

REFERENCE TITLE: DCS; credit freeze; consumer reporting

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 2321

Introduced by
Representatives Gress: Carter N, Diaz, Fink, Hendrix, Livingston;
Senators Angius, Werner

AN ACT

AMENDING TITLE 8, CHAPTER 4, ARTICLE 4, ARIZONA REVISED STATUTES, BY
ADDING SECTION 8-530.10; AMENDING SECTION 44-1698.02, ARIZONA REVISED
STATUTES; RELATING TO CHILD WELFARE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 8, chapter 4, article 4, Arizona Revised Statutes,
3 is amended by adding section 8-530.10, to read:

4 8-530.10. Security freeze; credit reporting agencies;
5 children in department care; definitions

6 A. WITHIN THIRTY DAYS AFTER A CHILD ENTERS THE CARE OF THE
7 DEPARTMENT, THE CHILD'S CASEWORKER SHALL PLACE A SECURITY FREEZE ON THE
8 CHILD'S RECORD OR CREDIT REPORT PURSUANT TO SECTION 44-1698.02.

9 B. FOR THE PURPOSES OF THIS SECTION:

10 1. "RECORD" HAS THE SAME MEANING PRESCRIBED IN SECTION 44-1698.02.

11 2. "SECURITY FREEZE" HAS THE SAME MEANING PRESCRIBED IN SECTION
12 44-1698.02.

13 Sec. 2. Section 44-1698.02, Arizona Revised Statutes, is amended to
14 read:

15 44-1698.02. Protected persons; security freezes; credit
16 reports; fee prohibited; definitions

17 A. A consumer reporting agency shall place a security freeze on a
18 protected person's record or credit report if both of the following apply:

19 1. The consumer reporting agency receives a request from the
20 protected person's representative for the placement of the security
21 freeze.

22 2. The protected person's representative does all of the following:

23 (a) Submits the request to the consumer reporting agency at the
24 address or other point of contact and in the manner specified by the
25 consumer reporting agency.

26 (b) Provides to the consumer reporting agency sufficient proof of
27 identification of the protected person and the representative.

28 (c) Provides to the consumer reporting agency sufficient proof of
29 authority to act on behalf of the protected person.

30 B. If a consumer reporting agency does not have a file pertaining
31 to a protected person when the consumer reporting agency receives a
32 request pursuant to subsection A, paragraph 1 of this section, the
33 consumer reporting agency shall create a record for the protected person.

34 C. Within thirty days after receiving a request pursuant to this
35 section, a consumer reporting agency shall place a security freeze on the
36 protected person's record or credit report.

37 D. Unless a security freeze is removed pursuant to subsection F or
38 I of this section, a consumer reporting agency may not release the
39 protected person's credit report, any information derived from the
40 protected person's credit report or any record created for the protected
41 person.

42 E. A security freeze that is placed on a protected person's record
43 or credit report under this section remains in effect until either:

1 1. The protected person or the protected person's representative
2 requests that the consumer reporting agency remove the security freeze
3 pursuant to subsection F of this section.

4 2. The security freeze is removed pursuant to subsection I of this
5 section.

6 F. To remove a security freeze for a protected person, the
7 protected person or the protected person's representative shall submit a
8 request for the removal of the security freeze to the consumer reporting
9 agency at the address or other point of contact and in the manner
10 specified by the consumer reporting agency. In addition:

11 1. If the protected person ~~requested~~ REQUESTS the removal of the
12 security freeze, the protected person shall provide to the consumer
13 reporting agency either of the following:

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

16 (b) Sufficient proof of identification of the protected person.

17 2. If the protected person's representative ~~requested~~ REQUESTS the
18 removal of the security freeze on behalf of the protected person, the
19 protected person's representative shall provide to the consumer reporting
20 agency both of the following:

21 (a) Sufficient proof of identification of the protected person and
22 the representative.

23 (b) Sufficient proof of authority to act on behalf of the protected
24 person.

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

29 H. A consumer reporting agency may not charge a fee for each
30 placement or removal of a security freeze on a protected person's record
31 or credit report.

32 I. A consumer reporting agency may remove a security freeze for a
33 protected person or may delete a protected person's record if the security
34 freeze was placed or the record was created based on a material
35 misrepresentation of fact by the protected person or the protected
36 person's representative.

37 J. An act or practice in violation of this section is an unlawful
38 practice under section 44-1522 and is subject to enforcement through a
39 private action and by the attorney general. The attorney general may
40 investigate and take appropriate action as prescribed by chapter 10,
41 article 7 of this title. The remedies provided in this section are not
42 intended to be the exclusive remedies available to a protected person.

1 K. This section does not apply to the use of a protected person's
2 credit report or record by any of the following:

3 1. A person administering a credit file monitoring subscription
4 service to which either:

5 (a) The protected person has subscribed.

6 (b) The protected person's representative has subscribed on behalf
7 of the protected person.

8 2. A person providing the protected person or the protected
9 person's representative with a copy of the protected person's credit
10 report on the request of the protected person or the protected person's
11 representative.

12 3. A check services or fraud prevention services company that
13 issues either:

14 (a) Reports on incidents of fraud.

15 (b) Authorizations for the purpose of approving or processing
16 negotiable instruments, electronic funds transfers or similar payment
17 methods.

18 4. A deposit account information service company that issues
19 reports relating to account closures due to fraud, substantial
20 overdrafts, ~~OR~~ OR automated teller machine abuse or similar negative
21 information about a protected person to inquiring banks or other financial
22 institutions for use only in reviewing a protected person's request for a
23 deposit account at the inquiring bank or financial institution.

24 5. An insurance company for the purpose of conducting its ordinary
25 business.

26 6. A consumer reporting agency that both:

27 (a) Acts only to resell credit information by assembling and
28 merging information contained in a database of another consumer reporting
29 agency.

30 (b) Does not maintain a permanent database of credit information
31 from which new credit reports are produced.

32 7. A consumer reporting agency's database or file that consists of
33 information concerning and used for one or more of the following, but not
34 for credit granting, purposes:

35 (a) Criminal record information.

36 (b) Fraud prevention or detection.

37 (c) Personal loss history information.

38 (d) Employment, tenant or individual background screening.

39 8. A governmental entity when carrying out its duties.

40 9. A person, a subsidiary, affiliate, agent or subcontractor of
41 that person, an assignee of a financial obligation owed by the protected
42 person to that person or a prospective assignee of a financial obligation
43 owed by the protected person to that person in conjunction with the
44 proposed purchase of the financial obligation with which the protected
45 person has or had before assignment an account or contract, including a

demand deposit account, or to whom the protected person issued a negotiable instrument, for the purposes of reviewing the account or collecting the financial obligation owed for the account, contract or negotiable instrument. For the purposes of this paragraph, "reviewing the account" includes activities that are related to account maintenance, monitoring, credit line increases and account upgrades and enhancements.

L. For the purposes of this section:

1. "Protected person" means **ANY OF THE FOLLOWING:**

(a) 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~~

(b) An incapacitated person or a protected person for whom a guardian or conservator has been appointed.

(c) **A CHILD WHO IS IN THE CARE OF THE DEPARTMENT OF CHILD SAFETY.**

2. "Record" means a compilation of information to which all of the following apply:

(a) The record identifies a protected person.

(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 person's creditworthiness, 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 person.

4. "Security freeze" means:

(a) If a consumer reporting agency does not have a file pertaining to a protected person, a restriction that is placed on the protected person's record and that prohibits the consumer reporting agency from releasing the protected person's record.

(b) If a consumer reporting agency has a file pertaining to the protected person, a restriction that is placed on the protected person's credit report and that prohibits the consumer reporting agency from releasing the protected person's credit report or any information derived from the protected person's credit report.

5. "Sufficient proof of authority" means documentation that shows a representative has authority to act on behalf of a protected person 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 expressly describes the authority of the representative to act on behalf of a protected person.

6. "Sufficient proof of identification" means information or documentation that identifies a protected person or a representative of a protected person and includes:

- 1 (a) A social security number or a social security card issued by
- 2 the social security administration.
- 3 (b) A certified or official copy of a birth certificate issued by
- 4 the department of health services.
- 5 (c) A driver license or a nonoperating identification license
- 6 issued by the department of transportation pursuant to title 28, chapter 8
- 7 or any other ~~government-issued~~ GOVERNMENT-ISSUED identification.