

Senate Engrossed House Bill

FILED

MICHELE REAGAN

SECRETARY OF STATE

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:

1 1. IF THE PROTECTED PERSON REQUESTED THE REMOVAL OF THE SECURITY
2 FREEZE, THE PROTECTED PERSON SHALL PROVIDE TO THE CONSUMER REPORTING AGENCY
3 EITHER OF THE FOLLOWING:
4 (a) PROOF THAT THE PROTECTED PERSON'S REPRESENTATIVE NO LONGER HAS
5 SUFFICIENT PROOF OF AUTHORITY TO ACT ON BEHALF OF THE PROTECTED PERSON.
6 (b) SUFFICIENT PROOF OF IDENTIFICATION OF THE PROTECTED PERSON.
7 2. IF THE PROTECTED PERSON'S REPRESENTATIVE REQUESTED THE REMOVAL OF
8 THE SECURITY FREEZE ON BEHALF OF THE PROTECTED PERSON, THE PROTECTED PERSON'S
9 REPRESENTATIVE SHALL PROVIDE TO THE CONSUMER REPORTING AGENCY BOTH OF THE
10 FOLLOWING:
11 (a) SUFFICIENT PROOF OF IDENTIFICATION OF THE PROTECTED PERSON AND THE
12 REPRESENTATIVE.
13 (b) SUFFICIENT PROOF OF AUTHORITY TO ACT ON BEHALF OF THE PROTECTED
14 PERSON.
15 G. WITHIN THIRTY DAYS AFTER RECEIVING A REQUEST TO REMOVE A SECURITY
16 FREEZE PLACED PURSUANT TO SUBSECTION A OF THIS SECTION, THE CONSUMER
17 REPORTING AGENCY SHALL REMOVE THE SECURITY FREEZE FOR THE PROTECTED PERSON.
18 H. A CONSUMER REPORTING AGENCY MAY CHARGE A FIVE DOLLAR FEE FOR EACH
19 PLACEMENT OR REMOVAL OF A SECURITY FREEZE ON A PROTECTED PERSON'S RECORD OR
20 CREDIT REPORT.
21 I. NOTWITHSTANDING SUBSECTION H OF THIS SECTION, A CONSUMER REPORTING
22 AGENCY MAY NOT CHARGE ANY FEE UNDER THIS SECTION IF EITHER OF THE FOLLOWING
23 APPLIES:
24 1. THE PROTECTED PERSON'S REPRESENTATIVE PROVIDES A COPY OF A POLICE
25 REPORT TO THE CONSUMER REPORTING AGENCY ALLEGING THAT THE PROTECTED PERSON
26 HAS BEEN A VICTIM OF AN OFFENSE INVOLVING A VIOLATION OF SECTION 13-2008 OR
27 13-2009.
28 2. A REQUEST FOR THE PLACEMENT OR REMOVAL OF A SECURITY FREEZE IS FOR
29 A PROTECTED PERSON WHO IS UNDER SIXTEEN YEARS OF AGE AT THE TIME OF THE
30 REQUEST AND THE CONSUMER REPORTING AGENCY HAS A CREDIT REPORT PERTAINING TO
31 THE PROTECTED PERSON.
32 J. 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 PERSON'S
36 REPRESENTATIVE.
37 K. 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, ARTICLE
41 7 OF THIS TITLE. THE REMEDIES PROVIDED IN THIS SECTION ARE NOT INTENDED TO
42 BE THE EXCLUSIVE REMEDIES AVAILABLE TO A PROTECTED PERSON.
43 L. THIS SECTION DOES NOT APPLY TO THE USE OF A PROTECTED PERSON'S
44 CREDIT REPORT OR RECORD BY ANY OF THE FOLLOWING:

1 1. A PERSON ADMINISTERING A CREDIT FILE MONITORING SUBSCRIPTION
2 SERVICE TO WHICH EITHER:

3 (a) THE PROTECTED PERSON HAS SUBSCRIBED.

4 (b) THE PROTECTED PERSON'S REPRESENTATIVE HAS SUBSCRIBED ON BEHALF OF
5 THE PROTECTED PERSON.

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

9 3. A CHECK SERVICES OR FRAUD PREVENTION SERVICES COMPANY THAT ISSUES
10 EITHER:

11 (a) REPORTS ON INCIDENTS OF FRAUD.

12 (b) AUTHORIZATIONS FOR THE PURPOSE OF APPROVING OR PROCESSING
13 NEGOTIABLE INSTRUMENTS, ELECTRONIC FUNDS TRANSFERS OR SIMILAR PAYMENT
14 METHODS.

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

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

23 6. A CONSUMER REPORTING AGENCY THAT BOTH:

24 (a) ACTS ONLY TO RESELL CREDIT INFORMATION BY ASSEMBLING AND MERGING
25 INFORMATION CONTAINED IN A DATABASE OF ANOTHER CONSUMER REPORTING AGENCY.

26 (b) DOES NOT MAINTAIN A PERMANENT DATABASE OF CREDIT INFORMATION FROM
27 WHICH NEW CREDIT REPORTS ARE PRODUCED.

28 7. A CONSUMER REPORTING AGENCY'S DATABASE OR FILE THAT CONSISTS OF
29 INFORMATION CONCERNING AND USED FOR ONE OR MORE OF THE FOLLOWING, BUT NOT FOR
30 CREDIT GRANTING, PURPOSES:

31 (a) CRIMINAL RECORD INFORMATION.

32 (b) FRAUD PREVENTION OR DETECTION.

33 (c) PERSONAL LOSS HISTORY INFORMATION.

34 (d) EMPLOYMENT, TENANT OR INDIVIDUAL BACKGROUND SCREENING.

35 8. A GOVERNMENTAL ENTITY WHEN CARRYING OUT ITS DUTIES.

36 9. A PERSON, A SUBSIDIARY, AFFILIATE, AGENT OR SUBCONTRACTOR OF THAT
37 PERSON, AN ASSIGNEE OF A FINANCIAL OBLIGATION OWED BY THE PROTECTED PERSON TO
38 THAT PERSON OR A PROSPECTIVE ASSIGNEE OF A FINANCIAL OBLIGATION OWED BY THE
39 PROTECTED PERSON TO THAT PERSON IN CONJUNCTION WITH THE PROPOSED PURCHASE OF
40 THE FINANCIAL OBLIGATION WITH WHICH THE PROTECTED PERSON HAS OR HAD BEFORE
41 ASSIGNMENT AN ACCOUNT OR CONTRACT, INCLUDING A DEMAND DEPOSIT ACCOUNT, OR TO
42 WHOM THE PROTECTED PERSON ISSUED A NEGOTIABLE INSTRUMENT, FOR THE PURPOSES OF
43 REVIEWING THE ACCOUNT OR COLLECTING THE FINANCIAL OBLIGATION OWED FOR THE
44 ACCOUNT, CONTRACT OR NEGOTIABLE INSTRUMENT. FOR THE PURPOSES OF THIS
45 PARAGRAPH, "REVIEWING THE ACCOUNT" INCLUDES ACTIVITIES THAT ARE RELATED TO

1 ACCOUNT MAINTENANCE, MONITORING, CREDIT LINE INCREASES AND ACCOUNT UPGRADES
2 AND ENHANCEMENTS.

3 M. FOR THE PURPOSES OF THIS SECTION:

4 1. "PROTECTED PERSON" MEANS AN INDIVIDUAL WHO IS UNDER SIXTEEN YEARS
5 OF AGE AT THE TIME A REQUEST FOR THE PLACEMENT OF A SECURITY FREEZE IS MADE
6 OR WHO IS AN INCAPACITATED PERSON OR A PROTECTED PERSON FOR WHOM A GUARDIAN
7 OR CONSERVATOR HAS BEEN APPOINTED.

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

10 (a) THE RECORD IDENTIFIES A PROTECTED PERSON.

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

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

16 3. "REPRESENTATIVE" MEANS A PERSON WHO PROVIDES TO A CONSUMER
17 REPORTING AGENCY SUFFICIENT PROOF OF AUTHORITY TO ACT ON BEHALF OF A
18 PROTECTED PERSON.

19 4. "SECURITY FREEZE" MEANS:

20 (a) IF A CONSUMER REPORTING AGENCY DOES NOT HAVE A FILE PERTAINING TO
21 A PROTECTED PERSON, A RESTRICTION THAT IS PLACED ON THE PROTECTED PERSON'S
22 RECORD AND THAT PROHIBITS THE CONSUMER REPORTING AGENCY FROM RELEASING THE
23 PROTECTED PERSON'S RECORD.

24 (b) IF A CONSUMER REPORTING AGENCY HAS A FILE PERTAINING TO THE
25 PROTECTED PERSON, A RESTRICTION THAT IS PLACED ON THE PROTECTED PERSON'S
26 CREDIT REPORT AND THAT PROHIBITS THE CONSUMER REPORTING AGENCY FROM RELEASING
27 THE PROTECTED PERSON'S CREDIT REPORT OR ANY INFORMATION DERIVED FROM THE
28 PROTECTED PERSON'S CREDIT REPORT.

29 5. "SUFFICIENT PROOF OF AUTHORITY" MEANS DOCUMENTATION THAT SHOWS A
30 REPRESENTATIVE HAS AUTHORITY TO ACT ON BEHALF OF A PROTECTED PERSON AND
31 INCLUDES:

32 (a) A COURT ORDER.

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

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

37 6. "SUFFICIENT PROOF OF IDENTIFICATION" MEANS INFORMATION OR
38 DOCUMENTATION THAT IDENTIFIES A PROTECTED PERSON OR A REPRESENTATIVE OF A
39 PROTECTED PERSON AND INCLUDES:

40 (a) A SOCIAL SECURITY NUMBER OR A SOCIAL SECURITY CARD ISSUED BY THE
41 SOCIAL SECURITY ADMINISTRATION.

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

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

4 Sec. 2. Effective date

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

APPROVED BY THE GOVERNOR APRIL 13, 2015.

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

Passed the House March 4, 20 15

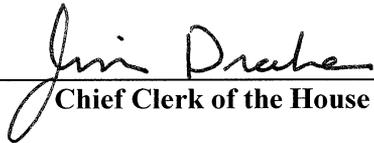
by the following vote: 37 Ayes,

23 Nays, 0 Not Voting



Speaker of the House

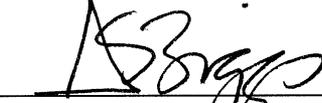
Pro Tempore


Chief Clerk of the House

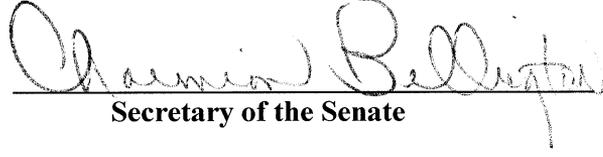
Passed the Senate March 31, 20 15

by the following vote: 29 Ayes,

0 Nays, 1 Not Voting



President of the Senate


Secretary of the Senate

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR**

This Bill received by the Governor this

_____ day of _____, 20____

at _____ o'clock _____ M.

Secretary to the Governor

Approved this _____ day of

at _____ o'clock _____ M.

Governor of Arizona

**EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE**

This Bill received by the Secretary of State

this _____ day of _____, 20____

at _____ o'clock _____ M.

Secretary of State

H.B. 2220

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

April 1, 2015,

by the following vote: 58 Ayes,

0 Nays, 2 Not Voting

[Signature]

Speaker of the House

[Signature]

Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

2nd day of April, 2015,

at 8:57 o'clock A. M.

[Signature]
Secretary to the Governor

Approved this 13th day of

April, 2015,

at 11:08 o'clock A M.

[Signature]
Governor of Arizona

H.B. 2220

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 14th day of April, 2015,

at 10:30 o'clock A M.

[Signature]
Secretary of State