

Fifty-ninth  
Legislative Assembly  
of North Dakota

**ENGROSSED HOUSE BILL NO. 1500**

Introduced by

Representatives Koppelman, L. Meier, S. Meyer

Senators Syverson, Taylor, Tollefson

1 A BILL for an Act to provide for protection of victims of identity fraud; and to provide a penalty.

2 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

3 **SECTION 1. Identity fraud - Duties of consumer reporting agencies -**

4 **Enforcement - Penalty.**

- 5 1. If a consumer, as defined by the Fair Credit Reporting Act [Pub. L. 90-321; 84 Stat.  
6 1127; 15 U.S.C. 1681 et seq.], submits to a consumer reporting agency, as defined  
7 by that Act, a copy of a valid identity report, as defined by that Act, the consumer  
8 reporting agency, within four business days of receipt of the report, shall block the  
9 reporting of any information that the consumer alleges appears on the consumer's  
10 credit report, as defined by that Act, as a result of identity theft defined by that Act,  
11 or a violation of section 12.1-23-11. The consumer reporting agency promptly  
12 shall notify the furnisher of the information that an identity theft report, as defined  
13 by that Act, has been filed, that a block has been requested, and the effective date  
14 of the block.
- 15 2. Consumer reporting agencies may decline to block or may rescind any block of  
16 consumer information, if the consumer reporting agency reasonably determines  
17 that:
- 18 a. The information was blocked in error or a block was requested by the  
19 consumer in error;
- 20 b. The information was blocked, or a block was requested by the consumer, on  
21 the basis of a material misrepresentation of fact by the consumer relevant to  
22 the request or block; or
- 23 c. The consumer obtained possession of money or goods, services, or money  
24 as a result of the blocked transaction or transactions.

- 1           3. If a block of information is declined or rescinded under this section, the consumer  
2 reporting agency shall notify the consumer in the same manner as consumers are  
3 notified of the reinsertion of information pursuant to the procedure in case of  
4 disputed accuracy under the Fair Credit Reporting Act [Pub. L. 90-321; 84 Stat.  
5 1127; 15 U.S.C. 1681 et seq.]. If a consumer reporting agency rescinds a block,  
6 the presence of information in the file of a consumer before the blocking of the  
7 information is not evidence of whether the consumer knew or should have known  
8 that the consumer obtained possession of any goods, services, or money as a  
9 result of the block.
- 10          4. A consumer reporting agency shall delete from a consumer credit report inquiries  
11 for credit reports based upon credit requests that the consumer reporting agency  
12 verifies were initiated as a result of identity theft as defined by the Fair Credit  
13 Reporting Act [Pub. L. 90-321; 84 Stat. 1127; 15 U.S.C. 1681 et seq.] or section  
14 12.1-23-11.
- 15          5. The provisions of this section do not apply to:
- 16           a. A consumer reporting agency that acts as a reseller of credit information by  
17 assembling and merging information contained in the data bases of other  
18 consumer reporting agencies, and that does not maintain a permanent data  
19 base of credit information from which new consumer credit reports are  
20 produced;
- 21           b. A check services or fraud prevention services company that issues reports on  
22 incidents of fraud or authorizations for the purpose of approving or processing  
23 negotiable instruments, electronic funds transfers, or similar payment  
24 methods; or
- 25           c. A demand deposit account information service company that issues reports  
26 regarding account closures due to fraud, substantial overdrafts, automatic  
27 teller machine abuse, or similar negative information regarding a consumer to  
28 inquiring banks or other financial institutions for use only in reviewing a  
29 consumer request for a demand deposit account at the inquiring bank or  
30 financial institution.

1           6.    Except as otherwise prohibited by the Fair Credit Reporting Act [Pub. L. 90-321; 84  
2                    Stat. 1127; 15 U.S.C. 1681 et seq.], a violation of this section is a violation of  
3                    chapter 51-15. The attorney general may enforce violations of this section. The  
4                    attorney general, in enforcing this section, may seek all remedies and penalties in  
5                    chapter 51-15. The remedies, duties, prohibitions, and penalties of this section and  
6                    chapter 51-15 are not exclusive and are in addition to all other causes of action  
7                    otherwise provided by law.