

Senate Engrossed House Bill

~~DCS; credit freeze; consumer reporting~~
~~(now: DCS; credit freeze; reporting; appropriation)~~
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State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HOUSE BILL 2321

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 report; dependent children
5 in department care; parental notification;
6 definitions

7 A. WITHIN THIRTY DAYS AFTER A CHILD IS ADJUDICATED A DEPENDENT
8 CHILD AND PLACED IN THE CARE OF THE DEPARTMENT, THE DEPARTMENT SHALL PLACE
9 A SECURITY FREEZE ON THE CHILD'S RECORD OR CREDIT REPORT PURSUANT TO
10 SECTION 44-1698.02.

11 B. A SECURITY FREEZE THAT IS PLACED ON A CHILD'S RECORD OR CREDIT
12 REPORT PURSUANT TO SUBSECTION A OF THIS SECTION SHALL REMAIN IN EFFECT
13 UNTIL THE CHILD REACHES SIXTEEN YEARS OF AGE. WHEN A CHILD REACHES
14 SIXTEEN YEARS OF AGE, THE CHILD MAY ELECT TO HAVE THE SECURITY FREEZE
15 REMAIN OR TO HAVE THE SECURITY FREEZE REMOVED.

16 C. THE DEPARTMENT SHALL NOTIFY THE PARENT OR GUARDIAN OF A CHILD
17 WHEN A SECURITY FREEZE HAS BEEN PLACED ON THE CHILD'S RECORD OR CREDIT
18 REPORT AND SHALL NOTIFY THE CHILD'S PARENT OR GUARDIAN THAT A SECURITY
19 FREEZE REMAINS ON THE CHILD'S RECORD OR CREDIT REPORT WHEN THE CHILD
20 LEAVES THE CUSTODY OF THE DEPARTMENT. THE NOTIFICATION SHALL INCLUDE
21 INFORMATION ON THE PROCESS FOR REMOVING THE SECURITY FREEZE WHEN THE CHILD
22 LEAVES THE CARE OF THE DEPARTMENT.

23 D. FOR THE PURPOSES OF THIS SECTION:

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

25 2. "SECURITY FREEZE" HAS THE SAME MEANING PRESCRIBED IN SECTION
26 44-1698.02.

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

29 44-1698.02. Protected persons; security freezes; credit
30 reports; fee prohibited; definitions

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

33 1. The consumer reporting agency receives a request from the
34 protected person's representative for the placement of the security
35 freeze.

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

37 (a) Submits the request to the consumer reporting agency at the
38 address or other point of contact and in the manner specified by the
39 consumer reporting agency.

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

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

44 B. If a consumer reporting agency does not have a file pertaining
45 to a protected person when the consumer reporting agency receives a

1 request pursuant to subsection A, paragraph 1 of this section, the
2 consumer reporting agency shall create a record for the protected person.

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

6 D. Unless a security freeze is removed pursuant to subsection F or
7 I of this section, a consumer reporting agency may not release the
8 protected person's credit report, any information derived from the
9 protected person's credit report or any record created for the protected
10 person.

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

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

16 2. The security freeze is removed pursuant to subsection I of this
17 section.

18 F. To remove a security freeze for a protected person, the
19 protected person or the protected person's representative shall submit a
20 request for the removal of the security freeze to the consumer reporting
21 agency at the address or other point of contact and in the manner
22 specified by the consumer reporting agency. In addition:

23 1. If the protected person ~~requested~~ REQUESTS the removal of the
24 security freeze, the protected person shall provide to the consumer
25 reporting agency either of the following:

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

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

29 2. If the protected person's representative ~~requested~~ REQUESTS the
30 removal of the security freeze on behalf of the protected person, the
31 protected person's representative shall provide to the consumer reporting
32 agency both of the following:

33 (a) Sufficient proof of identification of the protected person and
34 the representative.

35 (b) Sufficient proof of authority to act on behalf of the protected
36 person.

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

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

44 I. A consumer reporting agency may remove a security freeze for a
45 protected person or may delete a protected person's record if the security

1 freeze was placed or the record was created based on a material
2 misrepresentation of fact by the protected person or the protected
3 person's representative.

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

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

12 1. A person administering a credit file monitoring subscription
13 service to which either:

14 (a) The protected person has subscribed.

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

17 2. A person providing the protected person or the protected
18 person's representative with a copy of the protected person's credit
19 report on the request of the protected person or the protected person's
20 representative.

21 3. A check services or fraud prevention services company that
22 issues either:

23 (a) Reports on incidents of fraud.

24 (b) Authorizations for the purpose of approving or processing
25 negotiable instruments, electronic funds transfers or similar payment
26 methods.

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

33 5. An insurance company for the purpose of conducting its ordinary
34 business.

35 6. A consumer reporting agency that both:

36 (a) Acts only to resell credit information by assembling and
37 merging information contained in a database of another consumer reporting
38 agency.

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

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

44 (a) Criminal record information.

45 (b) Fraud prevention or detection.

1 (c) Personal loss history information.

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

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

4 9. A person, a subsidiary, affiliate, agent or subcontractor of
5 that person, an assignee of a financial obligation owed by the protected
6 person to that person or a prospective assignee of a financial obligation
7 owed by the protected person to that person in conjunction with the
8 proposed purchase of the financial obligation with which the protected
9 person has or had before assignment an account or contract, including a
10 demand deposit account, or to whom the protected person issued a
11 negotiable instrument, for the purposes of reviewing the account or
12 collecting the financial obligation owed for the account, contract or
13 negotiable instrument. For the purposes of this paragraph, "reviewing the
14 account" includes activities that are related to account maintenance,
15 monitoring, credit line increases and account upgrades and enhancements.

16 L. For the purposes of this section:

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

18 (a) An individual who is under sixteen years of age at the time a
19 request for the placement of a security freeze is made. ~~or who is~~

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

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

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

25 (a) The record identifies a protected person.

26 (b) The record is created by a consumer reporting agency solely for
27 the purpose of complying with this section.

28 (c) The record is not created or used to consider the protected
29 person's creditworthiness, credit standing, credit capacity, character,
30 general reputation, personal characteristics or mode of living.

31 3. "Representative" means a person who provides to a consumer
32 reporting agency sufficient proof of authority to act on behalf of a
33 protected person.

34 4. "Security freeze" means:

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

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

1 5. "Sufficient proof of authority" means documentation that shows a
2 representative has authority to act on behalf of a protected person and
3 includes:

4 (a) A court order.

5 (b) A lawfully executed and valid power of attorney.

6 (c) A written, notarized statement signed by a representative that
7 expressly describes the authority of the representative to act on behalf
8 of a protected person.

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

12 (a) A social security number or a social security card issued by
13 the social security administration.

14 (b) A certified or official copy of a birth certificate issued by
15 the department of health services.

16 (c) A driver license or a nonoperating identification license
17 issued by the department of transportation pursuant to title 28, chapter 8
18 or any other ~~government-issued~~ GOVERNMENT-ISSUED identification.