

**SENATE BILL NO. 93**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

**BY SENATOR COGHILL**

**Introduced: 3/13/17**

**Referred: Labor and Commerce**

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to security freezes on the credit reports or records of incapacitated**  
2 **persons and certain minors."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **\* Section 1.** AS 45.48.220 is repealed and reenacted to read:

5 **Sec. 45.48.220. Security freeze for protected consumer.** Except as expressly  
6 referred to in AS 45.48.390, the provisions of AS 45.48.100 - 45.48.290 do not apply  
7 to a security freeze on the credit report or record of a protected consumer. In this  
8 section, "protected consumer" has the meaning given in AS 45.48.395.

9 **\* Sec. 2.** AS 45.48 is amended by adding new sections to read:

10 **Article 2A. Security Freeze for Protected Consumer.**

11 **Sec. 45.48.300. Placement of security freeze.** Except as provided in  
12 AS 45.48.310, a consumer credit reporting agency shall place a security freeze on a  
13 protected consumer's credit report if

14 (1) the consumer credit reporting agency receives a request from the

1 protected consumer's representative for the placement of the security freeze under this  
2 section; and

3 (2) the protected consumer's representative

4 (A) submits the request to the consumer credit reporting agency  
5 at the address or other point of contact of the consumer credit reporting agency  
6 and in the manner specified by the consumer credit reporting agency;

7 (B) provides to the consumer credit reporting agency sufficient  
8 proof of identification of the protected consumer;

9 (C) provides to the consumer credit reporting agency sufficient  
10 proof of identification of the protected consumer's representative and sufficient  
11 proof of authority of the protected consumer's representative to act on behalf of  
12 the protected consumer; and

13 (D) pays the consumer credit reporting agency a fee as  
14 provided in AS 45.48.380.

15 **Sec. 45.48.310. Record.** (a) If a consumer credit reporting agency does not  
16 have a credit report on a protected consumer when the consumer credit reporting  
17 agency receives a request under AS 45.48.300 that satisfies the requirements of  
18 AS 45.48.300, the consumer credit reporting agency shall create a record for the  
19 protected consumer and shall place a security freeze on the record.

20 (b) A consumer credit reporting agency may not use a protected consumer's  
21 record to consider the protected consumer's creditworthiness, credit standing, credit  
22 capacity, character, general reputation, personal characteristics, or mode of living for  
23 any permissible purpose under 15 U.S.C. 1681b.

24 **Sec. 45.48.320. Proof of identification and authority.** (a) The following  
25 information is sufficient proof of identification under AS 45.48.300:

26 (1) a social security number or a copy of the social security card issued  
27 by the United States Social Security Administration;

28 (2) a certified or official copy of a birth certificate issued by the entity  
29 authorized to issue the birth certificate;

30 (3) a copy of a driver's license or identification card issued by the  
31 Department of Administration; or

1 (4) other identification issued by an agency of the United States  
2 government, a state, or a municipality.

3 (b) The following information is sufficient proof of authority under  
4 AS 45.48.300:

5 (1) an order issued by a court; or

6 (2) a written, notarized statement that expressly describes the authority  
7 of a protected consumer's representative to act on behalf of the protected consumer  
8 and that the protected consumer's representative has signed.

9 **Sec. 45.48.330. Time of placement of security freeze.** A consumer credit  
10 reporting agency shall place a security freeze on a protected consumer's credit report  
11 or record not later than 30 days after receiving a request that meets the requirements of  
12 AS 45.48.300.

13 **Sec. 45.48.340. Operation of security freeze.** After a consumer credit  
14 reporting agency places a security freeze on a credit report or record of a protected  
15 consumer under AS 45.48.300 or 45.48.310, the consumer credit reporting agency  
16 may not release a credit report or record relating to the protected consumer or  
17 information derived from the protected consumer's credit report or record without the  
18 express permission of the protected consumer's representative or the protected  
19 consumer, unless the consumer credit reporting agency removes the security freeze  
20 under AS 45.48.360 or 45.48.370.

21 **Sec. 45.48.350. Duration of security freeze.** A security freeze on a protected  
22 consumer's credit report or record remains in effect until

23 (1) the protected consumer's representative or the protected consumer  
24 requests that the consumer credit reporting agency remove the security freeze under  
25 AS 45.48.360; or

26 (2) a consumer credit reporting agency removes the security freeze  
27 under AS 45.48.370.

28 **Sec. 45.48.360. Removal of security freeze.** (a) A protected consumer or a  
29 protected consumer's representative may remove a security freeze on a protected  
30 consumer's credit report or record if the protected consumer or protected consumer's  
31 representative

1 (1) submits a request for removal of the security freeze to the  
 2 consumer credit reporting agency at the address or other point of contact of the  
 3 reporting agency in the manner specified by the consumer credit reporting agency;

4 (2) provides to the consumer credit reporting agency,

5 (A) in the case of a request by the protected consumer,

6 (i) sufficient proof of identification of the protected  
 7 consumer; and

8 (ii) proof that the sufficient proof of authority for the  
 9 protected consumer's representative to act on behalf of the protected  
 10 consumer is no longer valid; or

11 (B) in the case of a request by the representative of a protected  
 12 consumer,

13 (i) sufficient proof of identification of the protected  
 14 consumer and the representative; and

15 (ii) sufficient proof of authority to act on behalf of the  
 16 protected consumer; and

17 (3) pays to the consumer credit reporting agency a fee under  
 18 AS 45.48.380.

19 (b) The consumer credit reporting agency shall remove the security freeze on  
 20 the protected consumer's credit report or record not later than 30 days after the date the  
 21 agency receives a request that meets the requirements of (a) of this section.

22 **Sec. 45.48.370. Effect of material misrepresentation of fact.** A consumer  
 23 credit reporting agency may remove a security freeze on a protected consumer's credit  
 24 report or record, or delete a record of a protected consumer, if the protected consumer  
 25 or the protected consumer's representative obtained the security freeze by using a  
 26 material misrepresentation of fact.

27 **Sec. 45.48.380. Charges.** (a) Except as provided in (b) of this section, a  
 28 consumer credit reporting agency may charge \$5 to place a security freeze on a  
 29 protected consumer's credit report or record. A consumer credit reporting agency may  
 30 not charge a fee to remove a security freeze from a protected consumer's credit report  
 31 or record.

1 (b) A consumer credit reporting agency may not charge a fee for the  
2 placement of a security freeze under AS 45.48.300 - 45.48.390 if

3 (1) the protected consumer's representative submits to the consumer  
4 credit reporting agency a copy of a valid police report, investigative report, or  
5 complaint involving the commission of an offense under AS 11.46.565 that involves  
6 criminal impersonation of the protected consumer; or

7 (2) when the protected consumer's representative requests a security  
8 freeze,

9 (A) the protected consumer is under 16 years of age; and

10 (B) the consumer credit reporting agency has created a credit  
11 report relating to the protected consumer.

12 **Sec. 45.48.390. Exemptions.** AS 45.48.300 - 45.48.390 do not apply to the use  
13 of a credit report or record by

14 (1) a person acting under a court order, warrant, or subpoena;

15 (2) an agency of a state or municipality that administers a program for  
16 establishing and enforcing child support obligations;

17 (3) the Department of Health and Social Services or its agents when  
18 investigating fraud;

19 (4) the Department of Revenue, its agents, or its assigns when  
20 investigating or collecting delinquent taxes or unpaid court orders or when  
21 implementing its other statutory responsibilities;

22 (5) a person administering a credit file monitoring subscription service  
23 to which the protected consumer has subscribed;

24 (6) a person providing a protected consumer with a copy of the  
25 consumer's credit report or credit score at the request of the protected consumer or the  
26 protected consumer's representative;

27 (7) a person if the database or credit report of the consumer credit  
28 reporting agency consists entirely of information concerning and used solely for one  
29 or more of the following purposes:

30 (A) criminal record information;

31 (B) personal loss history information;

- 1 (C) fraud prevention or detection;  
 2 (D) tenant screening; or  
 3 (E) employment screening;  
 4 (8) a person that provides check services or fraud prevention services  
 5 and issues  
 6 (A) reports on incidents of fraud; or  
 7 (B) authorizations for the purpose of approving or processing  
 8 negotiable instruments, electronic funds transfers, or similar payment methods;  
 9 or  
 10 (9) a person that issues reports regarding account closures because of  
 11 fraud, substantial overdrafts, automated teller machine abuse, or similar information  
 12 regarding a consumer to inquiring banks or other financial institutions solely for use  
 13 by the banks or other financial institutions to review a consumer request for a deposit  
 14 account at the inquiring bank or financial institution.

15 **Sec. 45.48.395. Definitions.** In AS 45.48.300 - 45.48.395,

- 16 (1) "consumer" has the meaning given in AS 45.48.290;  
 17 (2) "consumer credit reporting agency" has the meaning given in  
 18 AS 45.48.290;  
 19 (3) "incapacitated person" has the meaning given in AS 47.24.900;  
 20 (4) "proof of authority and identification" means the proof of authority  
 21 and identification required for a protected consumer's representative by AS 45.48.300;  
 22 (5) "protected consumer" means a person who is an incapacitated  
 23 person or under 16 years of age;  
 24 (6) "record" means the record created under AS 45.48.310;  
 25 (7) "representative" means a person who has authority to act on behalf  
 26 of a protected consumer;  
 27 (8) "security freeze" means the restriction described in AS 45.48.340  
 28 on releasing a credit report or record.

29 \* **Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to  
 30 read:

31 **TRANSITION.** A security freeze placed under AS 45.48.220, as it read on the day

- 1 before the effective date of this Act, remains in effect after the effective date of this Act and is
- 2 subject to AS 45.48.100 - 45.48.290 until the security freeze is removed under AS 45.48.140.
- 3 In this section, "security freeze" has the meaning given in AS 45.48.290.