

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 980

DATE: April 3, 2003

Version: First engrossment

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Subject: Credit card "skimmers"

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Overview

This bill addresses an emerging type of consumer fraud known as credit card "skimming," in which a person who has access to a consumer's credit card (a store or restaurant employee, for instance) runs the card through an electronic device (a "skimmer") that records the number. The number is then used fraudulently, either for purchases by phone or Internet, or by transferring the number onto a blank card to create a duplicate fraudulent card.

Section

- 1 Credit card receipts.** Prohibits businesses from printing on credit card receipts more than the last five digits of the consumer's credit card number or expiration date. This limitation applies only to merchants who electronically create their receipts. Under section 3, this requirement is phased in between 2004 and 2006.
- 2 Skimming card fraud.** This section prohibits both using "skimming" devices, which are generally small, hand-held devices that capture credit card numbers when the card is swiped through them, and using "re-encoding" devices, which transfer the number onto a new dummy card in order to create a fraudulent card. Both prohibitions apply only when the devices are used with the intent to defraud. If no money or property is actually lost, then the penalties are up to 90 days in jail or a fine of up to \$1,000. If money or property is actually lost as a result of the fraud, then the fraud is treated as theft of that amount, essentially.
- 3 Effective date.** Section 1 applies as of January 1, 2004 to receipt printers that are first put into service on or after that date, and applies as of January 1, 2006 to receipt printers in service before January 1, 2004. Section 2 is effective August 1, 2003, and applies to acts committed on or after that date.