

Fifty-ninth
Legislative Assembly
of North Dakota

ENGROSSED HOUSE BILL NO. 1500

Introduced by

Representatives Koppelman, L. Meier, S. Meyer

Senators Syverson, Taylor, Tollefson

1 A BILL for an Act to provide for protection of victims of identity fraud; and to provide a penalty.

2 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

3 **SECTION 1. Identity fraud - Duties of consumer reporting agencies -**

4 **Enforcement - Penalty.**

- 5 1. If a consumer, as defined by the Fair Credit Reporting Act [Pub. L. 90-321; 84 Stat.
6 1127; 15 U.S.C. 1681 et seq.], submits to a consumer reporting agency, as defined
7 by that Act, a copy of a valid identity report, as defined by that Act, the consumer
8 reporting agency, within four business days of receipt of the report, shall block the
9 reporting of any information that the consumer alleges appears on the consumer's
10 credit report, as defined by that Act, as a result of identity theft defined by that Act,
11 or a violation of section 12.1-23-11. The consumer reporting agency promptly
12 shall notify the furnisher of the information that an identity theft report, as defined
13 by that Act, has been filed, that a block has been requested, and the effective date
14 of the block.
- 15 2. Consumer reporting agencies may decline to block or may rescind any block of
16 consumer information, if the consumer reporting agency reasonably determines
17 that:
- 18 a. The information was blocked in error or a block was requested by the
19 consumer in error;
- 20 b. The information was blocked, or a block was requested by the consumer, on
21 the basis of a material misrepresentation of fact by the consumer relevant to
22 the request or block; or
- 23 c. The consumer obtained possession of money or goods, services, or money
24 as a result of the blocked transaction or transactions.

- 1 3. If a block of information is declined or rescinded under this section, the consumer
2 reporting agency shall notify the consumer in the same manner as consumers are
3 notified of the reinsertion of information pursuant to the procedure in case of
4 disputed accuracy under the Fair Credit Reporting Act [Pub. L. 90-321; 84 Stat.
5 1127; 15 U.S.C. 1681 et seq.]. If a consumer reporting agency rescinds a block,
6 the presence of information in the file of a consumer before the blocking of the
7 information is not evidence of whether the consumer knew or should have known
8 that the consumer obtained possession of any goods, services, or money as a
9 result of the block.
- 10 4. A consumer reporting agency shall delete from a consumer credit report inquiries
11 for credit reports based upon credit requests that the consumer reporting agency
12 verifies were initiated as a result of identity theft as defined by the Fair Credit
13 Reporting Act [Pub. L. 90-321; 84 Stat. 1127; 15 U.S.C. 1681 et seq.] or section
14 12.1-23-11.
- 15 5. The provisions of this section do not apply to:
- 16 a. A consumer reporting agency that acts as a reseller of credit information by
17 assembling and merging information contained in the data bases of other
18 consumer reporting agencies, and that does not maintain a permanent data
19 base of credit information from which new consumer credit reports are
20 produced;
- 21 b. A check services or fraud prevention services company that issues reports on
22 incidents of fraud or authorizations for the purpose of approving or processing
23 negotiable instruments, electronic funds transfers, or similar payment
24 methods; or
- 25 c. A demand deposit account information service company that issues reports
26 regarding account closures due to fraud, substantial overdrafts, automatic
27 teller machine abuse, or similar negative information regarding a consumer to
28 inquiring banks or other financial institutions for use only in reviewing a
29 consumer request for a demand deposit account at the inquiring bank or
30 financial institution.

1 6. Except as otherwise prohibited by the Fair Credit Reporting Act [Pub. L. 90-321; 84
2 Stat. 1127; 15 U.S.C. 1681 et seq.], a violation of this section is a violation of
3 chapter 51-15. The attorney general may enforce violations of this section. The
4 attorney general, in enforcing this section, may seek all remedies and penalties in
5 chapter 51-15. The remedies, duties, prohibitions, and penalties of this section and
6 chapter 51-15 are not exclusive and are in addition to all other causes of action
7 otherwise provided by law.