

**HB 3067-S - DIGEST**

(DIGEST OF PROPOSED 1ST SUBSTITUTE)

Declares an intent to enable financial institutions and merchants, to the extent permitted by federal law, to exchange information to prevent, detect, deter, and assist in the prosecution of financial fraud, bank robbery, money laundering, identity theft, and other financial crimes.

Provides immunity from liability for financial institutions and merchants who participate in a fraud alert network and who comply with the provisions of this act and the standards of use set forth in this provision as follows: (1) Access to the fraud alert network is private and limited to financial institutions, merchants, and law enforcement agencies;

(2) The sole purpose of the fraud alert network is to share information among financial institutions, merchants, and law enforcement agencies to prevent, detect, deter, and assist in the prosecution of financial crimes;

(3) Information furnished to the fraud alert network may not consist of delinquent payment information, nor may it consist of other similar evidence of a person's credit history, except in the exceptional instance where such evidence is an integral part of information provided under this act and is reasonably believed to be related to a financial crime;

(4) Information posted must be accessible only to designated employees, and the distribution of information is limited to those employees, attorneys, and agents of participants who have job-related duties relevant to the use of such information in connection with preventing, detecting, deterring, or assisting in the prosecution of financial crimes;

(5) The fraud alert network has procedures reasonably calculated to ensure the security of the information obtained;

(6) Users of the fraud alert network are informed that the information obtained from the fraud alert network may not be used to evaluate and make decisions about applications for loans, lines of credit, and credit cards;

(7) Information furnished pursuant to the fraud alert network is limited to statements of fact that the person furnishing the information reasonably believes to be true. However, in exigent circumstances, information may be furnished without such reasonable belief if the circumstances creating an emergency are described, and cautionary advice is provided regarding the limited knowledge of the person furnishing the information; and

(8) The fraud alert network has an operator that: (a) Employs procedures to promptly correct and erase information

that the operator learns is erroneous or was submitted or posted to the fraud alert network not in compliance with this section; (b) takes reasonable steps to limit access to the fraud alert network to financial institutions, merchants, and law enforcement agencies; and (c) denies access to the fraud alert network to persons who are not financial institutions, merchants, or law enforcement agencies or who do not abide by the provisions of this act.

Appropriates the sum of one million five hundred thousand dollars, or as much thereof as may be necessary, for the fiscal year ending June 30, 2007, from the general fund to the attorney general for the purposes of this act.