

HOUSE BILL REPORT

HB 2620

As Reported by House Committee On:

Insurance, Financial Services & Consumer Protection

Title: An act relating to financial information.

Brief Description: Securing credit and debit card information.

Sponsors: Representatives Hurst, Ormsby, Morrell, Roach, Rolfes, Kelley and Simpson.

Brief History:

Committee Activity:

Insurance, Financial Services & Consumer Protection: 1/22/08 [DP].

Brief Summary of Bill

- Requires the truncation of credit card and debit card numbers on electronically printed receipts that are provided to cardholders or retained by a business or retailer.

HOUSE COMMITTEE ON INSURANCE, FINANCIAL SERVICES & CONSUMER PROTECTION

Majority Report: Do pass. Signed by 8 members: Representatives Kirby, Chair; Kelley, Vice Chair; Roach, Ranking Minority Member; Hurst, Loomis, Santos, Simpson and Smith.

Staff: Jon Hedegard (786-7127).

Background:

State law provides that persons that accept credit cards for the transaction of business may only print the last five digits of the credit card number on any receipt given to the cardholder. The expiration date may not be printed. These restrictions only apply to receipts that are electronically printed and do not apply when the means of recording the number is by imprint or handwriting. There is an additional parallel requirement specific to retailers in state law.

In 2003 the federal Fair Credit Reporting Act (15 U.S.C. 1681, et seq) was modified to provide protections parallel to those in state law for the truncation of numbers on receipts provided to cardholders. The federal Fair Credit Reporting Act preempts state laws that

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conflict with the specific provisions regarding truncation of credit card or debit card numbers. It is silent on restrictions retained by persons that accept credit cards or debit cards for the transaction of business.

Summary of Bill:

"Debit card" is defined as "a card or device used to obtain money, property, labor, or services by a transaction that debits a cardholder's account, rather than extending credit."

A person that accepts credit cards or debit cards for the transaction of business may not print more than the last five numbers of an account number or print the expiration date on an electronic receipt that is retained by the person or is provided to the cardholder. This restriction does not apply if the means of recording the number is by imprint or handwriting.

A retailer that accepts credit cards or debit cards for the transaction of business may not print more than the last five numbers of an account number or print the expiration date on an electronic receipt that is retained by the person or is provided to the cardholder. This restriction does not apply if the means of recording the number is by imprint or handwriting or if the retailer processes the transaction electronically but takes additional manual measures to ensure that the card is not used fraudulently.

Appropriation: None.

Fiscal Note: Requested on January 21, 2008.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony:

(In support) This bill is part of an ongoing process to protect personal information and fight identity theft. In the past, businesses used to discard personal information and people would go through garbage and recycling cans to try to find credit card account numbers. Today, businesses are better about protecting this information. A few years ago, the law requiring the customer's copy to have truncated account numbers was passed. It made a significant difference in fighting crime. Many businesses do not print the account numbers on their receipts. This technology exists and is being used. There are some businesses that do still print the whole account number and then keep that receipt though they don't have any real need to keep it. Generally, there is no business need for that information. There are some companies that sell large items that do take some additional measures in an effort to fight fraud. The bill includes language to address the concerns of those businesses. This is a reasonable next step in fighting identity theft.

(Opposed) None.

Persons Testifying: Representative Hurst, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.