

STAND. COM. REP. NO.

1277

Honolulu, Hawaii

APR 03 2017

RE: H.B. No. 651
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred H.B. No. 651, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require a consumer credit reporting agency to create a record for protected consumers, including minors under the age of sixteen and incapacitated persons, who do not have an existing credit file; and
- (2) Permit a representative of a protected consumer to place a security freeze on the protected consumer's credit report or any record created by the consumer credit reporting agency for the protected consumer.

Your Committee received testimony in support of this measure from the Office of the Consumer Protection of the Department of Commerce and Consumer Affairs, Consumer Data Industry Association, and one individual.

Your Committee finds that identity theft impacts millions of people in the country each year, with children remaining



particularly vulnerable. According to the Identity Theft Assistance Center, one in forty families with children under the age of eighteen had at least one child whose personal information was compromised. Your Committee further finds that identity theft involving minors is especially concerning, as it often goes unchecked and unnoticed for years. This measure safeguards protected consumers, including minors under the age of sixteen and incapacitated persons, by offering these individuals the same protections as other consumers.

Your Committee notes that the Office of Consumer Protection and industry stakeholders have had discussions regarding the security freeze process for protected consumers established by this measure. The Office of Consumer Protection indicated to your Committee that the parties have come to an agreement regarding this measure. Amendments are therefore necessary to incorporate this consensus language.

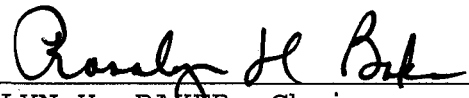
Your Committee has amended this measure by:

- (1) Clarifying that the process for placing a security freeze or removing a security freeze includes a requirement for the protected consumer's representative to submit a request to the consumer credit reporting agency at the address or other point of contact specified by the consumer credit reporting agency;
- (2) Inserting an effective date of January 1, 2018; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 651, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 651, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.



Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,



ROSALYN H. BAKER, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
HB651 HD2	CPH	3/24/17		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	/			
NISHIHARA, Clarence K. (VC)	/			
CHANG, Stanley	/			
ESPERO, Will				/
IHARA, Jr., Les				/
KIDANI, Michelle N.	/			
RUDERMAN, Russell E.				/
TOTAL	4			3
Recommendation:				
<input checked="" type="checkbox"/> Adopted		<input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:				
<i>Clarence K. Nishihara</i>				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes