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State of Minnesota  
HOUSE OF REPRESENTATIVES

EIGHTY-NINTH SESSION

H. F. No. 4000

05/11/2016 Authored by Freiberg

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform

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 2014, section  
1.4 13C.016, subdivisions 1, 8.

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

1.6 Section 1. Minnesota Statutes 2014, section 13C.016, subdivision 1, is amended to read:

1.7 Subdivision 1. **Definitions.** (a) For purposes of this section and sections 13C.017 to  
1.8 13C.019, the terms defined in this section have the meanings given.

1.9 (b) "Security freeze" means a notice placed in a consumer's consumer report, at the  
1.10 request of the consumer and subject to certain exceptions, that prohibits the consumer  
1.11 reporting agency from releasing the consumer report or any information from it, in  
1.12 connection with the extension of credit or the opening of a new account, without the  
1.13 express authorization of the consumer. If a security freeze is in place, information from a  
1.14 consumer's consumer report may not be released to a third party, in connection with the  
1.15 extension of credit or the opening of an account, without prior express authorization  
1.16 from the consumer. This paragraph does not prevent a consumer reporting agency from  
1.17 advising a third party that a security freeze is in effect with respect to the consumer report.

1.18 (c) "Victim of a data breach" means a consumer who has a notice that there has  
1.19 been a breach of the security system involving the consumer's personal information,  
1.20 as provided in section 325E.61.

1.21 (d) "Victim of identity theft" means a consumer who has a copy of a valid police  
1.22 report evidencing that the consumer has alleged to be a victim of identity theft as defined  
1.23 in section 609.527.

2.1 Sec. 2. Minnesota Statutes 2014, section 13C.016, subdivision 8, is amended to read:

2.2 Subd. 8. **Fees.** (a) A consumer reporting agency may charge a fee of \$5 for placing,  
2.3 temporarily lifting, or removing a security freeze unless:

2.4 (1) the consumer is a victim of identity theft as defined in subdivision 1, paragraph  
2.5 ~~(e)~~; (d), and

2.6 ~~(2)~~ the consumer provides the consumer reporting agency with a valid copy of a  
2.7 police report or a police case number documenting the identity theft; or

2.8 (2) the consumer is a victim of a data breach as defined in subdivision 1, paragraph  
2.9 (c), and the consumer provides the consumer reporting agency with a copy of a notice that  
2.10 there has been a breach of the security system.

2.11 (b) In addition to the charge, if any, permitted under paragraph (a), a consumer  
2.12 may be charged no more than \$5 if the consumer fails to retain the original personal  
2.13 identification number given to the consumer by the agency, but the consumer may not  
2.14 be charged for a onetime reissue of the same or a new personal identification number.  
2.15 The consumer may be charged no more than \$5 for subsequent instances of loss of the  
2.16 personal identification number.

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