

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 1017
PROPOSED COMMITTEE SUBSTITUTE S1017-PCS85225-ST-29

Short Title: Enhance Protections Against Identity Theft.

(Public)

Sponsors:

Referred to:

March 26, 2009

A BILL TO BE ENTITLED

AN ACT TO ENHANCE PROTECTIONS AGAINST IDENTITY THEFT AND TO
PROTECT THE CREDIT OF CRIME VICTIMS DURING THE PENDENCY OF CRIME
VICTIMS COMPENSATION FUND APPLICATIONS AND APPEALS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 75-63 reads as rewritten:

"§ 75-63. Security freeze.

(a) A consumer may place a security freeze on the consumer's credit report by making a request ~~in writing by certified mail~~ to a consumer reporting agency in accordance with this subsection. A security freeze shall prohibit, subject to exceptions in subsection (l) of this section, the consumer reporting agency from releasing the consumer's credit report or any information from it without the express authorization of the consumer. When a security freeze is in place, a consumer reporting agency may not release the consumer's credit report or information to a third party without prior express authorization from the consumer. This subsection does not prevent a consumer reporting agency from advising a third party that a security freeze is in effect with respect to the consumer's credit ~~report~~ report, provided that the consumer reporting agency does not state or otherwise imply to the third party that the consumer's security freeze reflects a negative credit score, history, report, or rating. A consumer reporting agency shall place a security freeze on a consumer's credit report if the consumer requests a security freeze by any of the following methods:

(1) First-class mail.

(2) Telephone call.

(3) Secure Web site or secure electronic mail connection.

(a1) Notwithstanding any other provision of law, consumer reporting agencies that assemble or evaluate information about consumers in this State shall create and maintain a shared Web site and toll-free number that a consumer can contact to request a security freeze and actions related to a security freeze. A request made via this telephone number or Web site shall be considered made to all credit reporting agencies and shall trigger all applicable provisions of this section with respect to each consumer reporting agency. A consumer reporting agency that receives a request for a security freeze from a consumer shall communicate that request to the other consumer reporting agencies within three days of receipt of the request. Once a consumer reporting agency receives such a communication from a credit reporting agency in accordance with this subsection, all applicable provisions of this section



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1 shall be triggered with respect to that consumer reporting agency as if the consumer reporting
2 agency received notice electronically.

3 (b) A consumer reporting agency shall place a security freeze on a consumer's credit
4 report no later than ~~five~~three business days after receiving a written request from the
5 ~~consumer~~ consumer by mail. A consumer reporting agency that receives such a request
6 electronically or by telephone shall comply with the request within 15 minutes of receiving the
7 request.

8 (c) The consumer reporting agency shall send a written confirmation of the security
9 freeze to the consumer within ~~40~~three business days of placing the freeze and at the same time
10 shall provide the consumer with a unique personal identification number or password, other
11 than the consumer's social security number, to be used by the consumer when providing
12 authorization for the release of the consumer's credit report for a specific period of ~~time~~time, or
13 to a specific party, or for permanently lifting the freeze.

14 (d) If the consumer wishes to allow the consumer's credit report to be accessed for a
15 specific period of time or by a specific party while a freeze is in place, the consumer shall
16 contact the consumer reporting ~~agency~~ agency by mail, phone, or electronically, request that
17 the freeze be ~~temporarily lifted~~, lifted or lifted with respect to a specific party, and provide all
18 of the following:

19 (1) Proper identification.

20 (2) The unique personal identification number or password provided by the
21 consumer reporting agency pursuant to subsection (c) of this section.

22 (3) The proper information regarding the third party who is authorized to
23 receive the consumer credit report or the time period for which the report
24 shall be available to users of the credit report.

25 (d1) A consumer reporting agency receiving a request under subsection (d) of this
26 section shall remove a security freeze within 15 minutes of receiving a request for removal if
27 the request is made by phone or electronically, or within three business days of receiving a
28 request for removal from the consumer who provides the request by mail.

29 (e) A consumer reporting agency ~~may develop procedures involving the use of~~
30 telephone, fax, the Internet, or other electronic media to receive and process that receives a
31 request from a consumer to temporarily lift a freeze for a specific period of time or to a specific
32 third party on a credit report pursuant to subsection (d) of this section in an expedited
33 manner shall communicate that request to the other consumer reporting agencies within three
34 days of receipt of the request. Once a consumer reporting agency receives such a
35 communication from a credit reporting agency, all applicable provisions of this section shall be
36 triggered with respect to that consumer reporting agency as if the consumer reporting agency
37 received notice electronically.

38 (f) A consumer reporting agency that receives a request by mail from a consumer to
39 temporarily lift a freeze on a credit report pursuant to subsection (d) of this section shall
40 comply with the request no later than three business days after receiving the request. A
41 consumer reporting agency that receives such a request electronically or by telephone shall
42 comply with the request within 15 minutes of receiving the request.

43 (g) A consumer reporting agency shall ~~remove or temporarily lift~~remove, temporarily
44 lift, or lift with respect to a specific third party, a freeze placed on a consumer's credit report
45 only in the following cases:

46 (1) Upon the consumer's request, pursuant to subsections (d) or (j) of this
47 section.

48 (2) If the consumer's credit report was frozen due to a material
49 misrepresentation of fact by the consumer. If a consumer reporting agency
50 intends to remove a freeze upon a consumer's credit report pursuant to this

- 1 subdivision, the consumer reporting agency shall notify the consumer in
2 writing prior to removing the freeze on the consumer's credit report.
- 3 (h) If a third party requests access to a consumer credit report on which a security
4 freeze is in effect and this request is in connection with an application for credit or any other
5 use and the consumer does not allow the consumer's credit report to be accessed for that
6 specific period of time, the third party may treat the application as incomplete.
- 7 (i) If a consumer requests a security freeze pursuant to this section, the consumer
8 reporting agency shall disclose to the consumer the process of placing and temporarily lifting a
9 security freeze and the process for allowing access to information from the consumer's credit
10 report for a specific period of time or to a specific third party while the security freeze is in
11 place.
- 12 (j) A security freeze shall remain in place until the consumer requests that the security
13 freeze be temporarily lifted for a specific period of time or to a specific third party or removed.
14 ~~A consumer reporting agency shall remove a security freeze within three business days of~~
15 ~~receiving a request for removal from the consumer, who provides all of the following:~~
- 16 (1) ~~Proper identification.~~
17 (2) ~~The unique personal identification number or password provided by the~~
18 ~~consumer reporting agency pursuant to subsection (c) of this section.~~
- 19 (k) A consumer reporting agency shall require proper identification of the person
20 making a request to place or remove a security freeze.
- 21 (l) The provisions of this section do not apply to the use of a consumer credit report by
22 any of the following:
- 23 (1) A person, or the person's subsidiary, affiliate, agent, subcontractor, or
24 assignee with whom the consumer has, or prior to assignment had, an
25 account, contract, or debtor-creditor relationship for the purposes of
26 reviewing the active account or collecting the financial obligation owing for
27 the account, contract, or debt.
- 28 (2) A subsidiary, affiliate, agent, assignee, or prospective assignee of a person to
29 whom access has been granted under subsection (d) of this section for
30 purposes of facilitating the extension of credit or other permissible use.
- 31 (3) Any person acting pursuant to a court order, warrant, or subpoena.
- 32 (4) A state or local agency, or its agents or assigns, which administers a program
33 for establishing and enforcing child support obligations.
- 34 (5) A state or local agency, or its agents or assigns, acting to investigate fraud,
35 including Medicaid fraud, or acting to investigate or collect delinquent taxes
36 or assessments, including interest and penalties, unpaid court orders, or to
37 fulfill any of its other statutory responsibilities.
- 38 (6) A federal, state, or local governmental entity, including law enforcement
39 agency, court, or their agent or assigns.
- 40 (7) A person for the purposes of prescreening as defined by the Fair Credit
41 Reporting Act, 15 U.S.C. § 1681, et seq.
- 42 (8) Any person for the sole purpose of providing for a credit file monitoring
43 subscription service to which the consumer has subscribed.
- 44 (9) A consumer reporting agency for the purpose of providing a consumer with
45 a copy of the consumer's credit report upon the consumer's request.
- 46 (10) Any depository financial institution for checking, savings, and investment
47 accounts.
- 48 (11) Any property and casualty insurance company for use in setting or adjusting
49 a rate, adjusting a claim, or underwriting for property and casualty insurance
50 purposes.

1 (12) A person for the purpose of furnishing or using credit reports for
2 employment purposes pursuant to 15 U.S.C. § 1681b(b).

3 (m) If a security freeze is in place, a consumer reporting agency shall not change any of
4 the following official information in a credit report without sending a written confirmation of
5 the change to the consumer within 30 days of the change being posted to the consumer's file:
6 name, date of birth, social security number, and address. Written confirmation is not required
7 for technical modifications of a consumer's official information, including name and street
8 abbreviations, complete spellings, or transposition of numbers or letters. In the case of an
9 address change, the written confirmation shall be sent to both the new address and the former
10 address.

11 (n) The following persons are not required to place in a credit report a security freeze
12 pursuant to this section provided, however, that any person that is not required to place a
13 security freeze on a credit report under the provisions of subdivision (3) of this subsection shall
14 be subject to any security freeze placed on a credit report by another consumer reporting
15 agency from which it obtains information:

16 (1) A check services or fraud prevention services company, which reports on
17 incidents of fraud or issues authorizations for the purpose of approving or
18 processing negotiable instruments, electronic fund transfers, or similar
19 methods of payment.

20 (2) A deposit account information service company, which issues reports
21 regarding account closures due to fraud, substantial overdrafts, ATM abuse,
22 or other similar negative information regarding a consumer to inquiring
23 banks or other financial institutions for use only in reviewing a consumer
24 request for a deposit account at the inquiring bank or financial institution.

25 (3) A consumer reporting agency that does all of the following:

26 a. Acts only to resell credit information by assembling and merging
27 information contained in a database of one or more credit reporting
28 agencies.

29 b. Does not maintain a permanent database of credit information from
30 which new credit reports are produced.

31 (o) ~~This section does not prevent a consumer reporting agency from charging a fee of~~
32 ~~no more than ten dollars (\$10.00) to a consumer for each freeze, removal of the freeze, or~~
33 ~~temporary lifting of the freeze for a period of time, regarding access to a consumer credit~~
34 ~~report.~~A consumer reporting agency shall not charge a fee to put a security freeze in place,
35 remove a freeze, or lift a freeze pursuant to subsection (d) of this section, provided that any
36 such request is made electronically. If a request to put a security freeze in place is made by
37 telephone or by mail, a consumer reporting agency may charge a fee to a consumer not to
38 exceed three dollars (\$3.00), except that a consumer reporting agency may not charge any fee
39 to a consumer over the age of 62, to a victim of identity theft who has submitted a copy of a
40 valid investigative or incident report or complaint with a law enforcement agency about the
41 unlawful use of the victim's identifying information by another person-person, or to the victim's
42 spouse. A consumer reporting agency shall not charge an additional fee to a consumer who
43 requests to temporarily lift for a specific period of time or to a specific third party, reinstate, or
44 remove a security freeze. A consumer reporting agency shall not charge a consumer for a
45 onetime reissue of a replacement personal identification number. A consumer reporting agency
46 may charge a fee not to exceed three dollars (\$3.00) to provide any subsequent replacement
47 personal identification number.

48 (o1) A parent or guardian may inquire of a consumer reporting agency as to the existence
49 of a credit report for the minor of the parent or guardian. If a report for the minor exists, the
50 parent or guardian shall have the authority to institute a security freeze for that minor in
51 accordance with the provisions of this section and to take any other actions this section

1 authorizes a consumer to take, with respect to the minor's credit report. A consumer reporting
2 agency shall comply with such a request. If a credit report for the minor does not exist, a
3 consumer reporting agency has no obligation to create one.

4 (p) At any time that a consumer is required to receive a summary of rights required
5 under section 609 of the federal Fair Credit Reporting Act, the following notice shall be
6 included:

7
8 **North Carolina Consumers Have the Right to Obtain a Security Freeze.**

9
10 You have a right to place a "security freeze" on your credit report pursuant to North
11 Carolina law. The security freeze will prohibit a consumer reporting agency from releasing any
12 information in your credit report without your express authorization. A security freeze ~~must~~ can
13 be requested in writing by ~~certified mail, first-class mail, by telephone, or electronically.~~ You
14 may also request a freeze by visiting the following Web site: [URL] or calling the following
15 telephone number: [NUMBER].

16 The security freeze is designed to prevent credit, loans, and services from being approved in
17 your name without your consent. However, you should be aware that using a security freeze to
18 take control over who gains access to the personal and financial information in your credit
19 report may delay, interfere with, or prohibit the timely approval of any subsequent request or
20 application you make regarding new loans, credit, mortgage, insurance, rental housing,
21 employment, investment, license, cellular phone, utilities, digital signature, Internet credit card
22 transactions, or other services, including an extension of credit at point of sale.

23 The freeze will be placed within ~~five~~ three business days ~~days if you request it by mail, or~~
24 within 15 minutes if you request it by telephone or electronically. When you place a security
25 freeze on your credit report, within ~~10~~ three business days, you will be ~~provided~~ sent a personal
26 identification number or a password to use when you want to remove ~~or lift temporarily the~~
27 ~~security freeze.~~ the security freeze, temporarily lift it, or lift it with respect to a particular third
28 party.

29 A freeze does not apply when you have an existing account relationship and a copy of your
30 report is requested by your existing creditor or its agents or affiliates for certain types of
31 account review, collection, fraud control, or similar activities.

32 You should plan ahead and lift a freeze if you are actively seeking credit or services as a
33 security freeze may slow your applications, as mentioned above.

34 You can remove a ~~freeze or authorize temporary access for a specific period of time~~ freeze,
35 temporarily lift a freeze, or lift a freeze with respect to a particular third party by contacting the
36 consumer reporting agency and providing all of the following:

- 37 (1) Your personal identification number or password,
38 (2) Proper identification to verify your identity, and
39 (3) Proper information regarding the period of time you want your report
40 available to users of the credit ~~report~~ report, or the third party with respect to
41 which you want to lift the freeze.

42 A consumer reporting agency that receives a request from you to temporarily lift a freeze or
43 to lift a freeze with respect to a particular third party on a credit report shall comply with the
44 request no later than three business days after receiving the ~~request~~ request by mail and no later
45 than 15 minutes after receiving a request by telephone or electronically. A consumer reporting
46 agency may charge you up to ~~ten dollars (\$10.00)~~ three dollars (\$3.00) for each time you ~~freeze,~~
47 ~~remove the freeze, or temporarily lift the freeze for a period of time, except a consumer~~
48 ~~reporting agency may not charge any amount to a victim of identify theft who has submitted a~~
49 ~~copy of a valid investigative or incident report or complaint with a law enforcement agency~~
50 ~~about the unlawful use of the victim's identifying information by another person to institute a~~
51 freeze if your request is made by telephone or by mail. A consumer reporting agency may not

1 charge you any amount to freeze, remove a freeze, temporarily lift a freeze, or lift a freeze with
2 respect to a particular third party, if any of the following are true:

- 3 (1) Your request is made electronically.
- 4 (2) You are over the age of 62.
- 5 (3) You are the victim of identity theft and have submitted a copy of a valid
6 investigative or incident report or complaint with a law enforcement agency
7 about the unlawful use of your identifying information by another person, or
8 you are the spouse of such a person.

9 You have a right to bring a civil action against someone who violates your rights under the
10 credit reporting laws. The action can be brought against a consumer reporting agency or a user
11 of your credit report.'

12 (q) A violation of this section is a violation of G.S. 75-1.1."

13 **SECTION 2.** G.S. 75-65 reads as rewritten:

14 "**§ 75-65. Protection from security breaches.**

15 (a) Any business that owns or licenses personal information of residents of North
16 Carolina or any business that conducts business in North Carolina that owns or licenses
17 personal information in any form (whether computerized, paper, or otherwise) shall provide
18 notice to the affected person that there has been a security breach following discovery or
19 notification of the breach. The disclosure notification shall be made without unreasonable
20 delay, consistent with the legitimate needs of law enforcement, as provided in subsection (c) of
21 this section, and consistent with any measures necessary to determine sufficient contact
22 information, determine the scope of the breach and restore the reasonable integrity, security,
23 and confidentiality of the data system. For the purposes of this section, personal information
24 shall not include electronic identification numbers, electronic mail names or addresses, Internet
25 account numbers, Internet identification names, parent's legal surname prior to marriage, or a
26 password unless this information would permit access to a person's financial account or
27 resources.

28 (b) Any business that maintains or possesses records or data containing personal
29 information of residents of North Carolina that the business does not own or license, or any
30 business that conducts business in North Carolina that maintains or possesses records or data
31 containing personal information that the business does not own or license shall notify the owner
32 or licensee of the information of any security breach immediately following discovery of the
33 breach, consistent with the legitimate needs of law enforcement as provided in subsection (c) of
34 this section.

35 (c) The notice required by this section shall be delayed if a law enforcement agency
36 informs the business that notification may impede a criminal investigation or jeopardize
37 national or homeland security, provided that such request is made in writing or the business
38 documents such request contemporaneously in writing, including the name of the law
39 enforcement officer making the request and the officer's law enforcement agency engaged in
40 the investigation. The notice required by this section shall be provided without unreasonable
41 delay after the law enforcement agency communicates to the business its determination that
42 notice will no longer impede the investigation or jeopardize national or homeland security.

43 (d) The notice shall be clear and conspicuous. The notice shall include ~~a description~~ all
44 of the following:

- 45 (1) ~~The~~ A description of the incident in general terms.
- 46 (2) ~~The~~ A description of the type of personal information that was subject to the
47 unauthorized access and acquisition.
- 48 (3) ~~The~~ A description of the general acts of the business to protect the personal
49 information from further unauthorized access.
- 50 (4) A telephone number for the business that the person may call for further
51 information and assistance, if one exists.

- 1 (5) Advice that directs the person to remain vigilant by reviewing account
2 statements and monitoring free credit reports.
- 3 (6) The toll-free numbers and addresses for the major consumer reporting
4 agencies.
- 5 (7) The toll-free numbers, addresses, and Web site addresses for the Federal
6 Trade Commission and the North Carolina Attorney General's Office, along
7 with a statement that the individual can obtain information from these
8 sources about preventing identity theft.
- 9 (e) For purposes of this section, notice to affected persons may be provided by one of
10 the following methods:
- 11 (1) Written notice.
- 12 (2) Electronic notice, for those persons for whom it has a valid e-mail address
13 and who have agreed to receive communications electronically if the notice
14 provided is consistent with the provisions regarding electronic records and
15 signatures for notices legally required to be in writing set forth in 15 U.S.C.
16 § 7001.
- 17 (3) Telephonic notice provided that contact is made directly with the affected
18 persons.
- 19 (4) Substitute notice, if the business demonstrates that the cost of providing
20 notice would exceed two hundred fifty thousand dollars (\$250,000) or that
21 the affected class of subject persons to be notified exceeds 500,000, or if the
22 business does not have sufficient contact information or consent to satisfy
23 subdivisions (1), (2), or (3) of this subsection, for only those affected
24 persons without sufficient contact information or consent, or if the business
25 is unable to identify particular affected persons, for only those unidentifiable
26 affected persons. Substitute notice shall consist of all the following:
- 27 a. E-mail notice when the business has an electronic mail address for
28 the subject persons.
- 29 b. Conspicuous posting of the notice on the Web site page of the
30 business, if one is maintained.
- 31 c. Notification to major statewide media.
- 32 (e1) In the event a business provides notice to an affected person pursuant to this section,
33 the business shall notify without unreasonable delay the Consumer Protection Division of the
34 Attorney General's Office of the nature of the breach, the number of consumers affected by the
35 breach, steps taken to investigate the breach, steps taken to prevent a similar breach in the
36 future, and information regarding the timing, distribution, and content of the notice.
- 37 (f) In the event a business provides notice to more than 1,000 persons at one time
38 pursuant to this section, the business shall notify, without unreasonable delay, the Consumer
39 Protection Division of the Attorney General's Office and all consumer reporting agencies that
40 compile and maintain files on consumers on a nationwide basis, as defined in 15 U.S.C. §
41 1681a(p), of the timing, distribution, and content of the notice.
- 42 (g) Any waiver of the provisions of this Article is contrary to public policy and is void
43 and unenforceable.
- 44 (h) A financial institution that is subject to and in compliance with the Federal
45 Interagency Guidance Response Programs for Unauthorized Access to Consumer Information
46 and Customer Notice, issued on March 7, 2005, by the Board of Governors of the Federal
47 Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of
48 the Currency, and the Office of Thrift Supervision, and any revisions, additions, or
49 substitutions relating to said interagency guidance, shall be deemed to be in compliance with
50 this section.

1 (i) A violation of this section is a violation of G.S. 75-1.1. No private right of action
2 may be brought by an individual for a violation of this section unless such individual is injured
3 as a result of the violation.

4 (j) Causes of action arising under this Article may not be assigned."

5 **SECTION 3.(a)** G.S. 132-1.10 is amended by adding a new subsection to read:

6 "(f1) Without a request made pursuant to subsection (f) of this section, a register of deeds
7 or clerk of court may remove from an image or copy of an official record placed on a register of
8 deeds' or clerk of court's Internet Web site available to the general public, or placed on an
9 Internet Web site available to the general public used by a register of deeds or clerk of court to
10 display public records, a person's social security, employer taxpayer identification, drivers
11 license, State identification, passport, checking account, savings account, credit card, debit card
12 number, date of birth, or personal identification (PIN) code or passwords contained in that
13 official record."

14 **SECTION 3.(b)** This section is effective when this act becomes law.

15 **SECTION 4.(a)** G.S. 132-1.10 is amended by adding a new subsection to read:

16 "(f2) Registers of deeds and clerks of court shall apply optical character recognition
17 technology and other reasonably available technology to official records placed on Internet
18 Web sites available to the general public in order to, in good faith, identify and redact social
19 security and drivers license numbers."

20 **SECTION 4.(b)** G.S. 132-1.10(h) reads as rewritten:

21 "(h) Any affected person may petition the court for an order directing compliance with
22 this section. No liability shall accrue to a register of deeds or clerk of court or to his or her
23 agent for any action related to provisions of this section or for any claims or damages that
24 might result from a social security number or other identifying information on the public record
25 or on a register of deeds' or clerk of court's Internet Web site available to the general public or
26 an Internet Web site available to the general public used by a register of deeds or clerk of court.
27 court, provided a register of deeds or clerk of court complies with subsection (f2) of this
28 section."

29 **SECTION 4.(c)** This section becomes effective July 1, 2011.

30 **SECTION 5.** G.S. 15B-2 reads as rewritten:

31 "**§ 15B-2. Definitions.**

32 As used in this Article, the following definitions apply, unless the context requires
33 otherwise:

34 (1) "~~Allowable expense~~" ~~means reasonable~~ Allowable expense. – Reasonable
35 charges incurred for reasonably needed products, services, and
36 accommodations, including those for medical care, rehabilitation,
37 medically-related property, and other remedial treatment and care.

38 Allowable expense includes a total charge not in excess of five thousand
39 dollars (\$5,000) for expenses related to funeral, cremation, and burial,
40 including transportation of a body, but excluding expenses for flowers,
41 gravestone, and other items not directly related to the funeral service.

42 Allowable expense for medical care, counseling, rehabilitation,
43 medically-related property, and other remedial treatment and care of a victim
44 shall be limited to sixty-six and two-thirds percent (66 2/3%) of the amount
45 usually charged by the provider for the treatment or care. By accepting the
46 compensation paid as allowable expense pursuant to this subdivision, the
47 provider agrees that the compensation is payment in full for the treatment or
48 care and shall not charge or otherwise hold a claimant financially
49 responsible for the cost of services in addition to the amount of allowable
50 expense.

- 1 (2) ~~"Claimant" means any~~Claimant. – Any of the following persons who claims
2 an award of compensation under this Article:
3 a. A victim;
4 b. A dependent of a deceased victim;
5 c. A third person who is not a collateral source and who provided
6 benefit to the victim or his family other than in the course or scope of
7 his employment, business, or profession;
8 d. A person who is authorized to act on behalf of a victim, a dependent,
9 or a third person described in subdivision c.

10 The claimant, however, may not be the offender or an accomplice of the
11 offender who committed the criminally injurious conduct.

- 12 (3) ~~"Collateral source" means a~~Collateral source. – A source of benefits or
13 advantages for economic loss otherwise compensable that the victim or
14 claimant has received or that is readily available to the victim or the claimant
15 from any of the following sources:
16 a. The offender.
17 b. The government of the United States or any of its agencies, a state or
18 any of its political subdivisions, or an instrumentality of two or more
19 states.
20 c. Social Security, Medicare, or Medicaid.
21 d. State-required, temporary, nonoccupational disability insurance.
22 e. Worker's compensation.
23 f. Wage continuation programs of any employer.
24 g. Proceeds of a contract of insurance payable to the victim for loss that
25 the victim sustained because of the criminally injurious conduct.
26 h. A contract providing prepaid hospital and other health care services,
27 or benefits for disability.
28 i. A contract of insurance that will pay for expenses directly related to a
29 funeral, cremation, and burial, including transportation of a body.

- 30 (4) ~~"Commission" means the~~Commission. – The Crime Victims Compensation
31 Commission established by G.S. 15B-3.

32 (4a) Consumer reporting agency. – As defined in G.S. 75-61(4).

33 (4b) Credit report. – As defined in G.S. 75-61(3).

- 34 (5) ~~"Criminally injurious conduct" means conduct~~Criminally injurious conduct.
35 – Conduct that by its nature poses a substantial threat of personal injury or
36 death, and is punishable by fine or imprisonment or death, or would be so
37 punishable but for the fact that the person engaging in the conduct lacked the
38 capacity to commit the crime under the laws of this State. Criminally
39 injurious conduct includes conduct that amounts to an offense involving
40 impaired driving as defined in G.S. 20-4.01(24a), and conduct that amounts
41 to a violation of G.S. 20-166 if the victim was a pedestrian or was operating
42 a vehicle moved solely by human power or a mobility impairment device.
43 For purposes of this Article, a mobility impairment device is a device that is
44 designed for and intended to be used as a means of transportation for a
45 person with a mobility impairment, is suitable for use both inside and
46 outside a building, and whose maximum speed does not exceed 12 miles per
47 hour when the device is being operated by a person with a mobility
48 impairment. Criminally injurious conduct does not include conduct arising
49 out of the ownership, maintenance, or use of a motor vehicle when the
50 conduct is punishable only as a violation of other provisions of Chapter 20
51 of the General Statutes. Criminally injurious conduct shall also include an

1 act of terrorism, as defined in 18 U.S.C. § 2331, that is committed outside of
2 the United States against a citizen of this State.

3 (6) ~~"Dependent" means an~~Dependent. – An individual wholly or substantially
4 dependent upon the victim for care and support and includes a child of the
5 victim born after his death.

6 (7) ~~"Dependent's economic loss" means loss~~Dependent's economic loss. – Loss
7 after a victim's death of contributions of things of economic value to his
8 dependents, not including services they would have received from the victim
9 if he had not suffered the fatal injury, less expenses of the dependents
10 avoided by reason of the victim's death.

11 (8) ~~"Dependent's replacement service loss" means loss~~Dependent's replacement
12 service loss. – Loss reasonably incurred by dependents after a victim's death
13 in obtaining ordinary and necessary services in lieu of those the victim
14 would have performed for their benefit if he had not suffered the fatal injury,
15 less expenses of the dependents avoided by reason of the victim's death and
16 not subtracted in calculating dependent's economic loss.

17 Dependent's replacement service loss will be limited to a 26-week period
18 commencing from the date of the injury and compensation shall not exceed
19 two hundred dollars (\$200.00) per week.

20 (9) ~~"Director" means the~~Director. – The Director of the Commission appointed
21 under G.S. 15B-3(g).

22 (10) ~~"Economic loss" means economic~~Economic loss. – Economic detriment
23 consisting only of allowable expense, work loss, replacement services loss,
24 and household support loss. If criminally injurious conduct causes death,
25 economic loss includes a dependent's economic loss and a dependent's
26 replacement service loss. Noneconomic detriment is not economic loss, but
27 economic loss may be caused by pain and suffering or physical impairment.

28 (10a) ~~"Household support loss" means the~~Household support loss. – The loss of
29 support that a victim would have received from the victim's spouse for the
30 purpose of maintaining a home or residence for the victim and the victim's
31 dependents. A victim may be compensated fifty dollars (\$50.00) per week
32 for each dependent child. Compensation for household support loss shall not
33 exceed three hundred dollars (\$300.00) per week and shall be limited to 26
34 weeks commencing from the date of the injury. A victim may receive only
35 one compensation for household support loss. Household support loss is
36 only available to an unemployed victim whose spouse is the offender who
37 committed the criminally injurious conduct that is the basis of the victim's
38 claim under this act.

39 (11) ~~"Noneconomic detriment" means pain,~~ Noneconomic detriment. – Pain,
40 suffering, inconvenience, physical impairment, or other nonpecuniary
41 damage.

42 (12) ~~"Replacement services loss" means expenses~~Replacement services loss. –
43 Expenses reasonably incurred in obtaining ordinary and necessary services
44 in lieu of those the injured person would have performed, not for income but
45 for the benefit of himself or his family, if he had not been injured.

46 Replacement service loss will be limited to a 26-week period
47 commencing from the date of the injury, and compensation may not exceed
48 two hundred dollars (\$200.00) per week.

49 (12a) ~~"Substantial evidence" means relevant~~Substantial evidence. – Relevant
50 evidence that a reasonable mind might accept as adequate to support a
51 conclusion.

- 1 (13) ~~"Victim" means a~~Victim. – A person who suffers personal injury or death
 2 proximately caused by criminally injurious conduct.
 3 (14) ~~"Work loss" means loss~~Work loss. – Loss of income from work that the
 4 injured person would have performed if he had not been injured and
 5 expenses reasonably incurred by him to obtain services in lieu of those he
 6 would have performed for income, reduced by any income from substitute
 7 work actually performed by him, or by income he would have earned in
 8 available appropriate substitute work that he was capable of performing but
 9 unreasonably failed to undertake.

10 Compensation for work loss will be limited to 26 weeks commencing
 11 from the date of the injury, and compensation shall not exceed three hundred
 12 dollars (\$300.00) per week. A claim for work loss will be paid only upon
 13 proof that the injured person was gainfully employed at the time of the
 14 criminally injurious conduct and, by physician's certificate, that the injured
 15 person was unable to work."

16 **SECTION 6.** Chapter 15B of the General Statutes is amended by adding a new
 17 section to read:

18 **"§ 15B-26. Crime victims credit protection.**

19 (a) A creditor that is owed money for services provided to a victim as a result of the
 20 criminally injurious conduct inflicted on the victim shall not communicate any information
 21 about the debt to a consumer reporting agency during the pendency of an application for an
 22 award filed pursuant to G.S. 15B-7 or during the pendency of an appeal from a decision related
 23 to such an application.

24 (b) The victim bears the burden of notifying the creditor that the debt is subject to
 25 subsection (a) of this section.

26 (c) A creditor may request monthly verification from the Commission that the
 27 application or appeal is still pending, and the Commission shall provide this verification."

28 **SECTION 7.** Chapter 75 of the General Statutes is amended by adding a new
 29 Article to read:

30 "Article 6.

31 "Credit Monitoring Services Act.

32 **"§ 75-123. Title.**

33 This Article shall be known and may be cited as the 'Credit Monitoring Services Act.'

34 **"§ 75-124. Definitions.**

35 The following definitions apply in this Article:

- 36 (1) Credit monitoring service. – Any person who offers, for a fee or
 37 compensation, to obtain, provide, or monitor a credit report on behalf of a
 38 consumer, or to assist a consumer in obtaining or monitoring the consumer's
 39 credit report, and provides or purports to provide the foregoing services. The
 40 term also includes any person who offers, for a fee or compensation, to
 41 obtain or provide a fraud alert on behalf of a consumer or to assist a
 42 consumer in obtaining such fraud alert.
 43 (2) Consumer report. – As defined in G.S. 75-61(3).
 44 (3) Consumer. – An individual.
 45 (4) Fraud alert. – As defined in the federal Fair Credit Reporting Act, 15 U.S.C.
 46 § 1681c-1.
 47 (5) Person. – Any individual, partnership, corporation, association, business
 48 establishment, or any other legal or commercial entity.

49 **"§ 75-125. Required disclosure.**

1 (a) Prior to the charging or collecting of any fee or compensation from a consumer for
2 the obtaining, providing, or monitoring of the consumer's credit report on behalf of the
3 consumer, a credit monitoring service shall provide the following disclosure to the consumer:
4

5 **'Consumers Have the Right to Obtain a FREE Credit Report.'**
6

7 The federal Fair Credit Report Act (FCRA) requires each of the nationwide consumer
8 reporting agencies (Equifax, Experian, and TransUnion) to provide you with a free copy of
9 your credit report, at your request, once every 12 months. There are three ways to order your
10 free annual credit report:

- 11 (1) Go to the Internet Web site www.annualcreditreport.com and complete the
12 order form.
13 (2) Call toll-free, 1-877-322-8228, and request a report.
14 (3) Complete the Annual Credit Report Request Form, available at the Internet
15 Web site www.annualcreditreport.com and mail it to:

16
17 Annual Credit Report Request Service
18 P.O. Box 105281
19 Atlanta, GA 30348-5281
20

21 You may order your reports from each of the three nationwide consumer reporting
22 companies at the same time, or you can order your report from each of the companies one at a
23 time.

24 There are other situations in which you may also be entitled to a free credit report:

- 25 (1) If a company takes adverse action against you, such as denying your
26 application for credit, insurance, or employment, and you ask for your report
27 within 60 days of receiving notice of the action.
28 (2) If you are unemployed and plan to look for a job within 60 days.
29 (3) If you are on welfare.
30 (4) If your report is inaccurate because of fraud, including identity theft.'

31 (b) The disclosure required by subsection (a) of this section shall be clear and
32 conspicuous and shall be in writing.

33 (c) This section shall apply to consumer reporting agencies, as that term is defined in
34 the federal Fair Credit Report Act, 15 U.S.C. § 1681a(f), to the extent not preempted by federal
35 law.

36 (d) A supervised bank, credit union, or thrift offering a credit monitoring service that
37 provides a description of a consumer's right to free credit reports under the federal Fair Credit
38 Report Act and how to obtain those credit reports is deemed in compliance with this section.

39 (e) A violation of this section is a violation of G.S. 75-1.1."

40 **SECTION 8.** Except as otherwise provided, this act becomes effective October 1,
41 2009.