

HB 2411 A STAFF MEASURE SUMMARY

Carrier: Rep. Doherty

House Committee On Business and Labor

Action Date: 02/18/19

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 9-0-2-0

Yeas: 9 - Barker, Bonham, Boshart Davis, Bynum, Clem, Doherty, Evans, Fahey, Holvey

Exc: 2 - Barreto, Boles

Fiscal: No fiscal impact

Revenue: No revenue impact

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Meeting Dates: 2/11, 2/18

WHAT THE MEASURE DOES:

Allows financial institutions to swipe driver licenses or identification cards for purpose of processing application for deposit account or loan.

ISSUES DISCUSSED:

- Current practice of copying card
- Anticipated elimination of data entry errors when cards are swiped
- Ease of completing online applications when card is swiped
- Effort to reduce printing and mailing of paper documents

EFFECT OF AMENDMENT:

Allows swiping of card by financial institutions for the purpose of processing application. Deletes proposed authority for financial institution to swipe license or card, for any purpose, with person's permission.

BACKGROUND:

"Swiping" a driver license or identification card means passing the card through a device that deciphers the information encoded in a magnetic strip or bar code. Private entities are prohibited from swiping an individual's driver license or identification card except for four purposes: to verify authenticity of document or identity of person in a non-cash, return, or refund transaction; to verify age of person buying an age-restricted good or service; to prevent fraud through use of a fraud prevention service company or system; or to transmit information to a check services company for approval of check, electronic funds transfer, or similar method of payment. Gathering the card's embedded information through swiping will reduce data entry errors and streamline the account and loan application process.

House Bill 2411-A allows financial institutions to swipe cards for the purpose of processing an application.