



CLIFFORD OTTE

WISCONSIN STATE REPRESENTATIVE
27TH ASSEMBLY DISTRICT

May 21, 1997

TO: Members
Assembly Committee on Consumer Affairs

FROM: Representative Clifford Otte, Chair *CO*
Assembly Committee on Consumer Affairs

RE: Amendments to Assembly Bill 230

Please find herewith two amendments to AB 230 for our executive session on Thursday morning, May 22.

LRBa0477/1 Section 1 addresses a concern raised at the hearing by Mr. William E. Wilcox, (Credit Bureau of Madison, Inc.), that the lack of the proposed language might preclude the legitimate dissemination of information for purposes of a consumer report. As Mr. Wilcox suggested at the hearing, this amendment adds the words "or by" to the bill.

LRBa0477/1 Section 2 makes a technical correction inserting language that the LRB drafter has noted was left out by mistake.

LRBa0558/2 is an effort to address concerns that were brought to me after the public hearing that the bill would not allow an issuer of credit or the issuer's affiliate to offer further credit or other services of a financial institution, I have had this amendment drafted to say that an issuer or affiliate may use information that does not include marketing information for offering further credit or other financial services.

-continued-

Members, Assembly Committee on Consumer Affairs
May 21, 1997
Page Two

I am disappointed that no one brought to us at the public hearings the concerns that I am now making a good faith effort to address with LRBa0558/2.

My goal in supporting this bill is to protect you and your constituents from having information gathered about you that you no doubt feel is personal, (i.e. what you buy, what your spending habits are, where you travel, etc). Unfortunately, since this personal information is a potential gold mine for resale to marketers of other merchandise, others do not feel that your privacy should be protected.

I regret I was not able to get these amendments sooner, But as I said these concerns were brought to me late. If you have any questions about the amendments, please call the committee clerk.

Thank you.



CREDIT BUREAU OF MADISON, INC.

STATEMENT RE: 1997 ASSEMBLY BILL 230

**William E. Wilcox, MCE, President, Credit Bureau of Madison, Inc.
Also Representing Associated Credit Bureaus of Wisconsin**

I believe we all hold a common view of the need to protect the privacy of Wisconsin citizens. However, while the author's intent in attempting to protect consumer privacy is admirable, the result has the potential of bringing to a halt all consumer borrowing and lending in the State of Wisconsin.

Assembly Bill 230 is poorly drafted and a classic case of a bad proposal that just won't go away. For example, AB 230 permits disclosure to a consumer reporting agency but not by a consumer reporting agency. First introduced as 1993 AB 6 and then as June 1994 Special Session Assembly Bill 2, it is identical, word for word, to 1995 AB 223 as amended. All of these bills were defeated in the legislative process.

If AB 230 is enacted into law, Wisconsin consumers would no longer be able to purchase or refinance a home, purchase an automobile or any other major item on credit, borrow money, open a charge account or obtain any other type of credit. In most cases Wisconsin consumers would be unable to purchase insurance, rent a home or apartment or obtain certain types of employment.

Credit is granted to consumers, almost wholly, based on information obtained by the credit grantor from a consumer credit report compiled by the local credit bureau or one of the major credit repositories. Consumer credit reports DO contain personal information or data about the consumer much of which is derived from "financial transaction card transaction records." Information from financial card transaction records does become a part of each consumers personal credit history maintained by the credit bureaus.

In addition to providing a history of how a consumer has handled their credit obligations with various credit grantors, other personally identifying information is used to properly identify or verify the consumer's identity as well as the accuracy of the credit application and to help prevent fraud. Consumer credit reports DO NOT itemize specific purchases, although often times if the purchase is secured there may be a notation of the collateral, i.e. 1997 Chevrolet. While this might not be a practical example today of a financial transaction card purchase, both General Motors and Ford have launched Master or VISA Cards where credits are earned toward the future purchase of an automobile which, with today's \$100,000 credit limits, could conceivably be purchased through use of that Card.



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STATEMENT RE: 1997 ASSEMBLY BILL 230

Page 2

Very often just the name of the credit grantor appearing on the credit report may provide information regarding a consumer or their buying habits. For example: Victoria's Secret = women's lingerie, JC Penney or Younkers = clothing, Firestone = tires and batteries, Mobil = gasoline. IF THIS BASIC CREDIT AND OTHER PERSONALLY IDENTIFYING INFORMATION CAN NOT BE FURNISHED TO A POTENTIAL CREDIT GRANTOR, CREDIT WILL NOT BE EXTENDED.

We are unaware of any "abuse" in the disclosure of credit card-related information that would justify additional state regulation. A view shared by the former State Banking Commissioner, now Secretary of the Department of Financial Institutions (see attached).

We are sensitive to the privacy concerns of Wisconsin consumers and vigorously support and abide by federal law that already provides significant regulation through the Fair Credit Reporting Act (FCRA). This consumer privacy law currently places significant responsibility on credit grantors (card issuers), credit bureaus, and users of credit reports or other consumer credit information regarding the permissible purposes for which consumer credit information may be used. This privacy law is designed to prevent credit reporting agencies from releasing information about a person except for legitimate business purposes. In fact, last year congress passed the Consumer Credit Reporting Reform Act of 1996 Amendments that strengthened it even more. We also have state regulations addressing this same area.

We share the author's concern about "abuses" in the disclosure of credit card information, but we believe this proposed legislation is unnecessary and will adversely impact Wisconsin consumers and the state's economy. It will stifle the credit granting industry by imposing undue limitations on the use of credit card information which could potentially make issuing credit reports impossible.

Thank you for allowing me the opportunity to testify and express our views regarding AB 230.

09/19/94 10:31 COMM OF BANKING MADISON WI → 92578755

NO. 729 P002



101 E. Wilson St., 5th floor, PO Box 7876
Madison, Wisconsin 53707-7876
Ph: (608) 266-1621
Fax: (608) 267-6389

Memorandum

Tommy G. Thompson, Governor

Richard L. Dean, Commissioner

TO: Ms. Jody McCann, Director-BITM
Department of Administration

FROM: Mr. Richard L. Dean, Commissioner
Office of Commissioner of Banking

DATE: September 12, 1994

RE: Privacy issues

In response to Governor Thompson's and Secretary Klauser's request for information on various privacy issues, I am pleased to submit the following information for your use. I understand you will be combining the agency responses into a comprehensive report.

I believe we all hold a common view on the need to protect the privacy of Wisconsin citizens. In that light, I am pleased to share our agency's comments as they relate to "abuses in the disclosure of credit card-related information." I will also provide some observations on Secretary Klauser's request for information on possibly discontinuing the use of Social Security Numbers.

CREDIT CARD-RELATED INFORMATION DISCLOSURES

The Governor asked that I report on "abuses in the disclosure of credit card-related information including transaction records that relate to specific purchases, types of purchases, product categories or business or merchant categories."

I am unaware of any "abuses" in the disclosure of credit card-related information which would justify additional state regulation. Naturally, we are sensitive to the privacy concerns of Wisconsin consumers and as such, last year we promulgated BKG. 80.87 of the Wisconsin Administrative Code to prohibit the unauthorized disclosure of credit card numbers for any purpose.

It is important to note that while we have taken a proactive approach to addressing the privacy issues as they relate to credit card information, federal law already provides significant regulation through the Fair Credit Reporting Act (FCRA). The law currently places strict responsibility on credit grantors, credit bureaus, and users of credit reports or other consumer credit information regarding the permissible purposes for which a consumer's credit information may be used. The

09/19/94 10:31 COMM OF BANKING MADISON WI -> 92578755

NO. 729 P003

law is designed to prevent credit agencies from releasing financial information about a person except for legitimate business needs, such as a credit check. Last year, a Federal Trade Commission administrative law judge ruled the FCRA prohibits use of credit information to develop mailing lists. Pending legislation, which was overwhelmingly approved by the U.S. Senate, would further strengthen the FCRA.

While we are rightfully concerned about "abuses" in the disclosure of credit card information, we must also proceed cautiously to ensure any regulatory changes which may be considered do not adversely impact Wisconsin consumers by stifling the credit granting industry by imposing limitations on credit card information which could potentially make issuing credit reports impossible.

I would also be concerned about the confusion that dual-regulation may present. To have a series of federal laws and a series of state laws with which to comply, consumers and the credit-granting industry may find this overly cumbersome and confusing.

Additionally, we do not want to make Wisconsin a regulatory island with much more stringent laws from the rest of the country. Wisconsin business and consumers could be adversely affected if additional regulatory burdens were imposed in Wisconsin alone.

SOCIAL SECURITY NUMBERS UTILIZATION

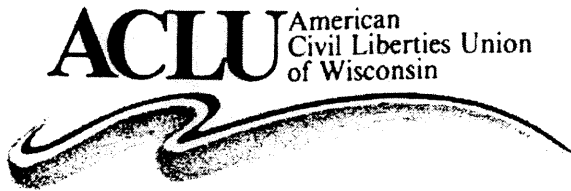
The Office of Commissioner of Banking collects very little data where social security numbers are utilized. We do not use social security numbers with any of the reports or examinations of the industries we regulate. Our only use of social security numbers is with our agency personnel. While it is "do-able" to discontinue the use of social security numbers for OCB personnel use, it would entail reprogramming our computers to implement a new system.

Much more significant would be the impact on the industries we regulate. We would hope that the private sector impact would also be reviewed prior to any initiatives being put forth.

Naturally, there would be a huge impact on the credit-granting industry who utilizes social security numbers to track consumers' credit histories. Virtually all consumer financial records in the private sector, and many in the public sector, are keyed to a person's social security number.

Any alternative system which might be considered must take into account the essential nature of having a common or universal identifier. It is also important to ensure that Wisconsin consumers and businesses are not adversely impacted as a result of the policy change.

Thank you for seeking our comments on these important matters. Please do not hesitate to contact me if you need additional information.



ACLU DATA PRIVACY PROJECT
Carole M. Doeppers, Project Director

May 8, 1997

Representative Clifford Otte, Chair
Assembly Consumer Affairs Committee
109 West State Capitol
Madison, WI 53708

Re: Assembly Bill 230

Dear Representative Otte and Committee Members:

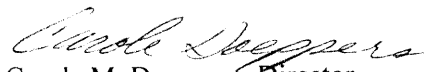
I appreciate the opportunity to appear today in support of Assembly Bill 230. As the former state Privacy Advocate and the current Director of the Wisconsin Data Privacy Project, I have a long-standing concern regarding the common practice of using other people's personal information for secondary purposes. Increasingly, information collected for one reason is being used for purposes other than for which it was intended. Often this is done without the provider's knowledge or consent. Credit card holders should enjoy a reasonable level of privacy and to the extent possible, be assured that their buying preferences and spending habits are not being integrated and commingled with other databases and sold as a commodity.

We live in a society where there is increasing demand for detailed personal information. Few would deny that marketing other people's information has become a big business! Industry practices coupled with advanced information technologies have clouded concepts of information ownership and consumer control. Based on a growing recognition that information is power, many companies and most industrialized nations have developed ethical standards of fair information practices. Central elements in most of these codes of conduct are (1) an acknowledgment that some level of control should be retained by consumers over how their information is used and sold, (2) a requirement for notifying consumers and allowing them to opt out of the reuse and re-release of their personal data, and (3) a reasonable limit on secondary uses of other people's information, including transactional records. By restricting the sale of credit card information to direct marketers and other specified third parties, this legislative proposal incorporates some of these principles for fair information practices.

AB 230 represents a first and fair step in restoring a balance between the rights of consumers to protect the privacy of their credit card information and the rights of commercial enterprises to use and reuse that information as they wish. With enactment of this legislation, Wisconsin would join other states, such as California, Massachusetts, Montana and Virginia, in creating safeguards so that consumers may regain some measure of control over the release and sale of their transactional information

Thank you for allowing me to comment on this important legislative proposal.

Sincerely,


Carole M. Doeppers, Director
Wisconsin Data Privacy Project



CREDIT BUREAU OF MADISON, INC.

May 12, 1997

Representative Clifford Otte
PO Box 8953
Madison, Wisconsin 53708

Thank you, Representative Otte,

for allowing me the opportunity to address the Assembly Committee on Consumer Affairs on Thursday afternoon, May 8, regarding Assembly Bill 230 relating to credit card records and providing a penalty.

We remain opposed to this proposal.

We continue to share the author's concern regarding Wisconsin consumers' rights to privacy. We vigorously defend that right and support the federal Fair Credit Reporting Act (FCRA) which already provides significant regulation. Lists such as the example Representative Schneider displayed at the hearing are NOT derived from credit card records (financial transaction card transaction records).

A study conducted by the former State Banking Commissioner, now Secretary of the Department of Financial Institutions, in 1994, found no abuse in the disclosure of credit card related information that would justify additional state regulation.

I would again urge you to defeat AB 230.

Thank you.

Cordially,

William E. Wilcox, MCE
President

WEW:kc

Copy: Doug Johnson - Wisconsin Merchants Federation



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Young, Dan

From: Young, Dan
Sent: Monday, May 19, 1997 4:05 PM
To: 'Tom Hanson'
Subject: AB 230

Tom:

After consulting with Cliff and Jay Wadd, (who also consulted with our committee Legislative Council staff), we wish to address your concern, **but** not with alternative language from your suggested deletion of existing language. I am sending a copy of the alternative proposal with this note.

I hope you find it satisfactory.

We have scheduled an exec for Thursday morning at 8:30 a.m.

Dan Young
Committee Clerk
Assembly Committee on Consumer Affairs



AB 230 Possible
amendment.doc



WISCONSIN LEGISLATIVE COUNCIL STAFF MEMORANDUM

One East Main Street, Suite 401; P.O. Box 2536; Madison, WI 53701-2536
Telephone (608) 266-1304
Fax (608) 266-3830

DATE: June 2, 1997

TO: REPRESENTATIVE CLIFFORD OTTE, CHAIRPERSON; MEMBERS OF
THE ASSEMBLY COMMITTEE ON CONSUMER AFFAIRS; AND
INTERESTED LEGISLATORS

FROM: Russ Whitesel, Senior Staff Attorney

SUBJECT: 1997 Assembly Bill 230, Relating to Credit Card Records

This memorandum describes the provisions of 1997 Assembly Bill 230, relating to credit card records and providing a penalty. The memorandum provides a brief description of the legislative history of the proposal and also describes the provisions of Assembly Amendments 1 and 2 to the Bill.

A. LEGISLATIVE HISTORY

Assembly Bill 230 was introduced on March 27, 1997 by Representatives Schneider and others; cosponsored by Senator Wirch and others, and referred to the Assembly Committee on Consumer Affairs. The Committee held a public hearing on the proposal on May 8, 1997. At an executive session held May 22, 1997, the Committee voted to introduce and adopt Assembly Amendments 1 and 2. The Committee recommended passage of the Bill, as amended, on a vote of Ayes, 5; Noes, 3.

B. PROVISIONS OF 1997 ASSEMBLY BILL 230

Wisconsin statutes are silent regarding a person's authority to sell information about credit cardholders. Under Assembly Bill 230, a person, which includes a corporation, may not sell information about Wisconsin residents that is obtained from credit card transaction records.

Assembly Bill 230 provides for certain exceptions from this prohibition as follows:

1. The disclosure is made to a consumer reporting agency for purposes of a consumer report.

(OVER)

2. The disclosure is made to or by persons that are affiliated with the issuer of the financial transaction card by common ownership or control solely for the purpose of performing functions for or on behalf of the issuer.

3. If the issuer of the financial transaction card is a retailer, disclosure may be made to or by contractors or agents of the issuer for the purposes of performing functions for or on behalf of the issuer.

Persons violating the disclosure provisions created in the Bill are subject to a forfeiture of not more than \$10,000 for each violation. The Bill also authorizes the Department of Justice to bring actions in circuit court to enjoin violations of the disclosure provisions.

C. ASSEMBLY AMENDMENT 1

Assembly Amendment 1 to Assembly Bill 230 revises the exception permitting disclosure of information to a consumer reporting agency. The amendment rewrites the exception to allow an exception for the following type of disclosure: "The disclosure is made to **or by** a consumer reporting agency for the purposes of a consumer report." [Emphasis added.] This amendment will permit the consumer reporting agency to disclose information contained in a consumer report.

Assembly Amendment 1 also makes a technical change by inserting language in the provision relating to the exemption for retailers' disclosure. Specifically, the amendment modifies the exception to allow disclosure of information, as follows: "If the issuer of the financial transaction card is a retailer, **the disclosure is made** to or by contractors or agents of the issuer for the purposes of performing functions for or on behalf of the issuer." [Emphasis added.]

D. ASSEMBLY AMENDMENT 2

Assembly Amendment 2 creates an additional exception in the legislation to permit disclosure of information if the disclosure of information does not include "marketing information" and is made to or by persons affiliated with the issuer of the financial transaction card solely for the purpose of offering credit or offering services provided by a financial institution. Assembly Amendment 2 defines "marketing information" to mean information about a cardholder, shopping patterns, spending history or behavioral characteristics derived from financial card account activity by a financial transaction card issuer or by an agent or affiliate of the issuer. Information on behavioral characteristics under the definition does not include information on a cardholder's credit payment habits.

If you have any questions regarding this legislation, please feel free to contact me directly at the Legislative Council Staff offices.

RW:wu:ksm;wu



CREDIT BUREAU OF MADISON, INC.

May 22, 1997

Representative Clifford Otte
State Capitol, Room 109-W
PO Box 8953
Madison, Wisconsin 53708

Thank you, Representative Otte,

for taking time from your busy schedule yesterday to visit with Doug Johnson of the Wisconsin Merchants Federation and myself regarding Assembly Bill 230.

We do appreciate the amendment that will now permit the granting of credit by Wisconsin businesses. We continue to believe, unfortunately, that this bill is unfixable and unnecessary. With all due respect, we must agree to disagree on the merits of AB 230.

I personally enjoyed our meeting and look forward to the next time we will have occasion to meet or work together.

Cordially,

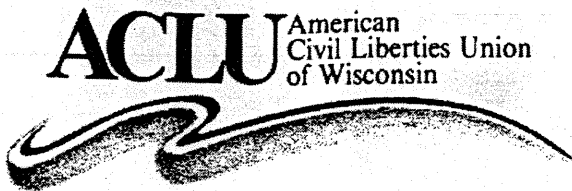
William E. Wilcox, MCE
President

WEW:kc

Copy: Doug Johnson - Wisconsin Merchants Federation



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ACLU DATA PRIVACY PROJECT
Carole M. Doeppers, Project Director

May 12 1997

Representative Clifford Otte, Chair
Assembly Consumer Affairs Committee
109 West State Capitol
Madison, WI 53708

RE: Assembly Bill 230

Dear Representative Otte:

It was a pleasure to testify last Thursday in support of Assembly Bill 230, proposed legislation relating to the sale of identifiable information about credit cardholders.

As part of my testimony I referred to other states that were either enacting or introducing legislation to create various safeguards for credit card information. For your review I have enclosed the following materials: (a) draft legislation being introduced in California by Rep. Michael Machado regarding credit card marketing, (b) excerpts from a recent edition of the *Privacy Journal's* Compilation of State and Federal Privacy Laws summarizing state, and (c) an overview of recent amendments to the federal 1991 Fair Credit Reporting Act (FCRA) which appeared last fall in a journal called the *Privacy Times*. I decided to include this third item because of questions raised at your hearing about recent amendments to the FCRA. According to my recollections, none of us, including a credit industry lobbyist who appeared before me, were certain about the details of recent changes to the FCRA. I hope this overview will help clarify some of the changes to this landmark legislation enacted by Congress during the past legislative session.

Please let me know if I may be of further assistance.

Sincerely,

A handwritten signature in cursive script that reads "Carole Doeppers".

Carole M. Doeppers, Director
Wisconsin Data Privacy Project

cc: Rep. Marlin Schneider

Assembly Hearing Slip

(Please print plainly)

Date: 5/8/97
Bill No. AB 230
Or
Subject: Sale of Credit

(Name) Carol M. Doepfers
(Street Address or Route Number) Mrs. Data Privacy Project
222 State St. # 409
(City & Zip Code) Madison WI 53703
(Representing)

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only; Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 5-8-97
Bill No. AB 230
Or
Subject: Rep. Martin Schneider

(Name) Rep. Martin Schneider
(Street Address or Route Number)
(City & Zip Code) au Yoor
(Representing)

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only; Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 5/8/97
Bill No. AB 230
Or
Subject: William E Wilcox

(Name) William E Wilcox
(Street Address or Route Number) 2509 S. Stoughton Rd
Madison WI 53716
(City & Zip Code) Credit Bureau of Madison
(Representing) Assoc Credit Bureau of Wis

- Speaking in favor:
- Speaking against:
- Registering in favor:
- Registering against:
- Speaking for information only; Neither for nor against:

Please return this slip to a messenger promptly

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 5/8/97

Bill No. AB 230

Or Subject

(Name) Tim Elverman

(Street Address or Route Number) 111 E. Wis. Ave

(City & Zip Code) Milwaukee WI 53202

(Representing) Bank One, Wisconsin

Speaking In favor:

Speaking against:

Registering In favor:

Registering against:

Speaking for Information only:

Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: May 8, 1997

Bill No. AB 230

Or Subject

(Name) John A. Yingling

(Street Address or Route Number) 777 East Wisconsin Ave.

(City & Zip Code) Milwaukee, Wisconsin 53202

(Representing) Firstar Corporation

Speaking In favor:

Speaking against:

Registering In favor:

Registering against:

Speaking for Information only:

Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 5-8-97

Bill No. AB 230

Or Subject

(Name) Kelly Kennedy

(Street Address or Route Number) 114 East
CAPitol

(City & Zip Code) DOJ

(Representing) Department of Justice

Speaking In favor:

Speaking against:

Registering In favor:

Registering against:

Speaking for Information only:

Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly).

Date: 5/8/97

Bill No. AB 230

Of
Subject _____

MICHAEL R. VAUGHAN
(Name)

P.O. BOX 2038
(Street Address or Route Number)

MADISON, WI 53701
(City & Zip Code)

WISCONSIN BAKERS ASSOCIATION
(Representing)

Speaking *In favor*:

Speaking *against*:

Registering *In favor*:

Registering *against*:

Speaking for *Information only*:

Neither for nor *against*:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly).

Date: 5-8-'97

Bill No. AB230

Of
Subject Privacy

Doug Johnson
(Name)

30 W. Mifflin
(Street Address or Route Number)

Madison
(City & Zip Code)

WI Merchants Fed -
(Representing)

Midwest Hardware Assn.

Speaking *In favor*:

Speaking *against*:

Registering *In favor*:

Registering *against*:

Speaking for *Information only*:

Neither for nor *against*:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

Assembly Hearing Slip

(Please print plainly)

Date: 5/8/97

Bill No. A.B. 283

Or Subject: Unfair Gas Act

(Name) Carlin Moss, Mobil Oil

(Street Address or Route Number) 3435 Gallows Road

(City & Zip Code) Spring Va. 22037

(Representing) Mobil Oil Corporation

Speaking in favor:

Speaking against:

Registering in favor:

Registering against:

Speaking for information only:

Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

AB 283

Assembly Hearing Slip

(Please print plainly)

Date: 5/8/97

Bill No. AB 283

Or Subject: _____

(Name) Brian Mrazek

(Street Address or Route Number) 600 E. Hansen St

(City & Zip Code) Wisc 53202

(Representing) Schwartz & Dale of Wisconsin DC

Speaking in favor:

Speaking against:

Registering in favor:

Registering against:

Speaking for information only:

Neither for nor against:

Please return this slip to a messenger promptly.

Assembly Sergeant at Arms
Room 411 West
State Capitol
Madison, WI 53702

Assembly

Record of Committee Proceedings

Committee on Consumer Affairs

Assembly Bill 230

Relating to: credit card records and providing a penalty.

By Representatives Schneider, Hasenohrl, Black, Musser, R. Young, Johnsrud, Notestein, Grothman, Ziegelbauer, Vander Loop, Ryba, Baumgart, Murat, Hahn, Gunderson, Gronemus, Kreuser, Boyle, Seratti, R. Potter and Plale; cosponsored by Senators Wirch, Decker, Moen and Huelsman.

March 27, 1997 Referred to committee on Consumer Affairs.

May 8, 1997 **PUBLIC HEARING HELD**

Present: (8) Representatives Otte, Johnsrud, Ott, M.
 Lehman, Urban, Williams, Hasenohrl and
 Black.

Absent: (0) None.

Appearances for

- Carol M. Doeppers, Wis. Data Privacy Project, Madison
- Representative Marlin Schneider, author

Appearances against

- William E. Wilcox, Credit Bureau of Madison and Associated Credit Bureaus of Wisconsin

Appearances for Information Only

- None.

Registrations for

- Kelly Kennedy, Department of Justice

Registrations against

- Brian Mitchell, SuperAmerica, Div. of Ashland Oil, Milwaukee
- Michael R. Vaughan, Wisc. Bankers Assn., Madison
- Doug Johnson, Wis. Merchants Federation and Midwest Hardware Assn., Madison
- Tim Elverman, Bank One - Wisconsin, Milwaukee
- John C. Yingling, Firststar Corporation, Milwaukee
- Carolyn Moes, Mobil Oil Corporation, Fairfax, VA

May 22, 1997

EXECUTIVE SESSION

Present: (8) Representatives Otte, Johnsrud, Ott, M.
Lehman, Urban, Williams, Hasenohrl and
Black.

Absent: (0) None.

Moved by Representative Johnsrud, seconded by Representative
Otte, that **Assembly Amendment 1 (LRBa0477/2)** be
recommended for introduction.

Ayes: (8) Representative Otte, Johnsrud, Ott, M.
Lehman, Urban, Williams, Hasenohrl and
Black.

Noes: (0) None.

Absent: (0) None.

INTRODUCTION RECOMMENDED, Ayes 8, Noes 0, Absent 0

Moved by Representative Johnsrud, seconded by Representative
Otte, that **Assembly Amendment 1 [LRBa0477/2]** be
recommended for adoption.

Ayes: (8) Representative Otte, Johnsrud, Ott, M.
Lehman, Urban, Williams, Hasenohrl and
Black.

Noes: (0) None.

Absent: (0) None.

ADOPTION RECOMMENDED, Ayes 8, Noes 0, Absent 0

Moved by Representative Johnsrud, seconded by Representative
Otte, that **Assembly Amendment 2 {LRBa0558/2}** be
recommended for introduction.

Ayes: (8) Representative Otte, Johnsrud, Ott, M.
Lehman, Urban, Williams, Hasenohrl and
Black.

Noes: (0) None.

Absent: (0) None.

INTRODUCTION RECOMMENDED, Ayes 8, Noes 0, Absent 0

Moved by Representative Johnsrud, seconded by Representative Otte, that **Assembly Amendment 2 [LRBa0558/2]** be recommended for adoption.

Ayes: (8) Representative Otte, Johnsrud, Ott, M. Lehman, Urban, Williams, Hasenohrl and Black.

Noes: (0) None.

Absent: (0) None.

ADOPTION RECOMMENDED, Ayes 8, Noes 0, Absent 0

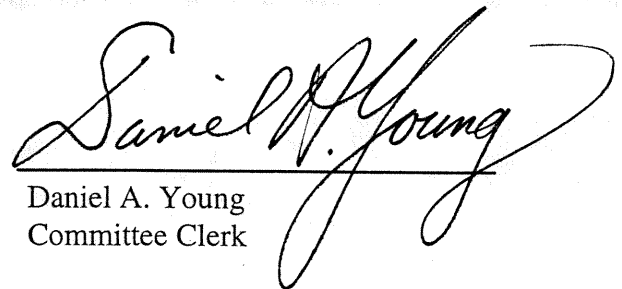
Moved by Representative Johnsrud, seconded by Representative Otte, that **Assembly Bill 230** be recommended for passage as amended.

Ayes: (5) Representatives Otte, Johnsrud, Williams, Hasenohrl and Black.

Noes: (3) Representatives Ott, M. Lehman and Urban.

Absent: (0) None.

PASSAGE AS AMENDED RECOMMENDED, Ayes 5, Noes 3, Absent 0



Daniel A. Young
Committee Clerk

Assembly

Committee Report

The committee on **Consumer Affairs**, reports and recommends:

Assembly Bill 230

Relating to: credit card records and providing a penalty.

By Representatives Schneider, Hasenohrl, Black, Musser, R. Young, Johnsrud, Notestein, Grothman, Ziegelbauer, Vander Loop, Ryba, Baumgart, Murat, Hahn, Gunderson, Gronemus, Kreuser, Boyle, Seratti, R. Potter and Plale; cosponsored by Senators Wirch, Decker, Moen and Huelsman.

INTRODUCTION OF ASSEMBLY AMENDMENT 1 (LRBA0477/2),

Ayes 8, Noes 0, Absent 0

Ayes: (8) Representative Otte, Johnsrud, Ott, M.
Lehman, Urban, Williams, Hasenohrl and
Black.

Noes: (0) None.

Absent: (0) None.

ADOPTION OF ASSEMBLY AMENDMENT 1 [LRBA0477/2], Ayes

8, Noes 0, Absent 0

Ayes: (8) Representative Otte, Johnsrud, Ott, M.
Lehman, Urban, Williams, Hasenohrl and
Black.

Noes: (0) None.

Absent: (0) None.

INTRODUCTION OF ASSEMBLY AMENDMENT 2 {LRBA0558/2}

, Ayes 8, Noes 0, Absent 0

Ayes: (8) Representative Otte, Johnsrud, Ott, M.
Lehman, Urban, Williams, Hasenohrl and
Black.

Vote Record

Assembly Committee on Consumer Affairs

Date: 5/22/97
Moved by: Johnsrud Seconded by: Otte
AB: 230 Clearinghouse Rule: _____
AB: _____ SB: _____ Appointment: _____
AJR: _____ SJR: _____ Other: _____
A: LRBa 0477/2 SR: _____

A/S Amdt: _____
A/S Amdt: _____ to A/S Amdt: _____
A/S Sub Amdt: _____
A/S Amdt: _____ to A/S Sub Amdt: _____
A/S Amdt: _____ to A/S Amdt: _____ to A/S Sub Amdt: _____

- Be recommended for:
- Passage
 - Introduction
 - Adoption
 - Rejection

unanimous consent

- Indefinite Postponement
- Tabling
- Concurrence
- Nonconcurrence
- Confirmation

Committee Member

- Rep. Clifford Otte, Chair
- Rep. DuWayne Johnsrud
- Rep. Alvin Ott
- Rep. Michael Lehman
- Rep. Frank Urban
- Rep. Annette Polly Williams
- Rep. Donald Hasenohrl
- Rep. Spencer Black

	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Rep. Clifford Otte, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. DuWayne Johnsrud	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Alvin Ott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Michael Lehman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Frank Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Annette Polly Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Donald Hasenohrl	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Spencer Black	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: 8 0 0 0

Vote Record

Assembly Committee on Consumer Affairs

Date: 5/22/97
Moved by: _____
AB: 230 SB: _____
AJR: _____ SR: _____
A: LRBa0477/2 SR: _____

Seconded by: Otte
Clearinghouse Rule: _____
Appointment: _____
Other: _____

A/S Amdt: _____
A/S Amdt: _____ to A/S Amdt: _____
A/S Sub Amdt: _____
A/S Amdt: _____ to A/S Sub Amdt: _____
A/S Amdt: _____ to A/S Amdt: _____ to A/S Sub Amdt: _____

Be recommended for:

- Passage
 Introduction
 Adoption
 Rejection

- Indefinite Postponement
 Tabling
 Concurrence
 Nonconcurrence
 Confirmation

Committee Member

Rep. Clifford Otte, Chair
Rep. DuWayne Johnsrud
Rep. Alvin Ott
Rep. Michael Lehman
Rep. Frank Urban
Rep. Annette Polly Williams
Rep. Donald Hasenohrl
Rep. Spencer Black

	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>

Motion Carried

Motion Failed

Vote Record

Assembly Committee on Consumer Affairs

Date: 5/22/97
Moved by: Johnsrud Seconded by: Otte
AB: 230 Clearinghouse Rule: _____
AB: _____ SB: _____ Appointment: _____
AJR: _____ SJR: _____ Other: _____
A: LRBa 0558/2 SR: _____

A/S Amdt: _____
A/S Amdt: _____ to A/S Amdt: _____
A/S Sub Amdt: _____
A/S Amdt: _____ to A/S Sub Amdt: _____
A/S Amdt: _____ to A/S Amdt: _____ to A/S Sub Amdt: _____

Be recommended for:

- Passage
- Introduction
- Adoption
- Rejection

Unanimous consent

- Indefinite Postponement
- Tabling
- Concurrence
- Nonconcurrence
- Confirmation

Committee Member

Rep. Clifford Otte, Chair
Rep. DuWayne Johnsrud
Rep. Alvin Ott
Rep. Michael Lehman
Rep. Frank Urban
Rep. Annette Polly Williams
Rep. Donald Hasenohrl
Rep. Spencer Black

	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Rep. Clifford Otte, Chair	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. DuWayne Johnsrud	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Alvin Ott	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Michael Lehman	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Frank Urban	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Annette Polly Williams	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Donald Hasenohrl	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Spencer Black	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>

Motion Carried

Motion Failed

Vote Record

Assembly Committee on Consumer Affairs

Date: 5/22/97
 Moved by: Johnsrud Seconded by: Otte
 AB: 230 Clearinghouse Rule: _____
 AB: _____ Appointment: _____
 AJR: _____ Other: _____
 A: LRBa 0558/2 SR: _____

A/S Amdt: _____
 A/S Amdt: _____ to A/S Amdt: _____
 A/S Sub Amdt: _____
 A/S Amdt: _____ to A/S Sub Amdt: _____
 A/S Amdt: _____ to A/S Amdt: _____ to A/S Sub Amdt: _____

Be recommended for:

- | | |
|--|--|
| <input type="checkbox"/> Passage | <input type="checkbox"/> Indefinite Postponement |
| <input type="checkbox"/> Introduction | <input type="checkbox"/> Tabling |
| <input checked="" type="checkbox"/> Adoption | <input type="checkbox"/> Concurrence |
| <input type="checkbox"/> Rejection | <input type="checkbox"/> Nonconcurrence |
| | <input type="checkbox"/> Confirmation |

Committee Member

	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Rep. Clifford Otte, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. DuWayne Johnsrud	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Alvin Ott	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Michael Lehman	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Frank Urban	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Annette Polly Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Donald Hasenohrl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Spencer Black	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: 8 0 0 0

Motion Carried

Motion Failed

Vote Record

Assembly Committee on Consumer Affairs

Date: 5/22/97
 Moved by: Johnsrud Seconded by: Otte
 AB: 230 Clearinghouse Rule: _____
 AB: _____ Appointment: _____
 AJR: _____ Other: _____
 A: _____ SR: _____

A/S Amdt: _____
 A/S Amdt: _____ to A/S Amdt: _____
 A/S Sub Amdt: _____
 A/S Amdt: _____ to A/S Sub Amdt: _____
 A/S Amdt: _____ to A/S Amdt: _____ to A/S Sub Amdt: _____

- Be recommended for:
- Passage *as amended*
 - Indefinite Postponement
 - Introduction
 - Tabling
 - Adoption
 - Concurrence
 - Rejection
 - Nonconcurrency
 - Confirmation

Committee Member	Aye	No	Absent	Not Voting
Rep. Clifford Otte, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. DuWayne Johnsrud	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Alvin Ott	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Michael Lehman	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Frank Urban	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Annette Polly Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Donald Hasenohrl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Spencer Black	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>5</u>	<u>3</u>	_____	_____

Motion Carried Motion Failed




CLIFFORD OTTE

WISCONSIN STATE REPRESENTATIVE
27TH ASSEMBLY DISTRICT

May 21, 1997

TO: Members
Assembly Committee on Consumer Affairs

FROM: Representative Clifford Otte, Chair 
Assembly Committee on Consumer Affairs

RE: Amendments to Assembly Bill 230

Please find herewith two amendments to AB 230 for our executive session on Thursday morning, May 22.

LRBa0477/1 Section 1 addresses a concern raised at the hearing by Mr. William E. Wilcox, (Credit Bureau of Madison, Inc.), that the lack of the proposed language might preclude the legitimate dissemination of information for purposes of a consumer report. As Mr. Wilcox suggested at the hearing, this amendment adds the words "or by" to the bill.

LRBa0477/1 Section 2 makes a technical correction inserting language that the LRB drafter has noted was left out by mistake.

LRBa0558/2 is an effort to address concerns that were brought to me after the public hearing that the bill would not allow an issuer of credit or the issuer's affiliate to offer further credit or other services of a financial institution, I have had this amendment drafted to say that an issuer or affiliate may use information that does not include marketing information for offering further credit or other financial services.

-continued-

Members, Assembly Committee on Consumer Affairs

May 21, 1997

Page Two

I am disappointed that no one brought to us at the public hearings the concerns that I am now making a good faith effort to address with LRBa0558/2.

My goal in supporting this bill is to protect you and your constituents from having information gathered about you that you no doubt feel is personal, (i.e. what you buy, what your spending habits are, where you travel, etc). Unfortunately, since this personal information is a potential gold mine for resale to marketers of other merchandise, others do not feel that your privacy should be protected.

I regret I was not able to get these amendments sooner, But as I said these concerns were brought to me late. If you have any questions about the amendments, please call the committee clerk.

Thank you.