



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2013 Senate Bill 283

**Senate Substitute
Amendment 1**

Memo published: May 14, 2015

Contact: Dan Schmidt, Senior Analyst (267-7251)

Senate Bill 283 permits a representative of a protected individual to place a security freeze on the protected individual's credit report. A protected individual is defined as a person under the age of 18 (a minor), a person for whom a guardian or conservator has been appointed, or a person who has executed a durable power of attorney. A representative is a parent, guardian, or other person with legal custody of a minor, a guardian or conservator, or an agent of a person under durable power of attorney. If a protected individual does not have a credit report, a representative may request that a credit reporting agency create a record for the protected individual and treat the record in the same manner as a credit report for the purpose of placing a security freeze. When a minor reaches age 18, the credit reporting agency must remove the freeze and may only honor future freeze requests from the individual who was formerly a minor. If a representative's authority is terminated, the representative must notify the credit reporting agency and the agency must remove the freeze if no successor representative is appointed.

Senate Substitute Amendment 1 defines a protected consumer as an individual who is under 16 years of age or an individual for whom a guardian or conservator has been appointed. A representative is a person who provides sufficient proof of authority to act on behalf of a protected consumer. A representative may request a security freeze for a protected consumer by providing sufficient proof of identification for both the representative and the protected consumer. If the credit reporting agency has a file on the protected consumer, it must place a freeze on that file. If the credit reporting agency does not have a file on the consumer, it must create a security freeze by creating a record identifying the protected consumer. Following placement of a security freeze, a credit reporting agency may generally not release the protected consumer's credit report, any information derived from the credit report, or any record created for a protected consumer under the substitute amendment. The substitute amendment prescribes specific procedures for removing a security freeze placed under its provisions.

Under the substitute amendment, a credit reporting agency may charge a reasonable fee not exceeding \$10 for placing or removing security freezes provided that the request does not involve identity theft and the protected consumer under the age of 16 does not already have a credit reporting agency file. In addition, the substitute amendment creates certain exceptions to the security freeze

requirements for current law and information used for criminal records, fraud prevention, personal loss, and certain background screening purposes.

Finally, the substitute amendment creates a civil forfeiture of not more than \$1,000 per violation for an individual who violates its provisions and permits the Department of Agriculture, Trade and Consumer Protection and the Department of Justice to bring actions to enforce the requirements of the substitute amendment.

Bill History

On October 8, 2013, the Senate Committee on Financial Institutions and Rural Issues recommended adoption of Senate Substitute Amendment 1 to 2013 Senate Bill 283, by a vote of Ayes, 5; Noes, 0.

DWS:jal