

HB 3080 STAFF MEASURE SUMMARY

Senate Committee On Labor and Business

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Meeting Dates: 4/20, 5/11

WHAT THE MEASURE DOES:

Allows financial institutions to swipe driver licenses or identification cards for purpose of processing an application for a deposit account or loan.

House vote: Ayes, 46; Excused, 14--Bonham, Boshart Davis, Bynum, Clem, Grayber, Hayden, Levy, Nearman, Owens, Pham, Reynolds, Wallan, Williams, Zika

No fiscal impact; no revenue impact

ISSUES DISCUSSED:

- Information required under federal law to verify applicant identity
- Benefits of allowing "swiping" to pull key data points

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

"Swiping" a driver license or identification card means passing the card through a device that deciphers the information encoded in a magnetic strip or bar code. Private entities are prohibited from swiping an individual's driver license or identification card except for four purposes: to verify the authenticity of the identification card or identity of a person in a non-cash, return, or refund transaction; to verify age of person buying an age-restricted good or service; to prevent fraud through use of a fraud prevention service company or system; or to transmit information to a check services company for approval of check, electronic funds transfer, or similar method of payment. According to proponents, gathering the card's embedded information through swiping reduces data entry errors and streamlines the account and loan application process.

The Oregon Department of Transportation confirmed that swiping a driver license or ID card will provide only the information that is on the front of the card. There is information attached to the license and card (e.g., driving record) that are public records subject to disclosure, but that information is not available through a card swipe.

House Bill 3080 allows financial institutions, including FDIC-insured institutions, credit unions, and international banking businesses, to swipe a driver license or identification card for the purpose of collecting information to process an application.