POWER OF ATTORNEY.
(c) A WRITTEN, NOTARIZED STATEMENT SIGNED BY A REPRESENTATIVE THAT EXPRESSELY DESCRIBES THE AUTHORITY OF THE REPRESENTATIVE TO ACT ON BEHALF OF A PROTECTED CONSUMER.

6. "SUFFICIENT PROOF OF IDENTIFICATION" MEANS INFORMATION OR DOCUMENTATION THAT IDENTIFIES A PROTECTED CONSUMER OR A REPRESENTATIVE OF A PROTECTED CONSUMER AND INCLUDES:
   (a) A SOCIAL SECURITY NUMBER OR A SOCIAL SECURITY CARD ISSUED BY THE SOCIAL SECURITY ADMINISTRATION.
   (b) A CERTIFIED OR OFFICIAL COPY OF A BIRTH CERTIFICATE ISSUED BY THE DEPARTMENT OF HEALTH SERVICES.
   (c) A DRIVER LICENSE OR A NONOPERATING IDENTIFICATION LICENSE ISSUED BY THE DEPARTMENT OF TRANSPORTATION PURSUANT TO TITLE 28, CHAPTER 8 OR ANY OTHER GOVERNMENT ISSUED IDENTIFICATION.

Sec. 2. Effective date
Section 44-1698.02, Arizona Revised Statutes, is effective from and after December 31, 2015."

Amend title to conform

and, as so amended, it do pass

KATE BROPHY McGEE
Chairman