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FISCAL IMPACT REPORT

SPONSOR: Snyder DATE TYPED: 2/10/03 HB _____

SHORT TITLE: Restrict Disclosure of Credit Card Info SB 253/aSCORC

ANALYST: Wilson

APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
		NFI			

SOURCES OF INFORMATION

Responses Received From

Attorney General's Office (AGO)
Regulation and Licensing (RLD)

SUMMARY

Synopsis of SCORC Amendment

The Senate Corporations & Transportation Committee amendment changes the numbers from the cardholder's credit card account that can be disclosed on the receipt issued by the vendor from four numbers to five numbers.

The SCORC amendment also adds an effective date of January 1, 2004.

Synopsis of Original Bill

Senate Bill 253 amends the Credit Card Act to prohibit the disclosure of a credit card number on receipts issued by the vendor, by stating receipts must contain not more than four numbers from the cardholder's credit card account number.

Significant Issues

The AGO states that SB 253 will decrease the risk of fraudulent use of credit numbers for consumers and in turn their financial loss associated with these kinds of claims. This will decrease the potential cost on the behalf of credit card companies having to investigate, process, and cover fraud and theft claims. Finally, by decreasing the liability of merchants, their cost of defending

these claims is in turn decreased.

TECHNICAL ISSUES

The AGO says that SB 253 is that it is not clear to whom the term “person” refers. This specific term should be changed to read either “merchant” or “business.” Alternatively, § 56-4-2, “Definitions”, should be amended to precisely define what type of people and entities fall within this definition of “person”. Otherwise, it provides loophole for a “person” in violation of this proposed amendment seeking to escape liability.

DW/sb