

HB 3080 STAFF MEASURE SUMMARY
House Committee On Business and Labor

Carrier: Rep. Post

Action Date: 03/24/21

Action: Do Pass.

Vote: 11-0-0-0

Yeas: 11 - Bonham, Boshart Davis, Breese-Iverson, Bynum, Clem, Evans, Fahey, Grayber, Holvey, Post, Witt

Fiscal: No fiscal impact

Revenue: No revenue impact

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Meeting Dates: 2/22, 3/24

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:

- Convenience and efficiency of collecting information by swiping the bar code on an Oregon driver license
- Information that financial institutions must collect prior to opening an account
- Security system requirements that financial institutions must satisfy
- Definition of "financial institution"

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 the authenticity of the identification card or identity of a 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. According to proponents, gathering the card's embedded information through swiping reduces data entry errors and streamlines the account and loan application process.

The Oregon Department of Transportation confirmed that swiping a driver license or ID card will provide only the information that is on the front of the card. There is information attached to the license and card (e.g., driving record) that are public records subject to disclosure, but that information is not available through a card swipe.

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

House Bill 3080 allows financial institutions to swipe a driver license or identification card for the purpose of collecting information to process an application.