

State of Arizona
House of Representatives
Fifty-second Legislature
First Regular Session
2015

CHAPTER 280
HOUSE BILL 2220

AN ACT

AMENDING TITLE 44, CHAPTER 11, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 44-1698.02; RELATING TO CONSUMER REPORTING AGENCIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

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

4 44-1698.02. Security freezes; credit reports; protected person;
5 fees; definitions

6 A. A CONSUMER REPORTING AGENCY SHALL PLACE A SECURITY FREEZE ON A
7 PROTECTED PERSON'S RECORD OR CREDIT REPORT IF BOTH OF THE FOLLOWING APPLY:

8 1. THE CONSUMER REPORTING AGENCY RECEIVES A REQUEST FROM THE PROTECTED
9 PERSON'S REPRESENTATIVE FOR THE PLACEMENT OF THE SECURITY FREEZE.

10 2. THE PROTECTED PERSON'S REPRESENTATIVE DOES ALL OF THE FOLLOWING:

11 (a) SUBMITS THE REQUEST TO THE CONSUMER REPORTING AGENCY AT THE
12 ADDRESS OR OTHER POINT OF CONTACT AND IN THE MANNER SPECIFIED BY THE CONSUMER
13 REPORTING AGENCY.

14 (b) PROVIDES TO THE CONSUMER REPORTING AGENCY SUFFICIENT PROOF OF
15 IDENTIFICATION OF THE PROTECTED PERSON AND THE REPRESENTATIVE.

16 (c) PROVIDES TO THE CONSUMER REPORTING AGENCY SUFFICIENT PROOF OF
17 AUTHORITY TO ACT ON BEHALF OF THE PROTECTED PERSON.

18 (d) PAYS TO THE CONSUMER REPORTING AGENCY A FEE AS PRESCRIBED IN
19 SUBSECTION H OF THIS SECTION.

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

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

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

31 E. A SECURITY FREEZE THAT IS PLACED ON A PROTECTED PERSON'S RECORD OR
32 CREDIT REPORT PLACED UNDER THIS SECTION REMAINS IN EFFECT UNTIL EITHER:

33 1. THE PROTECTED PERSON OR THE PROTECTED PERSON'S REPRESENTATIVE
34 REQUESTS THAT THE CONSUMER REPORTING AGENCY REMOVE THE SECURITY FREEZE
35 PURSUANT TO SUBSECTION F OF THIS SECTION.

36 2. THE SECURITY FREEZE IS REMOVED PURSUANT TO SUBSECTION J OF THIS
37 SECTION.

38 F. TO REMOVE A SECURITY FREEZE FOR A PROTECTED PERSON, THE PROTECTED
39 PERSON OR THE PROTECTED PERSON'S REPRESENTATIVE SHALL SUBMIT A REQUEST FOR
40 THE REMOVAL OF THE SECURITY FREEZE TO THE CONSUMER REPORTING AGENCY AT THE
41 ADDRESS OR OTHER POINT OF CONTACT AND IN THE MANNER SPECIFIED BY THE CONSUMER
42 REPORTING AGENCY AND PAY A FEE AS PRESCRIBED IN SUBSECTION H OF THIS SECTION.
43 IN ADDITION:

44 1. IF THE PROTECTED PERSON REQUESTED THE REMOVAL OF THE SECURITY
45 FREEZE, THE PROTECTED PERSON SHALL PROVIDE TO THE CONSUMER REPORTING AGENCY
46 EITHER OF THE FOLLOWING:

1 (a) PROOF THAT THE PROTECTED PERSON'S REPRESENTATIVE NO LONGER HAS
2 SUFFICIENT PROOF OF AUTHORITY TO ACT ON BEHALF OF THE PROTECTED PERSON.
3 (b) SUFFICIENT PROOF OF IDENTIFICATION OF THE PROTECTED PERSON.
4 2. IF THE PROTECTED PERSON'S REPRESENTATIVE REQUESTED THE REMOVAL OF
5 THE SECURITY FREEZE ON BEHALF OF THE PROTECTED PERSON, THE PROTECTED PERSON'S
6 REPRESENTATIVE SHALL PROVIDE TO THE CONSUMER REPORTING AGENCY BOTH OF THE
7 FOLLOWING:
8 (a) SUFFICIENT PROOF OF IDENTIFICATION OF THE PROTECTED PERSON AND THE
9 REPRESENTATIVE.
10 (b) SUFFICIENT PROOF OF AUTHORITY TO ACT ON BEHALF OF THE PROTECTED
11 PERSON.
12 G. WITHIN THIRTY DAYS AFTER RECEIVING A REQUEST TO REMOVE A SECURITY
13 FREEZE PLACED PURSUANT TO SUBSECTION A OF THIS SECTION, THE CONSUMER
14 REPORTING AGENCY SHALL REMOVE THE SECURITY FREEZE FOR THE PROTECTED PERSON.
15 H. A CONSUMER REPORTING AGENCY MAY CHARGE A FIVE DOLLAR FEE FOR EACH
16 PLACEMENT OR REMOVAL OF A SECURITY FREEZE ON A PROTECTED PERSON'S RECORD OR
17 CREDIT REPORT.
18 I. NOTWITHSTANDING SUBSECTION H OF THIS SECTION, A CONSUMER REPORTING
19 AGENCY MAY NOT CHARGE ANY FEE UNDER THIS SECTION IF EITHER OF THE FOLLOWING
20 APPLIES:
21 1. THE PROTECTED PERSON'S REPRESENTATIVE PROVIDES A COPY OF A POLICE
22 REPORT TO THE CONSUMER REPORTING AGENCY ALLEGING THAT THE PROTECTED PERSON
23 HAS BEEN A VICTIM OF AN OFFENSE INVOLVING A VIOLATION OF SECTION 13-2008 OR
24 13-2009.
25 2. A REQUEST FOR THE PLACEMENT OR REMOVAL OF A SECURITY FREEZE IS FOR
26 A PROTECTED PERSON WHO IS UNDER SIXTEEN YEARS OF AGE AT THE TIME OF THE
27 REQUEST AND THE CONSUMER REPORTING AGENCY HAS A CREDIT REPORT PERTAINING TO
28 THE PROTECTED PERSON.
29 J. A CONSUMER REPORTING AGENCY MAY REMOVE A SECURITY FREEZE FOR A
30 PROTECTED PERSON OR MAY DELETE A PROTECTED PERSON'S RECORD IF THE SECURITY
31 FREEZE WAS PLACED OR THE RECORD WAS CREATED BASED ON A MATERIAL
32 MISREPRESENTATION OF FACT BY THE PROTECTED PERSON OR THE PROTECTED PERSON'S
33 REPRESENTATIVE.
34 K. AN ACT OR PRACTICE IN VIOLATION OF THIS SECTION IS AN UNLAWFUL
35 PRACTICE UNDER SECTION 44-1522 AND IS SUBJECT TO ENFORCEMENT THROUGH A
36 PRIVATE ACTION AND BY THE ATTORNEY GENERAL. THE ATTORNEY GENERAL MAY
37 INVESTIGATE AND TAKE APPROPRIATE ACTION AS PRESCRIBED BY CHAPTER 10, ARTICLE
38 7 OF THIS TITLE. THE REMEDIES PROVIDED IN THIS SECTION ARE NOT INTENDED TO
39 BE THE EXCLUSIVE REMEDIES AVAILABLE TO A PROTECTED PERSON.
40 L. THIS SECTION DOES NOT APPLY TO THE USE OF A PROTECTED PERSON'S
41 CREDIT REPORT OR RECORD BY ANY OF THE FOLLOWING:
42 1. A PERSON ADMINISTERING A CREDIT FILE MONITORING SUBSCRIPTION
43 SERVICE TO WHICH EITHER:
44 (a) THE PROTECTED PERSON HAS SUBSCRIBED.
45 (b) THE PROTECTED PERSON'S REPRESENTATIVE HAS SUBSCRIBED ON BEHALF OF
46 THE PROTECTED PERSON.

- 1 2. A PERSON PROVIDING THE PROTECTED PERSON OR THE PROTECTED PERSON'S
2 REPRESENTATIVE WITH A COPY OF THE PROTECTED PERSON'S CREDIT REPORT ON THE
3 REQUEST OF THE PROTECTED PERSON OR THE PROTECTED PERSON'S REPRESENTATIVE.
- 4 3. A CHECK SERVICES OR FRAUD PREVENTION SERVICES COMPANY THAT ISSUES
5 EITHER:
6 (a) REPORTS ON INCIDENTS OF FRAUD.
7 (b) AUTHORIZATIONS FOR THE PURPOSE OF APPROVING OR PROCESSING
8 NEGOTIABLE INSTRUMENTS, ELECTRONIC FUNDS TRANSFERS OR SIMILAR PAYMENT
9 METHODS.
- 10 4. A DEPOSIT ACCOUNT INFORMATION SERVICE COMPANY THAT ISSUES REPORTS
11 RELATING TO ACCOUNT CLOSURES DUE TO FRAUD, SUBSTANTIAL OVERDRAFTS, AUTOMATED
12 TELLER MACHINE ABUSE OR SIMILAR NEGATIVE INFORMATION ABOUT A PROTECTED PERSON
13 TO INQUIRING BANKS OR OTHER FINANCIAL INSTITUTIONS FOR USE ONLY IN REVIEWING
14 A PROTECTED PERSON REQUEST FOR A DEPOSIT ACCOUNT AT THE INQUIRING BANK OR
15 FINANCIAL INSTITUTION.
- 16 5. AN INSURANCE COMPANY FOR THE PURPOSE OF CONDUCTING ITS ORDINARY
17 BUSINESS.
- 18 6. A CONSUMER REPORTING AGENCY THAT BOTH:
19 (a) ACTS ONLY TO RESELL CREDIT INFORMATION BY ASSEMBLING AND MERGING
20 INFORMATION CONTAINED IN A DATABASE OF ANOTHER CONSUMER REPORTING AGENCY.
21 (b) DOES NOT MAINTAIN A PERMANENT DATABASE OF CREDIT INFORMATION FROM
22 WHICH NEW CREDIT REPORTS ARE PRODUCED.
- 23 7. A CONSUMER REPORTING AGENCY'S DATABASE OR FILE THAT CONSISTS OF
24 INFORMATION CONCERNING AND USED FOR ONE OR MORE OF THE FOLLOWING, BUT NOT FOR
25 CREDIT GRANTING, PURPOSES:
26 (a) CRIMINAL RECORD INFORMATION.
27 (b) FRAUD PREVENTION OR DETECTION.
28 (c) PERSONAL LOSS HISTORY INFORMATION.
29 (d) EMPLOYMENT, TENANT OR INDIVIDUAL BACKGROUND SCREENING.
- 30 8. A GOVERNMENTAL ENTITY WHEN CARRYING OUT ITS DUTIES.
- 31 9. A PERSON, A SUBSIDIARY, AFFILIATE, AGENT OR SUBCONTRACTOR OF THAT
32 PERSON, AN ASSIGNEE OF A FINANCIAL OBLIGATION OWED BY THE PROTECTED PERSON TO
33 THAT PERSON OR A PROSPECTIVE ASSIGNEE OF A FINANCIAL OBLIGATION OWED BY THE
34 PROTECTED PERSON TO THAT PERSON IN CONJUNCTION WITH THE PROPOSED PURCHASE OF
35 THE FINANCIAL OBLIGATION WITH WHICH THE PROTECTED PERSON HAS OR HAD BEFORE
36 ASSIGNMENT AN ACCOUNT OR CONTRACT, INCLUDING A DEMAND DEPOSIT ACCOUNT, OR TO
37 WHOM THE PROTECTED PERSON ISSUED A NEGOTIABLE INSTRUMENT, FOR THE PURPOSES OF
38 REVIEWING THE ACCOUNT OR COLLECTING THE FINANCIAL OBLIGATION OWED FOR THE
39 ACCOUNT, CONTRACT OR NEGOTIABLE INSTRUMENT. FOR THE PURPOSES OF THIS
40 PARAGRAPH, "REVIEWING THE ACCOUNT" INCLUDES ACTIVITIES THAT ARE RELATED TO
41 ACCOUNT MAINTENANCE, MONITORING, CREDIT LINE INCREASES AND ACCOUNT UPGRADES
42 AND ENHANCEMENTS.
- 43 M. FOR THE PURPOSES OF THIS SECTION:
44 1. "PROTECTED PERSON" MEANS AN INDIVIDUAL WHO IS UNDER SIXTEEN YEARS
45 OF AGE AT THE TIME A REQUEST FOR THE PLACEMENT OF A SECURITY FREEZE IS MADE

1 OR WHO IS AN INCAPACITATED PERSON OR A PROTECTED PERSON FOR WHOM A GUARDIAN
2 OR CONSERVATOR HAS BEEN APPOINTED.

3 2. "RECORD" MEANS A COMPILATION OF INFORMATION TO WHICH ALL OF THE
4 FOLLOWING APPLY:

5 (a) THE RECORD IDENTIFIES A PROTECTED PERSON.

6 (b) THE RECORD IS CREATED BY A CONSUMER REPORTING AGENCY SOLELY FOR
7 THE PURPOSE OF COMPLYING WITH THIS SECTION.

8 (c) THE RECORD IS NOT CREATED OR USED TO CONSIDER THE PROTECTED
9 PERSON'S CREDIT WORTHINESS, CREDIT STANDING, CREDIT CAPACITY, CHARACTER,
10 GENERAL REPUTATION, PERSONAL CHARACTERISTICS OR MODE OF LIVING.

11 3. "REPRESENTATIVE" MEANS A PERSON WHO PROVIDES TO A CONSUMER
12 REPORTING AGENCY SUFFICIENT PROOF OF AUTHORITY TO ACT ON BEHALF OF A
13 PROTECTED PERSON.

14 4. "SECURITY FREEZE" MEANS:

15 (a) IF A CONSUMER REPORTING AGENCY DOES NOT HAVE A FILE PERTAINING TO
16 A PROTECTED PERSON, A RESTRICTION THAT IS PLACED ON THE PROTECTED PERSON'S
17 RECORD AND THAT PROHIBITS THE CONSUMER REPORTING AGENCY FROM RELEASING THE
18 PROTECTED PERSON'S RECORD.

19 (b) IF A CONSUMER REPORTING AGENCY HAS A FILE PERTAINING TO THE
20 PROTECTED PERSON, A RESTRICTION THAT IS PLACED ON THE PROTECTED PERSON'S
21 CREDIT REPORT AND THAT PROHIBITS THE CONSUMER REPORTING AGENCY FROM RELEASING
22 THE PROTECTED PERSON'S CREDIT REPORT OR ANY INFORMATION DERIVED FROM THE
23 PROTECTED PERSON'S CREDIT REPORT.

24 5. "SUFFICIENT PROOF OF AUTHORITY" MEANS DOCUMENTATION THAT SHOWS A
25 REPRESENTATIVE HAS AUTHORITY TO ACT ON BEHALF OF A PROTECTED PERSON AND
26 INCLUDES:

27 (a) A COURT ORDER.

28 (b) A LAWFULLY EXECUTED AND VALID POWER OF ATTORNEY.

29 (c) A WRITTEN, NOTARIZED STATEMENT SIGNED BY A REPRESENTATIVE THAT
30 EXPRESSLY DESCRIBES THE AUTHORITY OF THE REPRESENTATIVE TO ACT ON BEHALF OF A
31 PROTECTED PERSON.

32 6. "SUFFICIENT PROOF OF IDENTIFICATION" MEANS INFORMATION OR
33 DOCUMENTATION THAT IDENTIFIES A PROTECTED PERSON OR A REPRESENTATIVE OF A
34 PROTECTED PERSON AND INCLUDES:

35 (a) A SOCIAL SECURITY NUMBER OR A SOCIAL SECURITY CARD ISSUED BY THE
36 SOCIAL SECURITY ADMINISTRATION.

37 (b) A CERTIFIED OR OFFICIAL COPY OF A BIRTH CERTIFICATE ISSUED BY THE
38 DEPARTMENT OF HEALTH SERVICES.

39 (c) A DRIVER LICENSE OR A NONOPERATING IDENTIFICATION LICENSE ISSUED
40 BY THE DEPARTMENT OF TRANSPORTATION PURSUANT TO TITLE 28, CHAPTER 8 OR ANY
41 OTHER GOVERNMENT ISSUED IDENTIFICATION.

42 Sec. 2. Effective date

43 Section 44-1698.02, Arizona Revised Statutes, is effective from and
44 after December 31, 2015.

H.B. 2220

APPROVED BY THE GOVERNOR APRIL 13, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 14, 2015.