



KIM REYNOLDS
GOVERNOR

OFFICE OF THE GOVERNOR

ADAM GREGG
LT GOVERNOR

March 15, 2018

The Honorable Paul Pate
Secretary of State of Iowa
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit:

House File 2199, an Act relating to the criminal offenses of the illegal use of a scanning device or encoding machine and criminal mischief in the third degree, and providing penalties.

The above House File is hereby approved this date.

Sincerely,

Kim Reynolds
Governor

cc: Secretary of the Senate
Clerk of the House



House File 2199

AN ACT

RELATING TO THE CRIMINAL OFFENSES OF THE ILLEGAL USE OF A SCANNING DEVICE OR ENCODING MACHINE AND CRIMINAL MISCHIEF IN THE THIRD DEGREE, AND PROVIDING PENALTIES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 715A.10, Code 2018, is amended to read as follows:

715A.10 ~~Illegal use of scanning device or reencoder~~ encoding machine.

1. A person commits a class "D" felony if the person does any of the following:

a. ~~Uses~~ Directly or indirectly uses a scanning device to access, read, obtain, memorize, or store, temporarily or permanently, information encoded on the ~~magnetic strip or stripe~~ of a payment card without the permission of the authorized user of the payment card, and ~~with the intent to defraud the authorized user,~~ the issuer of the authorized user's payment card, or a merchant.

b. ~~Uses a reencoder~~ Directly or indirectly uses an encoding machine to place information encoded on the ~~magnetic strip or stripe~~ of a payment card onto the ~~magnetic strip or stripe~~ of a different payment card without the permission of the authorized user of the payment card from which the information ~~is being reencoded~~ was obtained, and ~~with the intent to defraud the authorized user,~~ the issuer of the authorized user's payment card, or a merchant.

1A. A person commits an aggravated misdemeanor if the person possesses a scanning device with the intent to use such device to obtain information encoded on a payment card without the permission of the authorized user of the payment card, the issuer of the authorized user's payment card, or a merchant, or possesses a scanning device with knowledge that a person other than the authorized user, the issuer of the authorized user's payment card, or a merchant intends to use the scanning device to obtain information encoded on a payment card without the permission of the authorized user, the issuer of the authorized user's payment card, or a merchant.

2. A second or subsequent violation of this section is a class "C" felony.

3. As used in this section:

a. "Encoding machine" means an electronic device that is used to encode information onto a payment card.

~~a.~~ b. "Merchant" means an owner or operator of a retail mercantile establishment or an agent, employee, lessee, consignee, officer, director, franchisee, or independent contractor of such owner or operator. A "merchant" also means includes an establishing financial institution referred to in section 527.5, a person who receives from an authorized user of a payment card, or someone the person believes to be an authorized user, a payment card or information from a payment card, or what the person believes to be a payment card or information from a payment card, as the instrument for obtaining, purchasing, or receiving goods, services, money, or anything else of value from the person.

~~b.~~ c. "Payment card" means a credit card, charge card, debit card, access device as defined in section 527.2, or any other card that is issued to an authorized card user and that allows the user to obtain, purchase, or receive goods, services, money, or anything else of value from a merchant.

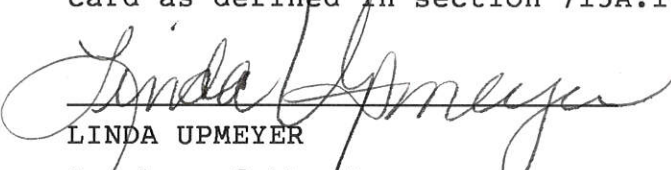
~~c. "Reencoder" means an electronic device that places encoded information from the magnetic strip or stripe of a payment card onto the magnetic strip or stripe of a different payment card.~~

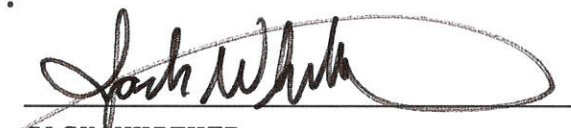
d. "Scanning device" means a scanner, reader, wireless access device, radio frequency identification scanner, an

electronic device that utilizes near field communications technology, or any other electronic device that is used to access, read, scan, obtain, memorize, or store, temporarily or permanently, information encoded on the ~~magnetic strip or stripe~~ of a payment card.


Sec. 2. Section 716.5, subsection 1, Code 2018, is amended by adding the following new paragraph:

NEW PARAGRAPH. *f.* The act is committed upon property that consists of a device that has the ability to process a payment card as defined in section 715A.10.



LINDA UPMEYER
Speaker of the House


JACK WHITVER
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2199, Eighty-seventh General Assembly.


CARMINE BOAL
Chief Clerk of the House

Approved March 15th, 2018


KIM REYNOLDS
Governor