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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETIETH SESSION

H. F. No. **3480**

03/08/2018 Authored by Barr, R.; Fenton; Anselmo; Daniels and Koznick
The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform
03/15/2018 Adoption of Report: Amended and re-referred to the Committee on Civil Law and Data Practices Policy

1.1 A bill for an act
1.2 relating to consumer protection; regulating security freezes on consumer reports;
1.3 providing for payment of fees; amending Minnesota Statutes 2016, section 13C.016,
1.4 subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 13C.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2016, section 13C.016, subdivision 8, is amended to read:

1.7 Subd. 8. **Fees.** (a) A consumer reporting agency may not charge a fee of \$5 for placing,
1.8 temporarily lifting, or removing a security freeze ~~unless:~~

1.9 ~~(1) the consumer is a victim of identity theft as defined in subdivision 1, paragraph (c);~~
1.10 ~~and~~

1.11 ~~(2) the consumer provides the consumer reporting agency with a valid copy of a police~~
1.12 ~~report or a police case number documenting the identity theft.~~

1.13 ~~(b) In addition to the charge, if any, permitted under paragraph (a),~~ A consumer may be
1.14 charged no more than \$5 if the consumer fails to retain the original personal identification
1.15 number given to the consumer by the agency, but the consumer may not be charged for a
1.16 onetime reissue of the same or a new personal identification number. The consumer may
1.17 be charged no more than \$5 for subsequent instances of loss of the personal identification
1.18 number.

1.19 (c) A consumer who makes a written request by mail may pay any fee charged pursuant
1.20 to this subdivision by check, money order, or credit card. A consumer who makes a request
1.21 by telephone or other electronic media may pay any fee charged pursuant to this subdivision
1.22 by credit card.

2.1 **EFFECTIVE DATE.** This section is effective the day following final enactment and
2.2 applies to security freezes placed, temporarily lifted, or removed on or after that date.

2.3 Sec. 2. **[13C.05] CONTRACT CLAUSES.**

2.4 If a consumer reporting agency reports that there has been a breach of the security system
2.5 involving consumers' personal information, as provided in section 325E.61, and the consumer
2.6 reporting agency offers additional or reduced cost security services, including but not limited
2.7 to credit monitoring services, security freezes, or security locks, then the consumer reporting
2.8 agency may not include in a contract with the consumer a clause requiring mediation,
2.9 arbitration, or any other form of alternative dispute resolution, or limiting the liability of
2.10 the consumer reporting agency in any way. Such a clause is void and unenforceable.

2.11 **EFFECTIVE DATE.** This section is effective the day following final enactment and
2.12 applies to contracts entered into on or after that date.