

REFERENCE TITLE: consumer reports; security freeze

State of Arizona  
House of Representatives  
Forty-eighth Legislature  
Second Regular Session  
2008

## **HB 2604**

Introduced by  
Representatives Mason, Murphy: Anderson, Boone, Driggs, Konopnicki,  
McComish, Miranda B, Nichols, Pancrazi, Pearce, Weiers JP

AN ACT

AMENDING TITLE 44, CHAPTER 11, ARTICLE 6, ARIZONA REVISED STATUTES, BY ADDING SECTION 44-1698; 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, to read:

4 44-1698. Consumer reports; security freeze; definitions

5 A. A CONSUMER MAY REQUEST IN WRITING THAT A CONSUMER REPORTING AGENCY  
6 PLACE A SECURITY FREEZE ON THE CONSUMER'S CONSUMER REPORT. THE REQUEST SHALL  
7 BE SENT BY CERTIFIED MAIL. IF A SECURITY FREEZE IS IN PLACE, A CONSUMER  
8 REPORTING AGENCY MAY NOT RELEASE INFORMATION FROM A CONSUMER'S CONSUMER  
9 REPORT TO A THIRD PARTY WITHOUT THE CONSUMER'S PRIOR EXPRESS AUTHORIZATION.  
10 THIS SUBSECTION DOES NOT PREVENT A CONSUMER REPORTING AGENCY FROM ADVISING A  
11 THIRD PARTY THAT A SECURITY FREEZE IS IN EFFECT WITH RESPECT TO THE  
12 CONSUMER'S CONSUMER REPORT.

13 B. A CONSUMER REPORTING AGENCY SHALL PLACE A SECURITY FREEZE ON A  
14 CONSUMER'S CONSUMER REPORT NO LATER THAN TEN BUSINESS DAYS AFTER RECEIVING A  
15 WRITTEN REQUEST FROM THE CONSUMER.

16 C. THE CONSUMER REPORTING AGENCY SHALL SEND A WRITTEN CONFIRMATION OF  
17 THE SECURITY FREEZE TO THE CONSUMER WITHIN TEN BUSINESS DAYS AND SHALL  
18 PROVIDE THE CONSUMER WITH A UNIQUE PERSONAL IDENTIFICATION NUMBER OR  
19 PASSWORD, OTHER THAN THE CONSUMER'S SOCIAL SECURITY NUMBER, THAT THE CONSUMER  
20 MAY USE TO PROVIDE AUTHORIZATION FOR THE RELEASE OF THE CONSUMER'S CONSUMER  
21 REPORT FOR A SPECIFIC PERIOD OF TIME.

22 D. TO ALLOW A CONSUMER REPORT TO BE ACCESSED FOR A SPECIFIC PERIOD OF  
23 TIME, THE CONSUMER SHALL CONTACT THE CONSUMER REPORTING AGENCY, SHALL REQUEST  
24 THAT THE FREEZE BE TEMPORARILY LIFTED AND SHALL PROVIDE THE FOLLOWING  
25 INFORMATION:

26 1. PROPER IDENTIFICATION.

27 2. THE UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD THAT THE  
28 CONSUMER REPORTING AGENCY PROVIDED TO THE CONSUMER.

29 3. THE PROPER INFORMATION REGARDING THE TIME PERIOD FOR WHICH THE  
30 REPORT SHALL BE AVAILABLE TO USERS OF THE CONSUMER REPORT.

31 E. A CONSUMER REPORTING AGENCY THAT RECEIVES A REQUEST FROM A CONSUMER  
32 TO TEMPORARILY LIFT A FREEZE ON A CONSUMER REPORT PURSUANT TO SUBSECTION D  
33 SHALL COMPLY WITH THE REQUEST WITHIN THREE BUSINESS DAYS AFTER RECEIVING THE  
34 REQUEST.

35 F. A CONSUMER REPORTING AGENCY MAY DEVELOP PROCEDURES INVOLVING THE  
36 USE OF TELEPHONE, FAX, INTERNET OR OTHER ELECTRONIC MEDIA TO RECEIVE AND  
37 PROCESS IN AN EXPEDITED MANNER A REQUEST FROM A CONSUMER TO TEMPORARILY LIFT  
38 A FREEZE ON A CONSUMER REPORT PURSUANT TO SUBSECTION D.

39 G. A CONSUMER REPORTING AGENCY SHALL REMOVE OR TEMPORARILY LIFT A  
40 FREEZE PLACED ON A CONSUMER'S CONSUMER REPORT ONLY IN THE FOLLOWING CASES:

41 1. ON THE CONSUMER'S REQUEST PURSUANT TO SUBSECTION D OR I.

42 2. IF THE CONSUMER'S CONSUMER REPORT WAS FROZEN DUE TO A MATERIAL  
43 MISREPRESENTATION OF FACT BY THE CONSUMER. IF A CONSUMER REPORTING AGENCY  
44 INTENDS TO REMOVE A FREEZE ON A CONSUMER'S CONSUMER REPORT PURSUANT TO THIS

1 PARAGRAPH, THE CONSUMER REPORTING AGENCY SHALL NOTIFY THE CONSUMER IN WRITING  
2 BEFORE REMOVING THE FREEZE ON THE CONSUMER'S CONSUMER REPORT.

3 H. IF A THIRD PARTY REQUESTS ACCESS TO A CONSUMER REPORT ON WHICH A  
4 SECURITY FREEZE IS IN EFFECT, THE REQUEST IS IN CONNECTION WITH AN  
5 APPLICATION FOR CREDIT OR ANY OTHER USE AND THE CONSUMER DOES NOT ALLOW THE  
6 CONSUMER'S CONSUMER REPORT TO BE ACCESSED FOR THAT SPECIFIC PERIOD OF TIME,  
7 THE THIRD PARTY MAY TREAT THE APPLICATION AS INCOMPLETE.

8 I. A SECURITY FREEZE REMAINS IN EFFECT UNTIL THE CONSUMER REQUESTS  
9 THAT THE SECURITY FREEZE BE REMOVED. A CONSUMER REPORTING AGENCY SHALL  
10 REMOVE A SECURITY FREEZE WITHIN THREE BUSINESS DAYS AFTER RECEIVING THE  
11 CONSUMER'S REQUEST FOR REMOVAL. ON REQUESTING REMOVAL, THE CONSUMER SHALL  
12 PROVIDE THE FOLLOWING INFORMATION:

13 1. PROPER IDENTIFICATION.

14 2. THE UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD THAT THE  
15 CONSUMER REPORTING AGENCY PROVIDED TO THE CONSUMER.

16 J. A CONSUMER REPORTING AGENCY SHALL REQUIRE PROPER IDENTIFICATION OF  
17 ANY PERSON WHO MAKES A REQUEST TO PLACE OR REMOVE A SECURITY FREEZE.

18 K. A CONSUMER REPORTING AGENCY MAY CHARGE A FEE OF NOT MORE THAN FIVE  
19 DOLLARS FOR EACH FREEZE, REMOVAL OF THE FREEZE OR TEMPORARY LIFT OF THE  
20 FREEZE FOR A PERIOD OF TIME. THE FIVE DOLLAR FEE MAY BE INCREASED ANNUALLY  
21 BY AN AMOUNT NOT TO EXCEED THE RETAIL CONSUMER PRICE INDEX PUBLISHED BY THE  
22 UNITED STATES BUREAU OF LABOR STATISTICS IN THE PRECEDING YEAR.

23 L. IF A SECURITY FREEZE IS IN PLACE, A CONSUMER REPORTING AGENCY SHALL  
24 NOT CHANGE A CONSUMER'S NAME, DATE OF BIRTH, SOCIAL SECURITY NUMBER OR  
25 ADDRESS IN THE CONSUMER'S CONSUMER REPORT WITHOUT SENDING A WRITTEN  
26 CONFIRMATION OF THE CHANGE TO THE CONSUMER WITHIN THIRTY DAYS AFTER THE  
27 CHANGE IS POSTED TO THE CONSUMER'S FILE. WRITTEN CONFIRMATION IS NOT  
28 REQUIRED FOR TECHNICAL MODIFICATIONS OF A CONSUMER'S OFFICIAL INFORMATION,  
29 INCLUDING NAME AND STREET ABBREVIATIONS, COMPLETE SPELLINGS OR TRANSPOSITION  
30 OF NUMBERS OR LETTERS. FOR THE PURPOSES OF ADDRESS CHANGES, THE CONSUMER  
31 REPORTING AGENCY SHALL SEND THE WRITTEN CONFIRMATION TO BOTH THE NEW ADDRESS  
32 AND THE FORMER ADDRESS.

33 M. THIS SECTION DOES NOT APPLY TO ANY OF THE FOLLOWING:

34 1. A CONSUMER REPORTING AGENCY THAT ACTS ONLY AS A RESELLER OF CREDIT  
35 INFORMATION BY ASSEMBLING AND MERGING INFORMATION CONTAINED IN THE DATABASE  
36 OF ANOTHER CONSUMER REPORTING AGENCY OR MULTIPLE CONSUMER REPORTING AGENCIES  
37 AND THAT DOES NOT MAINTAIN A PERMANENT DATABASE OF CREDIT INFORMATION FROM  
38 WHICH NEW CONSUMER REPORTS ARE PRODUCED.

39 2. A PERSON OR THE PERSON'S SUBSIDIARY, AFFILIATE, AGENT OR ASSIGNEE  
40 WITH WHOM THE CONSUMER HAS OR, PRIOR TO ASSIGNMENT, HAD AN ACCOUNT, CONTRACT  
41 OR DEBTOR CREDITOR RELATIONSHIP FOR THE PURPOSES OF REVIEWING THE ACCOUNT OR  
42 COLLECTING THE FINANCIAL OBLIGATION OWING FOR THE ACCOUNT, CONTRACT OR DEBT.

43 3. A SUBSIDIARY, AFFILIATE, AGENT, ASSIGNEE OR PROSPECTIVE ASSIGNEE OF  
44 A PERSON TO WHOM ACCESS HAS BEEN GRANTED UNDER THE TEMPORARY LIFT OF A FREEZE

1 PURSUANT TO THIS SECTION FOR PURPOSES OF FACILITATING THE EXTENSION OF CREDIT  
2 OR OTHER PERMISSIBLE USE.

3 4. A PERSON ACTING PURSUANT TO A COURT ORDER, WARRANT OR SUBPOENA.  
4 5. A STATE OR LOCAL AGENCY THAT ADMINISTERS A PROGRAM FOR ESTABLISHING  
5 AND ENFORCING CHILD SUPPORT OBLIGATIONS.  
6 6. THE DEPARTMENT OF HEALTH SERVICES OR ITS AGENTS OR ASSIGNS ACTING  
7 TO INVESTIGATE FRAUD.  
8 7. THE DEPARTMENT OF REVENUE OR ITS AGENTS OR ASSIGNS ACTING TO  
9 INVESTIGATE OR COLLECT DELINQUENT TAXES OR UNPAID COURT ORDERS OR TO FULFILL  
10 ANY OF ITS OTHER STATUTORY RESPONSIBILITIES.  
11 8. A PERSON FOR THE PURPOSES OF PRESCREENING AS DEFINED BY THE FAIR  
12 CREDIT REPORTING ACT (P.L. 91-508; 84 STAT. 1127; 15 UNITED STATES CODE  
13 SECTIONS 1681 THROUGH 1681x).

14 9. A PERSON ADMINISTERING A CREDIT FILE MONITORING SUBSCRIPTION  
15 SERVICE TO WHICH THE CONSUMER HAS SUBSCRIBED.  
16 10. A PERSON PROVIDING A CONSUMER WITH A COPY OF THE CONSUMER'S CREDIT  
17 REPORT ON THE CONSUMER'S REQUEST.  
18 11. A PERSON SETTING OR ADJUSTING A RATE OR CLAIM OR UNDERWRITING FOR  
19 INSURANCE PURPOSES.

20 N. THE FOLLOWING ENTITIES ARE NOT REQUIRED TO PLACE A SECURITY FREEZE  
21 ON A CONSUMER REPORT:

22 1. A CHECK SERVICES OR FRAUD PREVENTION SERVICES COMPANY THAT ISSUES  
23 REPORTS ON INCIDENTS OF FRAUD OR AUTHORIZATIONS FOR THE PURPOSE OF APPROVING  
24 OR PROCESSING NEGOTIABLE INSTRUMENTS, ELECTRONIC FUNDS TRANSFERS OR SIMILAR  
25 METHODS OF PAYMENTS.  
26 2. A DEPOSIT ACCOUNT INFORMATION SERVICE COMPANY THAT ISSUES REPORTS  
27 REGARDING ACCOUNT CLOSURES DUE TO FRAUD, SUBSTANTIAL OVERDRAFTS, AUTOMATIC  
28 TELLER MACHINE ABUSE OR SIMILAR NEGATIVE INFORMATION REGARDING A CONSUMER TO  
29 INQUIRING BANKS OR OTHER FINANCIAL INSTITUTIONS FOR USE ONLY IN REVIEWING A  
30 CONSUMER REQUEST FOR A DEPOSIT ACCOUNT AT THE INQUIRING BANK OR FINANCIAL  
31 INSTITUTION.

32 O. WHEN A LAW ENFORCEMENT OFFICER RECEIVES A REPORT OF IDENTITY THEFT,  
33 THE OFFICER SHALL NOTIFY THE VICTIM ABOUT THE SECURITY FREEZE AUTHORIZED BY  
34 THIS SECTION.

35 P. FOR THE PURPOSES OF THIS SECTION:

36 1. "PROPER IDENTIFICATION" MEANS INFORMATION THAT IS GENERALLY DEEMED  
37 TO BE SUFFICIENT TO IDENTIFY A PERSON.  
38 2. "SECURITY FREEZE" MEANS A NOTICE THAT IS PLACED IN A CONSUMER'S  
39 CONSUMER REPORT, AT THE REQUEST OF THE CONSUMER, AND THAT PROHIBITS THE  
40 CONSUMER REPORTING AGENCY FROM RELEASING THE CONSUMER'S CONSUMER REPORT OR  
41 ANY INFORMATION DERIVED FROM IT WITHOUT THE EXPRESS AUTHORIZATION OF THE  
42 CONSUMER.