

SB

64

THE  
FOLLOWING  
DOCUMENT(S)  
ARE  
POOR  
ORIGINAL  
COPIES



Honorable Ralph Seekins, Chair  
Senate Judiciary Committee  
Alaska Capital, Room 125  
Juneau, AK 99801-1182

April 16, 2003

RE: SB 64 (French) - Support

Dear Chair Seekins:

On behalf of the AARP members in Alaska, we encourage you and your colleagues on the Senate Judiciary Committee to support SB 64, authored by Senator Hollis French, one of your Committee members, and co-sponsored by Senators Ellis, another Committee colleague and Senators Elton and Davis.

AARP has always recommended to our members and their families that credit reports with the three major agencies should be checked once a year. Despite what we feel is good consumer advice, we know that many people do not follow through on this annual check because of the fees involved with charges for up to \$8.50 per company. A free annual check-up will not only increase the number of people who do a check-up but it will also increase the potential of identifying identity theft earlier. As you and your Committee colleagues know, identity theft is a growing problem for people of all ages. A recent AARP Public Policy Institute analysis of FTC complaint data found that complainants age 50 and over were more likely to report a number of different identity crimes than complainants of all ages.

Credit reports and the ability for a consumer to access them at no cost will contribute to the ability of an individual to exercise control over the disclosure and subsequent uses of their personal information. AARP believes this is an essential component for good consumer protection. When you pass SB 64 you will help reduce the vulnerability of older Alaskans to fraud and unfair and deceptive marketing practices. With the widespread use of credit reports and credit scoring and other risk-based pricing models, SB 64 will help the individual consumer assure fair pricing and terms for credit and insurance, as well as access to rental housing and employment opportunities.

AARP urges an "AYE" vote on SB 64.

Should you have any questions about our position, please feel free to contact Marie Darlin (907.586.3637), Coordinator of the AARP Capitol City Task Force; Patrick Luby (907.762.3314), AARP Legislative Representative; or me (907.245.5259).

Thank you for your consideration.

Sincerely,

*Marguerite Stetson*

Marguerite Stetson  
AARP Alaska  
Executive Council Member for Advocacy  
3009 Northwood Street  
Anchorage, AK 99517-1871  
907.245.5259 voice  
907.245.5279 fax  
[ffmas@aurora.uaf.edu](mailto:ffmas@aurora.uaf.edu)

Marguerite Stetson  
AARP Alaska  
Executive Council Member  
3009 Northwood Street  
Anchorage, AK 99517-1871  
907.245.5259 voice  
907.245.5279 fax

cc: Vice-Chair Scott Ogan  
Senator Gene Therriault  
Senator Bettye Davis  
Senator Hollis French  
Senator Johnny Ellis  
Senator Kim Elton  
Marie Darlin  
Patrick Luby

*SB 64 - An Act requiring certain consumer reporting agencies to provide individuals with certain information without charge*

**SPONSOR STATEMENT**

---

Identity theft is a growing problem both in our state and nationally. **SB 64 - "An Act requiring certain consumer reporting agencies to provide individuals with certain information without charge"** will provide Alaskans with an additional way to help protect themselves from identity theft and from the negative impacts of inaccurate credit reports.

Having your identity stolen is a devastating experience. More than 750,000 people may be victims of identity theft this year, and each will spend countless hours and, on average, more than \$1,000 to repair the damage done to his or her reputation and finances. Long after the initial damage is done, victims of identity theft continue to be turned down for loans, credit, and jobs. They are often made to feel like they are guilty parties and not, as is truly the case, the victims of a crime.

The first indication many consumers have that they have been the victim of identity theft is when problems crop up with their credit. Regularly reviewing one's own credit report is an easy way to stop identity theft in its early stages. Providing Alaskan consumers with one free credit report per year will help not only consumers but also the many, many businesses that extend credit. Minimizing the losses to the business community through identity theft is one aim of this legislation.

Businesses inspect consumers' credit histories when they evaluate applications for credit, insurance, employment, and even leases. Individuals' credit histories are recorded in files or records maintained by credit reporting agencies, which sell the reports. A credit record contains information about a person's income, debts, and credit payment history. It also indicates whether the person has been sued, been arrested, or filed for bankruptcy. If that information is incorrect, whether as a result of identity theft, fraud, or mistakes made by the consumer reporting agency, a consumer can suffer.

**SB 64** will require consumer reporting agencies that maintain files on Alaskans to provide an individual with a free copy of his or her file (including all consumer credit reports) once annually, upon request. In passing this legislation, Alaska will join six other states whose legislatures have taken strong action to help consumers protect and, if necessary, correct, their credit ratings.

A M E N D M E N T

OFFERED IN THE SENATE

BY SENATOR FRENCH

TO: SB 64

1 Page 1, line 1:

2 Delete "requiring certain consumer reporting agencies to provide"

3 Insert "relating to a requirement that certain consumer reporting agencies  
4 provide"

5

6 Page 1, following line 9:

7 Insert a new subsection to read:

8 "(b) The provisions of (a) of this section may not be interpreted to require a  
9 person doing business to provide an individual with a notice of the individual's rights  
10 under (a) of this section."

11

12 Reletter the following subsection accordingly.

*SB 64 - An Act requiring certain consumer reporting agencies to provide individuals with certain information without charge*

**SECTIONAL ANALYSIS**

---

**Section 1.** (a) Requires a consumer reporting agency that maintains a file on an individual who is a resident of Alaska to provide the individual with a free copy of the individual's file, including all consumer credit reports, upon request. One free report is required per year.

(b) Defines "consumer reporting agency" and "file."

**Section 2.** Adds violation of this Act to list of violations in AS 45.50.471(b), "unfair methods of competition" and "unfair or deceptive acts or practices."

# FISCAL NOTE

STATE OF ALASKA  
2003 LEGISLATIVE SESSION

Fiscal Note Number: 2  
Bill Version: SB 64  
(S) Publish Date: 4/4/03

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: Law  
Title "...requiring certain consumer reporting agencies BRU Civil Division  
to provide individuals with certain reports without charge." Component Fair Business Practices  
Sponsor Senator French  
Requester Senate Labor and Commerce Component No. 2206

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0  
Check this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This bill requires consumer reporting agencies who maintain a file on an individual who is an Alaska resident to provide a complete copy of that file, including consumer credit reports, to the individual once a year without charge. Failure to do so is an unlawful act under the unfair trade practices and consumer protection statutes.

The Department of Law's Consumer Protection unit anticipates any increased enforcement workload from passage of this bill could be handled by existing staff.

Prepared by: Joan M. Kasson Phone (907) 465-5370  
Division Attorney General's Office Date/Time 2/18/03 3:25 PM  
Approved by: Kathryn Daughettee for Gregg D. Renkes, Attorney General Date 2/18/2003  
Agency Department of Law

# FISCAL NOTE

STATE OF ALASKA  
2003 LEGISLATIVE SESSION

Fiscal Note Number: 1  
Bill Version: SB 64  
(S) Publish Date: 4/4/03

Revision Date/Time (Note if correction): \_\_\_\_\_ Dept. Affected: DCED  
Title Credit Information BRU Banking, Securities & Corporations(115)  
Component Banking, Securities & Corporations  
Sponsor Senator French  
Requester Senate Labor & Commerce Component No. 1233

**Expenditures/Revenues** (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
<b>TOTAL OPERATING</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

<b>CAPITAL EXPENDITURES</b>						
-----------------------------	--	--	--	--	--	--

<b>CHANGE IN REVENUES ( )</b>						
-------------------------------	--	--	--	--	--	--

**FUND SOURCE** (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
<b>TOTAL</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

Estimate of any current year (FY2003) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

**POSITIONS**

Full-time						
Part-time						
Temporary						

**ANALYSIS:** (Attach a separate page if necessary)

This legislation provides that a consumer reporting agency that maintains a file on an Alaska resident shall, at the request of that individual, provide the individual with a complete copy of the individual's file, including all consumer credit reports each calendar year without charge. This legislation does not impact the operations of this division, and there are no fiscal impacts to the department.

Prepared by: Mark Davis, Director  
Division Banking, Securities & Corporations  
Approved by: Edgar Blatchford, Commissioner  
Agency Department of Community & Economic Development

Phone 907-269-8452  
Date/Time 2/19/03 11:11 AM  
Date 2/19/2003



# Alaska State Legislature House and Senate Democrats

[www.akdemocrats.org](http://www.akdemocrats.org)

FOR IMMEDIATE RELEASE • February 7, 2003

CONTACT: Jordan Marshall • (907) 465-3842, Toll-free (888) 465-4919, Cell: 321-3682

Fax: 465-5125, [Jordan\\_Marshall@legis.state.ak.us](mailto:Jordan_Marshall@legis.state.ak.us)

## ***Free Credit Report to Help Prevent Identity Theft***

### *Putting Alaskans First 2003*

JUNEAU – Alaskan consumers could receive a free credit report annually under a bill introduced today by Senator Hollis French (D-Anchorage) and Representative Harry Crawford (D-Anchorage). SB 64 and HB 85 require consumer reporting agencies that maintain files on Alaskans to provide a free copy of an individual's file upon request.

"Identity theft is a growing problem both in our state and nationally," said Senator French. "The first indication many consumers have that they have been a victim of identity theft is when problems crop up with their credit. This legislation provides consumers with an additional way to help protect themselves. A good credit rating is valuable. It is important for individuals to check their credit files and reports regularly."

Businesses inspect consumers' credit histories when they evaluate applications for credit, insurance, employment, and even leases. Individuals' credit histories are recorded in files or reports maintained by credit reporting agencies, which sell the reports. A credit record contains information about a person's income, debts, and credit payment history. It also indicates whether the person has been sued, been arrested, or filed for bankruptcy. Indeed, credit reports are even used by insurance companies to set premium rates, in the controversial practice known as credit scoring.

"Having your identity stolen is a devastating experience. More than 750,000 people may be victims of identity theft this year, and each will spend, on average, countless hours and more than \$1,000 to repair the damage done to his or her reputation and finances. There is only one truly effective way to keep your identity clean: check your credit report at least once a year. By requiring consumer reporting agencies to provide individuals with one free report every year, this bill will help Alaskans protect their privacy and avoid the trauma and expense of discovering, too late, that their identity has been hijacked," said Crawford.

###

### ***Putting Alaskans First • Moving Alaska Forward 2003***

Sen. Bettye Davis, Sen. Johnny Ellis, Sen. Kim Elton, Sen. Lyman Hoffman, Sen. Hollis French, Sen. Gretchen Guess, Sen. Georgianna Lincoln, Sen. Donny Olson, Rep. Ethan Berkowitz, Rep. Sharon Cissna, Rep. Harry Crawford, Rep. Eric Croft, Rep. Les Gara, Rep. Max Gruenberg, Rep. David Gultenberg, Rep. Reggie Joule, Rep. Mary Kapsner, Rep. Beth Kerttula, Rep. Albert Kookesh, Rep. Carl Moses



Honorable Con Bunde, Chair  
Senate Labor and Commerce Committee  
Alaska Capital, Room 506  
Juneau, AK 99801-1182

February 17, 2003

RE: SB 64 (French) - Support

Dear Chair Bunde:

On behalf of the AARP members in Alaska, we encourage you and your colleagues on the Senate Labor and Commerce Committee to support SB 64, authored by Senator Hollis French, one of your Committee members, and co-sponsored by Senators Ellis and Elton.

AARP has always recommended to our members and their families that credit reports with the three major agencies should be checked once a year. Despite what we feel is good consumer advice, we know that many people do not follow through on this annual check because of the fees involved with charges for up to \$8.50 per company. A free annual check-up will not only increase the number of people who do a check-up but it will also increase the potential of identifying identify theft earlier. As you and your Committee colleagues know, identify theft is a growing problem for people of all ages.

AARP urges an "AYE" vote on SB 64.

Should you have any questions about our position, please feel free to contact Marie Darlin (907.586.3637), Coordinator of the AARP Capitol City Task Force; Patrick Luby (907.762.3314), AARP Legislative Representative; or me (907.245.5259).

Thank you for your consideration.

Sincerely,

*Marguerite Stetson*

Marguerite Stetson  
AARP Alaska  
Executive Council Member for Advocacy  
3009 Northwood Street  
Anchorage, AK 99517-1871  
907.245.5259 voice  
907.245.5279 fax  
[ffmas@aurora.uaf.edu](mailto:ffmas@aurora.uaf.edu)

cc: Senator Ralph Seekins  
Senator Bettye Davis  
Senator Hollis French  
Senator Johnny Ellis  
Senator Kim Elton  
Marie Darlin  
Patrick Luby



# AKPIRG

ALASKA PUBLIC INTEREST RESEARCH GROUP

WWW.AKPIRG.ORG

PO Box 101793 ♦ Anchorage, Alaska 99510-1093 ♦ Ph: (907) 278-3661 ♦ Fax: (907) 278-9300 ♦ email: akpirg@akpirg.org

February 12, 2003

## Testimony on SB 64 – Consumer Credit Reports

AkPIRG wishes to express its strong support for SB 64 (Companion HB 85), which will require consumer reporting agencies to provide, free of charge, a complete copy of an individual's file annually.

This legislation will make Alaska only the seventh state with such forward-thinking consumer protection. Credit reports and credit scores have become crucial to a person's ability to participate in the modern marketplace. Erroneous credit reports have hindered consumers from obtaining home loans, car loans and other financial tools. These errors are often difficult to correct and make consumers feel guilty until such time as they are able to prove themselves innocent.

SB 64 will be a valuable tool for consumers, allowing them to more accurately monitor their credit history in an effort to keep their record current. Accurate information will help all involved in the credit industry and should help reduce credit risks for all involved.

Consumers have the right to know what is in their credit file. A once a year option to receive this information free of charge is not an undue burden on consumer reporting agencies.

Therefore, AkPIRG urges passage and adoption of SB 64.

Thank you,

Steve Cleary  
Executive Director, AkPIRG  
278-3661