

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2859

Chapter 135, Laws of 2016

64th Legislature
2016 Regular Session

CREDIT REPORT SECURITY FREEZES

EFFECTIVE DATE: 1/1/2017

Passed by the House February 17, 2016
Yeas 98 Nays 0

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate March 1, 2016
Yeas 48 Nays 0

BRAD OWEN

President of the Senate

Approved March 31, 2016 4:34 PM

JAY INSLEE

Governor of the State of Washington

CERTIFICATE

I, Barbara Baker, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2859** as passed by House of Representatives and the Senate on the dates hereon set forth.

BARBARA BAKER

Chief Clerk

FILED

April 1, 2016

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2859

Passed Legislature - 2016 Regular Session

State of Washington 64th Legislature 2016 Regular Session

By House Business & Financial Services (originally sponsored by Representatives S. Hunt, Hudgins, and Santos)

READ FIRST TIME 02/05/16.

1 AN ACT Relating to credit report security freezes; adding new
2 sections to chapter 19.182 RCW; adding a new section to chapter 70.58
3 RCW; and providing an effective date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** A new section is added to chapter 19.182
6 RCW to read as follows:

7 The definitions in this section apply throughout this section and
8 sections 2 and 3 of this act unless the context clearly requires
9 otherwise.

10 (1) "Credit report" means a consumer report, as defined in 15
11 U.S.C. Sec. 1681a, that is used or collected to serve as a factor in
12 establishing a consumer's eligibility for credit for personal,
13 family, or household purposes.

14 (2) "Normal business hours" means Sunday through Saturday,
15 between the hours of 6:00 a.m. and 9:30 p.m. Pacific time.

16 (3) "Protected consumer" means an individual who is:

17 (a) Under the age of sixteen years old at the time a request for
18 the placement of a security freeze is made pursuant to section 2 of
19 this act; or

20 (b) Incapacitated and for whom a guardian or limited guardian has
21 been appointed.

1 (4) "Record" means a compilation of information that:
2 (a) Identifies a protected consumer;
3 (b) Is created by a consumer reporting agency solely for the
4 purpose of complying with section 2 of this act; and
5 (c) May not be created or used to consider the protected
6 consumer's credit worthiness, credit standing, credit capacity,
7 character, general reputation, personal characteristics, or mode of
8 living for any purpose listed in RCW 19.182.020.

9 (5) "Representative" means a person who provides to a consumer
10 reporting agency sufficient proof of authority to act on behalf of a
11 protected consumer.

12 (6) "Security freeze" means:
13 (a) If a consumer reporting agency does not have a file
14 pertaining to a protected consumer, a restriction that:
15 (i) Is placed on the protected consumer's record in accordance
16 with section 2 of this act; and
17 (ii) Prohibits the consumer reporting agency from releasing the
18 protected consumer's record except as provided in section 2 of this
19 act; or
20 (b) If a consumer reporting agency has a file pertaining to the
21 protected consumer, a restriction that:
22 (i) Is placed on the protected consumer's consumer report in
23 accordance with section 2 of this act; and
24 (ii) Prohibits the consumer reporting agency from releasing the
25 protected consumer's consumer report or any information derived from
26 the protected consumer's consumer report except as provided in
27 section 2 of this act.

28 (7) "Sufficient proof of authority" means documentation that
29 shows a representative has authority to act on behalf of a protected
30 consumer, including:
31 (a) An order issued by a court of law;
32 (b) A lawfully executed and valid power of attorney; and
33 (c) A written, notarized statement signed by a representative
34 that expressly describes the authority of the representative to act
35 on behalf of a protected consumer.

36 (8) "Sufficient proof of identification" means information or
37 documentation that identifies a protected consumer or a
38 representative of a protected consumer, including:
39 (a) A social security number or a copy of a social security card
40 issued by the social security administration;

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

3 (c) A copy of a driver's license, an identicard issued under RCW
4 46.20.117, or any other government-issued identification; or

5 (d) A copy of a bill, including a bill for telephone, sewer,
6 septic tank, water, electric, oil, or natural gas services, that
7 shows a name and home address.

8 NEW SECTION. **Sec. 2.** A new section is added to chapter 19.182
9 RCW to read as follows:

10 (1) A consumer reporting agency shall place a security freeze for
11 a protected consumer if:

12 (a) The consumer reporting agency receives a request from the
13 protected consumer's representative for the placement of the security
14 freeze under this section; and

15 (b) The protected consumer's representative:

16 (i) Submits the request to the consumer reporting agency at the
17 address or other point of contact and in the manner specified by the
18 consumer reporting agency;

19 (ii) Provides to the consumer reporting agency sufficient proof
20 of identification of the protected consumer and the representative;

21 (iii) Provides to the consumer reporting agency sufficient proof
22 of authority to act on behalf of the protected consumer; and

23 (iv) Pays to the consumer reporting agency a fee as provided in
24 this section.

25 (2) If a consumer reporting agency does not have a file
26 pertaining to a protected consumer when the consumer reporting agency
27 receives a request under subsection (1)(a) of this section, the
28 consumer reporting agency shall create a record for the protected
29 consumer.

30 (3) Within thirty days after receiving a request that meets the
31 requirements of subsection (1) of this section, a consumer reporting
32 agency shall place a security freeze for the protected consumer.

33 (4) Unless a security freeze for a protected consumer is removed
34 in accordance with subsection (6) or (9) of this section, a consumer
35 reporting agency may not release the protected consumer's consumer
36 report, any information derived from the protected consumer's
37 consumer report, or any record created for the protected consumer.

38 (5) A security freeze for a protected consumer placed in
39 accordance with this section shall remain in effect until:

1 (a) The protected consumer or the protected consumer's
2 representative requests the consumer reporting agency to remove the
3 security freeze in accordance with subsection (6) of this section; or

4 (b) The security freeze is removed in accordance with subsection
5 (9) of this section.

6 (6) If a protected consumer or a protected consumer's
7 representative wishes to remove a security freeze for the protected
8 consumer, the protected consumer or the protected consumer's
9 representative shall:

10 (a) Submit a request for the removal of the security freeze to
11 the consumer reporting agency at the address or other point of
12 contact and in the manner specified by the consumer reporting agency;

13 (b) Provide to the consumer reporting agency:

14 (i) In the case of a request by the protected consumer:

15 (A) Proof that the sufficient proof of authority for the
16 protected consumer's representative to act on behalf of the protected
17 consumer is no longer valid; and

18 (B) Sufficient proof of identification of the protected consumer;

19 (ii) In the case of a request by the representative of a
20 protected consumer:

21 (A) Sufficient proof of identification of the protected consumer
22 and the representative; and

23 (B) Sufficient proof of authority to act on behalf of the
24 protected consumer; and

25 (iii) In any case, pay to the consumer reporting agency a fee as
26 provided in this section.

27 (7) Within thirty days after receiving a request that meets the
28 requirements of subsection (6) of this section, the consumer
29 reporting agency shall remove the security freeze for the protected
30 consumer.

31 (8)(a) Except as provided in (b) of this subsection, a consumer
32 reporting agency may not charge a fee for any service performed under
33 this section.

34 (b) A consumer reporting agency may charge a reasonable fee, not
35 exceeding ten dollars, for each placement or removal of a security
36 freeze for a protected consumer.

37 (c) A consumer reporting agency may not charge any fee under this
38 section if:

39 (i) The protected consumer's representative:

1 (A) Has obtained a report from a federal, state, county, or local
2 law enforcement alleging identity theft in violation of RCW 9.35.020
3 against the protected consumer; and

4 (B) Provides a copy of the report to the consumer reporting
5 agency; or

6 (ii)(A) A request for the placement or removal of a security
7 freeze is for a protected consumer who is under the age of sixteen
8 years at the time of the request; and

9 (B) The consumer reporting agency has a consumer report
10 pertaining to the protected consumer.

11 (9) A consumer reporting agency may remove a security freeze for
12 a protected consumer or delete a record of a protected consumer if
13 the security freeze was placed or the record was created based on a
14 material misrepresentation of fact by the protected consumer or the
15 protected consumer's representative.

16 (10) A violation of this section is enforced in accordance with
17 RCW 19.182.170(17).

18 (11) This section does not apply to:

19 (a) Persons or transactions described in RCW 19.182.170(14)(b),
20 (c), (d), (e), (f), (h), or (i);

21 (b) Persons or transactions described in RCW 19.182.190;

22 (c) Persons or transactions described in RCW 19.182.200; or

23 (d) A person or entity that maintains, or a database used solely
24 for, the following:

25 (i) Criminal record information;

26 (ii) Personal loss history information;

27 (iii) Fraud prevention or detection;

28 (iv) Employment screening; or

29 (v) Tenant screening.

30 NEW SECTION. **Sec. 3.** A new section is added to chapter 70.58
31 RCW to read as follows:

32 The issuer of a certified birth certificate shall include
33 information prepared by the department setting forth the advisability
34 of a security freeze under section 2 of this act and the process for
35 acquiring a security freeze.

36 NEW SECTION. **Sec. 4.** This act takes effect January 1, 2017.

Passed by the House February 17, 2016.

Passed by the Senate March 1, 2016.

Approved by the Governor March 31, 2016.
Filed in Office of Secretary of State April 1, 2016.

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