

HB 3080 STAFF MEASURE SUMMARY

House Committee On Business and Labor

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Meeting Dates: 2/15

WHAT THE MEASURE DOES:

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

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment.

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.

For purposes of this measure, "financial institutions" includes all FDIC-insured institutions, all credit unions, and international banking businesses.

House Bill 3080 allows financial institutions to swipe cards for the purpose of processing an application.