

CHAPTER 180

CONSUMER AND COMMERCIAL TRANSACTIONS

HOUSE BILL 03-1272

BY REPRESENTATIVE(S) Jahn, Fritz, Marshall, Vigil, Boyd, Brophy, Butcher, Cadman, Carroll, Cloer, Frangas, Johnson R., Lundberg, Madden, Merrifield, Plant, Pommer, Stengel, and Williams S.;
also SENATOR(S) Kester, Groff, Hanna, Jones, Sandoval, and Windels.

AN ACT

CONCERNING A PROHIBITION AGAINST RECORDING CERTAIN INFORMATION WHEN ACCEPTING A NEGOTIABLE INSTRUMENT AS PAYMENT.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Part 5 of article 3 of title 4, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

4-3-506. Recording credit card or social security numbers prohibited.

(a) WHEN PAYMENT IS MADE BY CHECK OR OTHER NEGOTIABLE INSTRUMENT, A PERSON SHALL NOT RECORD OR REQUIRE THE MAKER OF THE CHECK TO RECORD A CREDIT CARD OR SOCIAL SECURITY NUMBER GIVEN AS IDENTIFICATION OR PROOF OF CREDITWORTHINESS.

(b) SUBSECTION (a) OF THIS SECTION SHALL NOT PROHIBIT:

(1) THE RECORDING OF A CREDIT CARD NUMBER WHEN A CHECK OR OTHER NEGOTIABLE INSTRUMENT IS ISSUED TO PAY THE CREDIT CARD DESIGNATED BY THE CREDIT CARD NUMBER.

(2) (i) THE RECORDING OF A PERSON'S SOCIAL SECURITY NUMBER ON A CHECK OR OTHER NEGOTIABLE INSTRUMENT ISSUED TO PAY A STUDENT LOAN.

(ii) FOR THE PURPOSES OF THIS PARAGRAPH (2), "STUDENT LOAN" MEANS A LOAN TO FINANCE HIGHER EDUCATION OPPORTUNITIES THAT IS MADE, ORIGINATED, DISBURSED, GUARANTEED, OR SERVICED BY THE DEPARTMENT OF HIGHER EDUCATION, THE COLORADO STUDENT OBLIGATION BOND AUTHORITY, AN AGENCY OF ANOTHER STATE, THE FEDERAL GOVERNMENT, OR AN INSTITUTION OF HIGHER EDUCATION,

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

INCLUDING, BUT NOT LIMITED TO, A LOAN THAT IS SECURED PURSUANT TO PART 2 OF ARTICLE 3.1 OF TITLE 23, C.R.S., AND A LOAN AUTHORIZED BY TITLE IV, PART B OF THE FEDERAL "HIGHER EDUCATION ACT OF 1965", AS AMENDED.

(3) THE RECORDING OF A PERSON'S SOCIAL SECURITY NUMBER ON A BONAFIDE LOAN APPLICATION.

(c) SUBSECTION (a) OF THIS SECTION SHALL NOT PROHIBIT A PERSON FROM REQUESTING A PURCHASER OF GOODS OR SERVICES TO DISPLAY A CREDIT CARD AS INDICATION OF CREDITWORTHINESS OR IDENTIFICATION IF THE ONLY INFORMATION ABOUT THE CREDIT CARD THAT IS RECORDED IS THE TYPE OF CREDIT CARD AND THE ISSUER OF THE CREDIT CARD.

SECTION 2. Effective date. This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: April 22, 2003