ASSEMBLY BILL NO. 420–ASSEMBLYMEN OHRENSCHALL, PRICE AND MANENDO

MARCH 8, 1999

Referred to Committee on Commerce and Labor

SUMMARY—Prohibits requirement of secondary identification for acceptance of credit card. (BDR 52-1002)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~[omitted material]~~ is material to be omitted.

AN ACT relating to trade practices; prohibiting a seller from requiring secondary identification as a condition of accepting a credit card; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 597.940 is hereby amended to read as follows:

597.940 1. Except as otherwise provided in this subsection, a business shall not, without the customer's consent, record the account number of any of a customer's credit cards on the customer's check or draft as a condition of accepting that check or draft. This subsection does not prohibit:

(a) The business from requiring the customer to produce reasonable forms of positive identification other than a credit card, such as a driver's license or identification card, as a condition of accepting a check or draft.

(b) The business from requesting the customer to display a credit card as an indicia of creditworthiness or financial responsibility, if the only information recorded by the business concerning the credit card is the type of credit card displayed, the issuer of the card and the date the card expires.

(c) The business from requesting the customer to record the account number of his credit card on the check or draft with which payment on the credit card account is being made.

(d) The business from requesting the production of or recording of the account number of a credit card as a condition of cashing a check or draft if:

(1) The business has agreed with the issuer of the credit card to cash the checks or drafts as a service to the cardholders of the issuer;

(2) The issuer has agreed to guarantee any such check or draft so cashed; and

(3) The cardholder has given actual, apparent or implied authority for the use of his account number for this purpose.

2. Except as otherwise provided in this subsection, a business shall not, without the customer’s consent, record a customer’s telephone number on the credit card sales slip as a condition of accepting his credit card. This subsection does not:

(a) Prohibit the recordation of personal identifying information required for a special purpose incidental to the use of the credit card, such as the delivery, shipping, servicing or installation of the purchased merchandise.

(b) Apply to a transaction in which the customer receives a cash advance against his credit card or to a transaction involving the use of preprinted spaces for personal identifying information that the business accepting the credit card has a contractual obligation to record in order to complete the transaction.

(c) Apply to a transaction in which the customer’s purchase is made by the use of a device that electronically authorizes the use of the credit card and processes information relating thereto.

3. ***A business shall not require a customer to provide secondary identification as a condition to accepting a credit card tendered by the customer, if the contract between the business and the issuer of the credit card provides that presentation of the credit card is sufficient.***

4. As used in this section, unless the context otherwise requires, “credit card” has the meaning ascribed to it in NRS 205.630.

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