
SENATE BILL NO. 80—SENATORS BEERS, HORSFORD, CEGAVSKE,
TIFFANY, HARDY, AMODEI, HECK, LEE AND TOWNSEND

FEBRUARY 17, 2005

JOINT SPONSORS: ASSEMBLYMEN GIUNCHIGLIANI, SHERER,
HETTRICK, BUCKLEY, CONKLIN, ALLEN AND SIBLEY

Referred to Committee on Commerce and Labor

SUMMARY—Establishes requirements and procedures for consumers to place security alerts and security freezes in certain files maintained by credit reporting agencies. (BDR 52-284)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: 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 personal identifying information; providing that a consumer may place a security alert or security freeze in certain files maintained by a credit reporting agency; providing for certain requirements and procedures relating to a security alert or security freeze; requiring a credit reporting agency to maintain a toll-free telephone number for certain purposes; requiring a credit reporting agency to make certain disclosures relating to a security alert or security freeze; providing civil remedies; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law provides requirements for the operation of a credit reporting agency that assembles or evaluates information regarding the credit of or other information about consumers to furnish consumer reports to third parties. (Chapter 598C of NRS)

This bill allows a consumer to ask a credit reporting agency to place a security alert on his consumer report. A security alert notifies any person who requests a consumer report that the consumer may be the victim of identity theft.

This bill requires a person or company who receives notice of a security alert to take reasonable steps to verify the consumer's identity.



10 This bill also allows a consumer to ask a consumer reporting agency to place a
11 security freeze on his consumer report. A security freeze prohibits the release of a
12 consumer report without the express authorization of the consumer.

13 This bill exempts certain companies that issue reports on fraud from the
14 requirement to place security alerts or freezes on consumer records.

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

1 **Section 1.** Chapter 598C of NRS is hereby amended by adding
2 thereto the provisions set forth as sections 2 to 18, inclusive, of this
3 act.

4 **Sec. 2.** *“Security alert” means a notice that:*

5 *1. Is placed in the file of a consumer at the request of the*
6 *consumer pursuant to section 4 of this act; and*

7 *2. Informs each person who requests a consumer report*
8 *concerning the consumer that the identity of the consumer may*
9 *have been used without the consent of the consumer to*
10 *fraudulently obtain goods or services in the name of the*
11 *consumer.*

12 **Sec. 3.** *“Security freeze” means a notice that:*

13 *1. Is placed in the file of a consumer at the request of the*
14 *consumer pursuant to section 9 of this act; and*

15 *2. Prohibits a reporting agency from releasing the consumer*
16 *report of the consumer or any information from the file of the*
17 *consumer without the express authorization of the consumer.*

18 **Sec. 4.** *1. A consumer may place a security alert in his file*
19 *by making a request to the reporting agency in writing or by*
20 *telephone. At the time of the request, the consumer:*

21 *(a) Must provide to the reporting agency sufficient*
22 *identification to establish the identity of the consumer; and*

23 *(b) May include a telephone number which a person must use*
24 *to verify the identity of the consumer before that person enters into*
25 *a transaction with the consumer.*

26 *2. A reporting agency shall place a security alert in the file of*
27 *a consumer not later than the end of the next business day*
28 *following the day on which the reporting agency receives a request*
29 *from the consumer to place a security alert in his file.*

30 *3. A security alert must remain in place for at least 90*
31 *calendar days. The consumer has the right to renew the security*
32 *alert. There is no limit on the number of security alerts a*
33 *consumer may request.*

34 *4. A reporting agency shall notify each consumer who has*
35 *requested that a security alert be placed in his file of the expiration*
36 *date of the security alert.*



1 5. Upon the expiration of a security alert placed in the file of
2 a consumer, if the consumer requests in writing or by telephone, a
3 reporting agency shall provide to the consumer a free copy of his
4 consumer report. At the time of the request for a free copy of the
5 consumer report, the consumer must provide to the reporting
6 agency sufficient identification to establish the identity of the
7 consumer.

8 **Sec. 5. 1.** A reporting agency shall maintain a toll-free
9 telephone number to accept requests from consumers to place
10 security alerts in their files. Such requests must be accepted 24
11 hours a day, 7 days a week.

12 2. The toll-free telephone number, printed in a clear and
13 conspicuous manner, must be included in any disclosure by a
14 reporting agency to a consumer pursuant to the provisions of this
15 chapter.

16 **Sec. 6.** If a consumer requests that a security alert be placed
17 in his file, a reporting agency shall provide a written disclosure of
18 the rights of the consumer. The written disclosure is sufficient if it
19 is in substantially the following form:

20
21 You have a right to place a security alert in your file
22 which will warn a person requesting your consumer report
23 that your identity may have been used without your consent
24 and that the person requesting the consumer report is
25 advised, but is not required, to verify your identity before
26 issuing credit. The security alert may prevent credit, loans
27 and services from being approved in your name without
28 your consent. However, you should be aware that taking
29 advantage of this right may delay or interfere with the
30 timely approval of any subsequent request or application
31 you make regarding a new loan, credit, mortgage,
32 insurance, government services or payments, rental
33 housing, employment, investment, license, cellular
34 telephone, utilities, digital signature, Internet credit card
35 transaction or other services, including an extension of
36 credit at point of sale. If you place a security alert in your
37 file, you have a right to obtain a free copy of your consumer
38 report at the time the security alert period expires. A
39 security alert may be requested by calling the following toll-
40 free telephone number: (Insert applicable toll-free
41 telephone number).

42 **Sec. 7. 1.** Except as otherwise provided in this section, a
43 reporting agency may charge a reasonable fee, not to exceed \$8, to
44 a consumer to place a security alert in the file of the consumer.



1 2. A reporting agency may not charge the fee set forth in
2 subsection 1 to a consumer who is a victim of identity theft and
3 who submits, at the time the security alert is requested, a valid
4 copy of a police report, investigative report or complaint which the
5 consumer has filed with a law enforcement agency regarding the
6 unlawful use of the personal information of the consumer by
7 another person.

8 3. On January 1 of each year, a reporting agency may
9 increase the fee set forth in subsection 1 based proportionally on
10 changes to the Consumer Price Index of All Urban Consumers, as
11 determined by the United States Department of Labor, with
12 fractional changes rounded to the nearest 25 cents.

13 4. A reporting agency may not charge any fee to a consumer
14 to renew or revoke the security alert in the file of the consumer.

15 **Sec. 8. 1.** A reporting agency shall notify each person who
16 requests a consumer report of the existence of a security alert in
17 the file of that consumer.

18 2. A person who uses a consumer report in connection with
19 any contemplated transaction with a consumer and who receives
20 notification of the existence of a security alert in the file of that
21 consumer may not enter into the transaction with the consumer,
22 unless the person:

23 (a) Takes reasonable steps to verify the identity of the
24 consumer; and

25 (b) If the consumer has provided a telephone number for use
26 with a consumer report pursuant to paragraph (b) of subsection 1
27 of section 4 of this act, uses the telephone number provided by the
28 consumer to verify the identity of the consumer.

29 **Sec. 9. 1.** A consumer may place a security freeze in his file
30 by making a request in writing by certified mail to the reporting
31 agency. At the time of the request, the consumer must provide to
32 the reporting agency sufficient identification to establish the
33 identity of the consumer.

34 2. A reporting agency shall place a security freeze in the file
35 of a consumer not later than 5 business days after the reporting
36 agency receives a request from the consumer to place the security
37 freeze in his file.

38 3. Not later than 10 business days after the placement of the
39 security freeze in the file of the consumer, the reporting agency
40 shall send written confirmation to the consumer of the placement
41 of the security freeze in his file and provide the consumer with:

42 (a) A unique personal identification number or password,
43 which is not the social security number of the consumer, to be
44 used by the consumer to authorize the temporary release of the



1 consumer report pursuant to section 14 of this act or the removal
2 of a security freeze from the file pursuant to section 15 of this act;

3 (b) Information explaining the procedures by which a
4 consumer may contact the reporting agency to authorize the
5 temporary release of his consumer report pursuant to section 14 of
6 this act or the removal of a security freeze from his file pursuant
7 to section 15 of this act; and

8 (c) The written disclosure required pursuant to section 10 of
9 this act.

10 4. A consumer may request in writing a replacement personal
11 identification number or password. At the time of the request, the
12 consumer must provide to the reporting agency sufficient
13 identification to establish the identity of the consumer. Not later
14 than 5 business days after receiving the request, the reporting
15 agency shall provide the consumer with a new, unique personal
16 identification number or password, which is not the social security
17 number of the consumer, to be used by the consumer instead of
18 the number or password that was provided pursuant to paragraph
19 (a) of subsection 3.

20 5. Except as otherwise provided in sections 14, 15 and 16 of
21 this act, a reporting agency shall not remove a security freeze
22 placed in the file of a consumer.

23 **Sec. 10.** If a consumer requests that a security freeze be
24 placed in his file, a reporting agency shall provide a written
25 disclosure of the rights of the consumer. The written disclosure is
26 sufficient if it is in substantially the following form:

27
28 You have a right to place a security freeze in your file
29 which will prohibit a reporting agency from releasing any
30 information in your file without your express authorization.
31 A security freeze must be requested in writing by certified
32 mail. The security freeze is designed to prevent a reporting
33 agency from releasing your consumer report without your
34 consent. However, you should be aware that using a
35 security freeze to take control over who is allowed access to
36 the personal and financial information in your file may
37 delay, interfere with or prohibit the timely approval of any
38 subsequent request or application you make regarding a
39 new loan, credit, mortgage, insurance, government services
40 or payments, rental housing, employment, investment,
41 license, cellular telephone, utilities, digital signature,
42 Internet credit card transaction or other services, including
43 an extension of credit at point of sale. When you place a
44 security freeze in your file, you will be provided a personal
45 identification number or password to use if you choose to



1 *remove the security freeze from your file or to authorize the*
2 *temporary release of your consumer report for a specific*
3 *person or period after the security freeze is in place. To*
4 *provide that authorization, you must contact the reporting*
5 *agency and provide all the following:*

6 *1. Sufficient identification to verify your identity.*

7 *2. Your personal identification number or password*
8 *provided by the reporting agency.*

9 *3. A statement that you choose to remove the security*
10 *freeze from your file or that you authorize the reporting*
11 *agency to temporarily release your consumer report. If you*
12 *authorize the temporary release of your consumer report,*
13 *you must name the person who is to receive your consumer*
14 *report or the period for which your consumer report must be*
15 *available.*

16 *A reporting agency must remove the security freeze from*
17 *your file or authorize the temporary release of your*
18 *consumer report not later than 3 business days after*
19 *receiving the above information.*

20 *A security freeze does not apply to a person, or collection*
21 *agencies acting on behalf of a person, with whom you have*
22 *an existing account that requests information in your*
23 *consumer report for the purposes of reviewing or collecting*
24 *the account.*

25 **Sec. 11. 1. Except as otherwise provided in this section:**

26 *(a) A reporting agency may charge a reasonable fee, not to*
27 *exceed \$8, to a consumer to place a security freeze in his file.*

28 *(b) After a security freeze has been placed in the file of a*
29 *consumer, a reporting agency may charge a reasonable fee, not to*
30 *exceed \$8, to a consumer to temporarily release his consumer*
31 *report pursuant to section 14 of this act.*

32 *2. A reporting agency may not charge the fees set forth in*
33 *subsection 1 to a consumer who is a victim of identity theft and*
34 *who submits, at the time the security freeze is requested, a valid*
35 *copy of a police report, investigative report or complaint which the*
36 *consumer has filed with a law enforcement agency regarding the*
37 *unlawful use of the personal information of the consumer by*
38 *another person.*

39 *3. On January 1 of each year, a reporting agency may*
40 *increase the fees set forth in subsection 1 based proportionally on*
41 *changes to the Consumer Price Index of All Urban Consumers, as*
42 *determined by the United States Department of Labor, with*
43 *fractional changes rounded to the nearest 25 cents.*



1 4. A reporting agency may not charge any fee to a consumer
2 to remove a security freeze from the file of the consumer pursuant
3 to sections 15 and 16 of this act.

4 **Sec. 12.** 1. After a security freeze has been placed in the
5 file of a consumer, a reporting agency shall not make any changes
6 to the file of the consumer relating to:

7 (a) The name of the consumer;

8 (b) The date of birth of the consumer;

9 (c) The social security number of the consumer; or

10 (d) The address of the consumer,

11 ↪ unless the reporting agency sends written confirmation of the
12 change to the consumer not later than 30 calendar days after the
13 change is posted to the file of the consumer.

14 2. If the reporting agency changes the address of the
15 consumer, the reporting agency must send written confirmation of
16 the change of address to both the new address and the former
17 address of the consumer.

18 3. The provisions of this section do not require a reporting
19 agency to send written confirmation to a consumer concerning
20 technical corrections made by the reporting agency to information
21 in the file of the consumer, including, without limitation, technical
22 corrections involving the abbreviation of a name or street, the
23 transposition of numbers or letters, or the misspelling of a word.

24 **Sec. 13.** 1. Except as otherwise provided in sections 14, 15
25 and 16 of this act, if a security freeze has been placed in the file of
26 a consumer, a reporting agency shall not provide a consumer
27 report of that consumer to any person.

28 2. A reporting agency shall notify each person requesting a
29 consumer report of the existence of a security freeze in the file of
30 that consumer.

31 **Sec. 14.** 1. To authorize the temporary release of a
32 consumer report after a security freeze has been placed in the file
33 of the consumer, the consumer must contact the reporting agency
34 and request that his consumer report be temporarily released to a
35 specific person or for a specific period. At the time of the request,
36 the consumer must provide to the reporting agency:

37 (a) Sufficient identification to establish the identity of the
38 consumer;

39 (b) The personal identification number or password provided
40 by the reporting agency pursuant to paragraph (a) of subsection 3
41 of section 9 of this act; and

42 (c) Information regarding the specific person or the specific
43 period for which the consumer report must be temporarily
44 released.



2. A reporting agency that receives a request from a consumer pursuant to subsection 1 shall, not later than 3 business days after receiving the request, temporarily release the consumer report to the specific person or for the specific period requested by the consumer.

3. A reporting agency shall develop procedures for a consumer to contact the reporting agency to authorize the temporary release of his consumer report pursuant to subsection 1. These procedures may include, without limitation, the use of the telephone, facsimile machine, the Internet or other electronic media by a consumer to authorize the temporary release of his consumer report in an expedited manner.

Sec. 15. 1. To authorize the removal of a security freeze that has been placed in the file of a consumer, the consumer must contact the reporting agency and request that the security freeze be removed. At the time of the request, the consumer must provide to the reporting agency:

(a) Sufficient identification to establish the identity of the consumer; and

(b) The personal identification number or password provided by the reporting agency pursuant to paragraph (a) of subsection 3 of section 9 of this act.

2. A reporting agency that receives a request from a consumer pursuant to subsection 1 shall, not later than 3 business days after receiving the request:

(a) Remove the security freeze from the file of the consumer; and

(b) Provide written notice to the consumer that the security freeze has been removed from the file of the consumer.

3. A reporting agency shall develop procedures for a consumer to contact the reporting agency to authorize the removal of a security freeze pursuant to subsection 1. These procedures may include, without limitation, the use of a telephone, a facsimile machine, the Internet or other electronic media by a consumer to authorize the removal of a security freeze in an expedited manner.

Sec. 16. 1. A reporting agency may remove a security freeze from the file of a consumer if the reporting agency has a reasonable belief that:

(a) The security freeze was placed in the file of the consumer because of a material misrepresentation of fact by the consumer; or

(b) The consumer placed the security freeze in his file for the purposes of:

(1) Committing fraud;

(2) Committing any other act prohibited by law; or



1 (3) *Aiding and abetting any act prohibited by law.*

2 2. *If a reporting agency removes a security freeze pursuant to*
3 *subsection 1, the reporting agency shall, not later than 3 business*
4 *days after removing the security freeze, provide written notice to*
5 *the consumer that the reporting agency is removing the security*
6 *freeze.*

7 **Sec. 17.** *Notwithstanding that a security freeze has been*
8 *placed in the file of a consumer, a reporting agency may release*
9 *the consumer report of the consumer to:*

10 1. *A person with whom the consumer has an existing*
11 *business relationship for any purpose relating to that business*
12 *relationship.*

13 2. *A person to whom an account of the consumer has been*
14 *assigned for the purposes of collection.*

15 3. *A person with whom the consumer has an account or*
16 *contract or to whom the consumer has issued a negotiable*
17 *instrument, or the subsidiary, affiliate, agent, assignee or*
18 *prospective assignee of that person, for purposes relating to that*
19 *account, contract or negotiable instrument.*

20 4. *A person seeking to use information in the file of the*
21 *consumer for the purposes of prescreening pursuant to the Fair*
22 *Credit Reporting Act, 15 U.S.C. §§ 1681 et seq.*

23 5. *A subsidiary, affiliate, agent, assignee or prospective*
24 *assignee of a person to whom access has been granted pursuant to*
25 *section 14 of this act for the purposes of facilitating the extension*
26 *of credit.*

27 6. *A person seeking to provide the consumer with a copy of*
28 *the consumer report upon the request of the consumer.*

29 7. *A person administering a credit file monitoring*
30 *subscription service to which the consumer has subscribed.*

31 8. *A reporting agency which acts only as a reseller of credit*
32 *information by assembling and merging information contained in*
33 *the databases of one or more other reporting agencies and which*
34 *does not maintain any permanent databases of consumer credit*
35 *information from which new consumer reports are produced.*
36 *Such a reporting agency shall honor any security freeze placed on*
37 *a consumer report by another reporting agency.*

38 9. *A person requesting the consumer report pursuant to a*
39 *court order, warrant or subpoena.*

40 10. *A federal, state or local governmental entity, agency or*
41 *instrumentality that is acting within the scope of its authority,*
42 *including, without limitation, an agency which is seeking to collect*
43 *child support payments pursuant to Part D of Title IV of the Social*
44 *Security Act, 42 U.S.C. §§ 651 et seq.*



1 **Sec. 18.** *The following companies are not required to place a*
2 *security alert or a security freeze in the file of a consumer:*

3 1. *A check services or fraud prevention services company*
4 *which issues reports on incidents of fraud or authorizations for*
5 *the purpose of approving or processing negotiable instruments,*
6 *electronic funds transfers or similar methods of payments.*

7 2. *A deposit account information service company which*
8 *issues reports regarding account closures because of fraud,*
9 *substantial overdrafts, abuse of automatic teller machines or*
10 *similar negative information regarding a consumer to inquiring*
11 *banks or other financial institutions for use only in reviewing a*
12 *consumer request for a deposit account at the inquiring bank or*
13 *financial institution.*

14 **Sec. 19.** NRS 598C.010 is hereby amended to read as follows:

15 598C.010 As used in this chapter, unless the context otherwise
16 requires, the words and terms defined in NRS 598C.020 to
17 598C.100, inclusive, *and sections 2 and 3 of this act* have the
18 meanings ascribed to them in those sections.



