

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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SENATE BILL 1017
Judiciary I Committee Substitute Adopted 5/12/09

Short Title: Enhance Protections Against Identity Theft.

(Public)

Sponsors:

Referred to:

March 26, 2009

1 A BILL TO BE ENTITLED
2 AN ACT TO ENHANCE PROTECTIONS AGAINST IDENTITY THEFT AND TO
3 PROTECT THE CREDIT OF CRIME VICTIMS DURING THE PENDENCY OF CRIME
4 VICTIMS COMPENSATION FUND APPLICATIONS AND APPEALS.

5 The General Assembly of North Carolina enacts:

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

7 "§ 75-63. Security freeze.

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

21 (1) First-class mail.

22 (2) Telephone call.

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

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

36 (b) A consumer reporting agency shall place a security freeze on a consumer's credit
37 report no later than ~~five~~ three business days after receiving a written request from the



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1 ~~consumer~~ consumer by mail. A consumer reporting agency that receives such a request
2 electronically or by telephone shall comply with the request within 15 minutes of receiving the
3 request.

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

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

15 (1) Proper identification.

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

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

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

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

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

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

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

44 (2) If the consumer's credit report was frozen due to a material
45 misrepresentation of fact by the consumer. If a consumer reporting agency
46 intends to remove a freeze upon a consumer's credit report pursuant to this
47 subdivision, the consumer reporting agency shall notify the consumer in
48 writing prior to removing the freeze on the consumer's credit report.

49 (h) If a third party requests access to a consumer credit report on which a security
50 freeze is in effect and this request is in connection with an application for credit or any other

1 use and the consumer does not allow the consumer's credit report to be accessed for that
2 specific period of time, the third party may treat the application as incomplete.

3 (i) If a consumer requests a security freeze pursuant to this section, the consumer
4 reporting agency shall disclose to the consumer the process of placing and temporarily lifting a
5 security freeze and the process for allowing access to information from the consumer's credit
6 report for a specific period of time or to a specific third party while the security freeze is in
7 place.

8 (j) A security freeze shall remain in place until the consumer requests that the security
9 freeze be temporarily lifted for a specific period of time or to a specific third party or removed.
10 ~~A consumer reporting agency shall remove a security freeze within three business days of~~
11 ~~receiving a request for removal from the consumer, who provides all of the following:~~

12 ~~(1) Proper identification.~~

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

15 (k) A consumer reporting agency shall require proper identification of the person
16 making a request to place or remove a security freeze.

17 (l) The provisions of this section do not apply to the use of a consumer credit report by
18 any of the following:

19 (1) A person, or the person's subsidiary, affiliate, agent, subcontractor, or
20 assignee with whom the consumer has, or prior to assignment had, an
21 account, contract, or debtor-creditor relationship for the purposes of
22 reviewing the active account or collecting the financial obligation owing for
23 the account, contract, or debt.

24 (2) A subsidiary, affiliate, agent, assignee, or prospective assignee of a person to
25 whom access has been granted under subsection (d) of this section for
26 purposes of facilitating the extension of credit or other permissible use.

27 (3) Any person acting pursuant to a court order, warrant, or subpoena.

28 (4) A state or local agency, or its agents or assigns, which administers a program
29 for establishing and enforcing child support obligations.

30 (5) A state or local agency, or its agents or assigns, acting to investigate fraud,
31 including Medicaid fraud, or acting to investigate or collect delinquent taxes
32 or assessments, including interest and penalties, unpaid court orders, or to
33 fulfill any of its other statutory responsibilities.

34 (6) A federal, state, or local governmental entity, including law enforcement
35 agency, court, or their agent or assigns.

36 (7) A person for the purposes of prescreening as defined by the Fair Credit
37 Reporting Act, 15 U.S.C. § 1681, et seq.

38 (8) Any person for the sole purpose of providing for a credit file monitoring
39 subscription service to which the consumer has subscribed.

40 (9) A consumer reporting agency for the purpose of providing a consumer with
41 a copy of the consumer's credit report upon the consumer's request.

42 (10) Any depository financial institution for checking, savings, and investment
43 accounts.

44 (11) Any property and casualty insurance company for use in setting or adjusting
45 a rate, adjusting a claim, or underwriting for property and casualty insurance
46 purposes.

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

49 (m) If a security freeze is in place, a consumer reporting agency shall not change any of
50 the following official information in a credit report without sending a written confirmation of
51 the change to the consumer within 30 days of the change being posted to the consumer's file:

1 name, date of birth, social security number, and address. Written confirmation is not required
2 for technical modifications of a consumer's official information, including name and street
3 abbreviations, complete spellings, or transposition of numbers or letters. In the case of an
4 address change, the written confirmation shall be sent to both the new address and the former
5 address.

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

- 11 (1) A check services or fraud prevention services company, which reports on
12 incidents of fraud or issues authorizations for the purpose of approving or
13 processing negotiable instruments, electronic fund transfers, or similar
14 methods of payment.
- 15 (2) A deposit account information service company, which issues reports
16 regarding account closures due to fraud, substantial overdrafts, ATM abuse,
17 or other similar negative information regarding a consumer to inquiring
18 banks or other financial institutions for use only in reviewing a consumer
19 request for a deposit account at the inquiring bank or financial institution.
- 20 (3) A consumer reporting agency that does all of the following:
 - 21 a. Acts only to resell credit information by assembling and merging
22 information contained in a database of one or more credit reporting
23 agencies.
 - 24 b. Does not maintain a permanent database of credit information from
25 which new credit reports are produced.

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

43 (o1) A parent or guardian may inquire of a consumer reporting agency as to the existence
44 of a credit report for the minor of the parent or guardian. If a report for the minor exists, the
45 parent or guardian shall have the authority to institute a security freeze for that minor in
46 accordance with the provisions of this section and to take any other actions this section
47 authorizes a consumer to take, with respect to the minor's credit report. A consumer reporting
48 agency shall comply with such a request. If a credit report for the minor does not exist, a
49 consumer reporting agency has no obligation to create one.

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

4
5 **North Carolina Consumers Have the Right to Obtain a Security Freeze.**

6
7 You have a right to place a "security freeze" on your credit report pursuant to North
8 Carolina law. The security freeze will prohibit a consumer reporting agency from releasing any
9 information in your credit report without your express authorization. A security freeze ~~must can~~
10 be requested in writing by ~~certified mail, first-class mail, by telephone, or electronically.~~ You
11 may also request a freeze by visiting the following Web site: [URL] or calling the following
12 telephone number: [NUMBER].

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

20 The freeze will be placed within ~~five-three~~ business ~~days-days~~ if you request it by mail, or
21 within 15 minutes if you request it by telephone or electronically. When you place a security
22 freeze on your credit report, within ~~40-three~~ business days, you will be ~~provided-sent~~ a personal
23 identification number or a password to use when you want to remove ~~or lift temporarily the~~
24 ~~security freeze-the~~ security freeze, temporarily lift it, or lift it with respect to a particular third
25 party.

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

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

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

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

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

- 51 (1) Your request is made electronically.

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

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

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

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

11 "**§ 75-65. Protection from security breaches.**

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

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

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

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

- 42 (1) ~~The A description of the~~ incident in general terms.
43 (2) ~~The A description of the~~ type of personal information that was subject to the
44 unauthorized access and acquisition.
45 (3) ~~The A description of the~~ general acts of the business to protect the personal
46 information from further unauthorized access.
47 (4) A telephone number for the business that the person may call for further
48 information and assistance, if one exists.
49 (5) Advice that directs the person to remain vigilant by reviewing account
50 statements and monitoring free credit reports.

- 1 (6) The toll-free numbers and addresses for the major consumer reporting
2 agencies.
- 3 (7) The toll-free numbers, addresses, and Web site addresses for the Federal
4 Trade Commission and the North Carolina Attorney General's Office, along
5 with a statement that the individual can obtain information from these
6 sources about preventing identity theft.
- 7 (e) For purposes of this section, notice to affected persons may be provided by one of
8 the following methods:
- 9 (1) Written notice.
- 10 (2) Electronic notice, for those persons for whom it has a valid e-mail address
11 and who have agreed to receive communications electronically if the notice
12 provided is consistent with the provisions regarding electronic records and
13 signatures for notices legally required to be in writing set forth in 15 U.S.C.
14 § 7001.
- 15 (3) Telephonic notice provided that contact is made directly with the affected
16 persons.
- 17 (4) Substitute notice, if the business demonstrates that the cost of providing
18 notice would exceed two hundred fifty thousand dollars (\$250,000) or that
19 the affected class of subject persons to be notified exceeds 500,000, or if the
20 business does not have sufficient contact information or consent to satisfy
21 subdivisions (1), (2), or (3) of this subsection, for only those affected
22 persons without sufficient contact information or consent, or if the business
23 is unable to identify particular affected persons, for only those unidentifiable
24 affected persons. Substitute notice shall consist of all the following:
- 25 a. E-mail notice when the business has an electronic mail address for
26 the subject persons.
- 27 b. Conspicuous posting of the notice on the Web site page of the
28 business, if one is maintained.
- 29 c. Notification to major statewide media.
- 30 (e1) In the event a business provides notice to an affected person pursuant to this section,
31 the business shall notify without unreasonable delay the Consumer Protection Division of the
32 Attorney General's Office of the nature of the breach, the number of consumers affected by the
33 breach, steps taken to investigate the breach, steps taken to prevent a similar breach in the
34 future, and information regarding the timing, distribution, and content of the notice.
- 35 (f) In the event a business provides notice to more than 1,000 persons at one time
36 pursuant to this section, the business shall notify, without unreasonable delay, the Consumer
37 Protection Division of the Attorney General's Office and all consumer reporting agencies that
38 compile and maintain files on consumers on a nationwide basis, as defined in 15 U.S.C. §
39 1681a(p), of the timing, distribution, and content of the notice.
- 40 (g) Any waiver of the provisions of this Article is contrary to public policy and is void
41 and unenforceable.
- 42 (h) A financial institution that is subject to and in compliance with the Federal
43 Interagency Guidance Response Programs for Unauthorized Access to Consumer Information
44 and Customer Notice, issued on March 7, 2005, by the Board of Governors of the Federal
45 Reserve System, the Federal Deposit Insurance Corporation, the Office of the Comptroller of
46 the Currency, and the Office of Thrift Supervision, and any revisions, additions, or
47 substitutions relating to said interagency guidance, shall be deemed to be in compliance with
48 this section.
- 49 (i) A violation of this section is a violation of G.S. 75-1.1. No private right of action
50 may be brought by an individual for a violation of this section unless such individual is injured
51 as a result of the violation.

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

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

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

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

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

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

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

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

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

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

28 "**§ 15B-2. Definitions.**

29 As used in this Article, the following definitions apply, unless the context requires
30 otherwise:

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

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

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

48 (2) ~~"Claimant" means any~~ Claimant. – Any of the following persons who claims
49 an award of compensation under this Article:

50 a. A victim;

51 b. A dependent of a deceased victim;

- 1 c. A third person who is not a collateral source and who provided
 2 benefit to the victim or his family other than in the course or scope of
 3 his employment, business, or profession;
 4 d. A person who is authorized to act on behalf of a victim, a dependent,
 5 or a third person described in subdivision c.

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

- 8 (3) ~~"Collateral source" means a Collateral source.~~ – A source of benefits or
 9 advantages for economic loss otherwise compensable that the victim or
 10 claimant has received or that is readily available to the victim or the claimant
 11 from any of the following sources:

- 12 a. The offender.
 13 b. The government of the United States or any of its agencies, a state or
 14 any of its political subdivisions, or an instrumentality of two or more
 15 states.
 16 c. Social Security, Medicare, or Medicaid.
 17 d. State-required, temporary, nonoccupational disability insurance.
 18 e. Worker's compensation.
 19 f. Wage continuation programs of any employer.
 20 g. Proceeds of a contract of insurance payable to the victim for loss that
 21 the victim sustained because of the criminally injurious conduct.
 22 h. A contract providing prepaid hospital and other health care services,
 23 or benefits for disability.
 24 i. A contract of insurance that will pay for expenses directly related to a
 25 funeral, cremation, and burial, including transportation of a body.

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

- 28 (4a) Consumer reporting agency. – As defined in G.S. 75-61(4).

- 29 (4b) Credit report. – As defined in G.S. 75-61(3).

- 30 (5) ~~"Criminally injurious conduct" means conduct~~ Criminally injurious conduct.
 31 – Conduct that by its nature poses a substantial threat of personal injury or
 32 death, and is punishable by fine or imprisonment or death, or would be so
 33 punishable but for the fact that the person engaging in the conduct lacked the
 34 capacity to commit the crime under the laws of this State. Criminally
 35 injurious conduct includes conduct that amounts to an offense involving
 36 impaired driving as defined in G.S. 20-4.01(24a), and conduct that amounts
 37 to a violation of G.S. 20-166 if the victim was a pedestrian or was operating
 38 a vehicle moved solely by human power or a mobility impairment device.
 39 For purposes of this Article, a mobility impairment device is a device that is
 40 designed for and intended to be used as a means of transportation for a
 41 person with a mobility impairment, is suitable for use both inside and
 42 outside a building, and whose maximum speed does not exceed 12 miles per
 43 hour when the device is being operated by a person with a mobility
 44 impairment. Criminally injurious conduct does not include conduct arising
 45 out of the ownership, maintenance, or use of a motor vehicle when the
 46 conduct is punishable only as a violation of other provisions of Chapter 20
 47 of the General Statutes. Criminally injurious conduct shall also include an
 48 act of terrorism, as defined in 18 U.S.C. § 2331, that is committed outside of
 49 the United States against a citizen of this State.

- 1 (6) ~~"Dependent" means an~~Dependent. – An individual wholly or substantially
2 dependent upon the victim for care and support and includes a child of the
3 victim born after his death.
- 4 (7) ~~"Dependent's economic loss" means loss~~Dependent's economic loss. – Loss
5 after a victim's death of contributions of things of economic value to his
6 dependents, not including services they would have received from the victim
7 if he had not suffered the fatal injury, less expenses of the dependents
8 avoided by reason of the victim's death.
- 9 (8) ~~"Dependent's replacement service loss" means loss~~Dependent's replacement
10 service loss. – Loss reasonably incurred by dependents after a victim's death
11 in obtaining ordinary and necessary services in lieu of those the victim
12 would have performed for their benefit if he had not suffered the fatal injury,
13 less expenses of the dependents avoided by reason of the victim's death and
14 not subtracted in calculating dependent's economic loss.
15 Dependent's replacement service loss will be limited to a 26-week period
16 commencing from the date of the injury and compensation shall not exceed
17 two hundred dollars (\$200.00) per week.
- 18 (9) ~~"Director" means the~~Director. – The Director of the Commission appointed
19 under G.S. 15B-3(g).
- 20 (10) ~~"Economic loss" means economic~~Economic loss. – Economic detriment
21 consisting only of allowable expense, work loss, replacement services loss,
22 and household support loss. If criminally injurious conduct causes death,
23 economic loss includes a dependent's economic loss and a dependent's
24 replacement service loss. Noneconomic detriment is not economic loss, but
25 economic loss may be caused by pain and suffering or physical impairment.
- 26 (10a) ~~"Household support loss" means the~~Household support loss. – The loss of
27 support that a victim would have received from the victim's spouse for the
28 purpose of maintaining a home or residence for the victim and the victim's
29 dependents. A victim may be compensated fifty dollars (\$50.00) per week
30 for each dependent child. Compensation for household support loss shall not
31 exceed three hundred dollars (\$300.00) per week and shall be limited to 26
32 weeks commencing from the date of the injury. A victim may receive only
33 one compensation for household support loss. Household support loss is
34 only available to an unemployed victim whose spouse is the offender who
35 committed the criminally injurious conduct that is the basis of the victim's
36 claim under this act.
- 37 (11) ~~"Noneconomic detriment" means pain,~~ Noneconomic detriment. – Pain,
38 suffering, inconvenience, physical impairment, or other nonpecuniary
39 damage.
- 40 (12) ~~"Replacement services loss" means expenses~~Replacement services loss. –
41 Expenses reasonably incurred in obtaining ordinary and necessary services
42 in lieu of those the injured person would have performed, not for income but
43 for the benefit of himself or his family, if he had not been injured.
44 Replacement service loss will be limited to a 26-week period
45 commencing from the date of the injury, and compensation may not exceed
46 two hundred dollars (\$200.00) per week.
- 47 (12a) ~~"Substantial evidence" means relevant~~Substantial evidence. – Relevant
48 evidence that a reasonable mind might accept as adequate to support a
49 conclusion.
- 50 (13) ~~"Victim" means a~~Victim. – A person who suffers personal injury or death
51 proximately caused by criminally injurious conduct.

1 (14) ~~"Work loss" means loss~~ Work loss. – Loss of income from work that the
2 injured person would have performed if he had not been injured and
3 expenses reasonably incurred by him to obtain services in lieu of those he
4 would have performed for income, reduced by any income from substitute
5 work actually performed by him, or by income he would have earned in
6 available appropriate substitute work that he was capable of performing but
7 unreasonably failed to undertake.

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

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

16 **"§ 15B-26. Crime victims credit protection.**

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

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

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

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

28 "Article 6.

29 "Credit Monitoring Services Act.

30 **"§ 75-123. Title.**

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

32 **"§ 75-124. Definitions.**

33 The following definitions apply in this Article:

34 (1) Credit monitoring service. – Any person who offers, for a fee or
35 compensation, to obtain, provide, or monitor a credit report on behalf of a
36 consumer, or to assist a consumer in obtaining or monitoring the consumer's
37 credit report, and provides or purports to provide the foregoing services. The
38 term also includes any person who offers, for a fee or compensation, to
39 obtain or provide a fraud alert on behalf of a consumer or to assist a
40 consumer in obtaining such fraud alert.

41 (2) Consumer report. – As defined in G.S. 75-61(3).

42 (3) Consumer. – An individual.

43 (4) Fraud alert. – As defined in the federal Fair Credit Reporting Act, 15 U.S.C.
44 § 1681c-1.

45 (5) Person. – Any individual, partnership, corporation, association, business
46 establishment, or any other legal or commercial entity.

47 **"§ 75-125. Required disclosure.**

48 (a) Prior to the charging or collecting of any fee or compensation from a consumer for
49 the obtaining, providing, or monitoring of the consumer's credit report on behalf of the
50 consumer, a credit monitoring service shall provide the following disclosure to the consumer:
51

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

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

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

Annual Credit Report Request ServiceP.O. Box 105281Atlanta, GA 30348-5281

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

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

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

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

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

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

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

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