

STAND. COM. REP. NO.

2472

Honolulu, Hawaii

FEB 17

RE: S.B. No. 2289
S.D. 1

Honorable Robert Bunda
President of the Senate
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committees on Commerce, Consumer Protection, and Housing and Media, Arts, Science, and Technology, to which was referred S.B. No. 2289 entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER CREDIT REPORTING AGENCIES,"

beg leave to report as follows:

The purpose of this measure is to protect Hawaii consumers who are victims of identity theft by allowing them to place a security freeze on their credit reports.

Testimony in support of this measure was submitted by the Department of Commerce and Consumer Affairs, the Department of the Prosecuting Attorney of the City and County of Honolulu, the Honolulu Police Department, Consumer Data Industry Association, Retail Merchants of Hawaii, and Hawaii Bankers Association. Comments were submitted by State Farm Insurance Companies.

As one measure from Department of Commerce and Consumer Affairs' identity theft proposals, this measure is part of a larger Senate package of identity theft bills that has evolved from the work of the Hawaii Anti-Phishing Task Force.

In 2005, the Hawaii Anti-Phishing Task Force was established in the Department of the Attorney General to develop state policy on how best to prevent further occurrences of phishing and other forms of electronic commerce-based crimes in the State.



The Task Force's recommendations have focused primarily on providing law enforcement with better tools to prosecute ID-theft related activities, and determining how government agencies can better protect personal information currently found in accessible public records.

Your Committees find that this measure is designed to address one form of identity theft that occurs when a person steals a consumer's identity and opens up new lines of credit in that consumer's name. Your Committee further finds that this measure will permit Hawaii citizens, whose identities have been stolen, to "freeze" the release of their credit history by consumer reporting agencies until matters are resolved to the citizens' satisfaction.


Your Committees have amended this measure by:

- (1) Applying the proposed chapter to "consumer reporting agencies";
- (2) Exempting any person or entity using a credit report in setting or adjusting a rate, adjusting a claim, or underwriting for insurance purposes from being subject to a security freeze;
- (3) Strengthening enforcement under this proposed measure by allowing the attorney general or the director of the office of consumer protection to bring an action based on unfair or deceptive acts or practices declared unlawful by this measure; and
- (4) Extending the effective date of this measure to January 1, 2007.

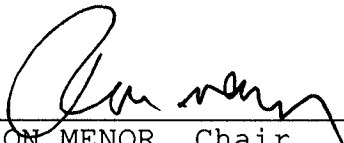
As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Housing and Media, Arts, Science, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2289, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2289, S.D. 1, and be referred to the Committee on Judiciary and Hawaiian Affairs.



Respectfully submitted on
behalf of the members of the
Committees on Commerce,
Consumer Protection, and
Housing and Media, Arts,
Science, and Technology,



CAROL FUKUNAGA, Chair



RON MENOR, Chair



