

HB 1832 -- CREDIT USER PROTECTION LAW

SPONSOR: Cornejo

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Judiciary by a vote of 8 to 0. Voted "Do Pass" by the Rules-Legislative Oversight Committee by a vote of 9 to 0.

This bill states that a person commits the offense of illegal use of a card scanner if the person:

- (1) Uses a scanning device to obtain information stored on a credit card without the permission of the cardholder, credit card issuer, or merchant;
- (2) Possesses a scanning device with the intent to defraud or with the knowledge that some other person intends to use the device to defraud;
- (3) Uses a reencoder to copy a credit card without the permission of the cardholder and with the intent to defraud; or
- (4) Possesses a reencoder with the intent to defraud or with the knowledge that another person intends to use the reencoder to defraud.

The offense of illegal use of a card scanner is a class D felony for the first offense and any subsequent offense arising from a separate incident is a class C felony.

A person commits the offense of defacing a credit card reader if the person damages, defaces, alters, or destroys a scanning device and the person has no right to do so. The offense of defacing a credit card reader is a class A misdemeanor.

A violation of either of these offenses constitutes an illegal practice under current merchandising practices statutes, and a violator is subject to any penalties under these statutes. The Attorney General shall have the same powers, rights, and duties regarding violations of either of these offenses as he does under current merchandising practices statutes.

PROPONENTS: Supporters say that this offense was not addressed in the criminal code revision in 2014. The Attorney General should have the authority to investigate this offense because it spans many counties and sometimes even many states. This is not an offense impressionable kids are committing; this is a sophisticated enterprise. Offenders are becoming emboldened by technology, and they are getting better at stealing people's credit card

information.

Testifying for the bill were Representative Cornejo; Missouri Retailers Association; Associated Industries of Missouri; Missouri Petroleum Marketing and Convenience Store Association; Heartland Credit Union Association; Britt Davidson, Kum & Go; and the Missouri Bankers Association.

OPPONENTS: There was no opposition voiced to the committee.