

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4 * **Section 1.** AS 45.48.220 is repealed and reenacted to read: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

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

(2) the protected consumer's representative

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

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

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

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

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

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

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

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

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

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

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

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

(1) an order issued by a court; or

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

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

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

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

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

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

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