



THOMAS J. VILSACK
GOVERNOR

OFFICE OF THE GOVERNOR

SALLY J. PEDERSON
LT. GOVERNOR

March 28, 2003

The Honorable Chester Culver
Secretary of State
State Capitol Building
LOCAL

Dear Mr. Secretary:

I hereby transmit:

House File 504, an Act relating to fraudulent use of a credit card, scanning devise, or reencoder, and providing a penalty.

The above House File is hereby approved this date.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Vilsack".

Thomas J. Vilsack
Governor

TJV:jmc

cc: Secretary of the Senate
Chief Clerk of the House





HOUSE FILE 504

AN ACT

RELATING TO FRAUDULENT USE OF A CREDIT CARD, SCANNING
DEVICE, OR REENCODER, AND PROVIDING A PENALTY.

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

Section 1. Section 715A.6, subsection 2, Code 2003, is amended to read as follows:

2. An offense under this section is a class "D" "C" felony if the value of the property or services secured or sought to be secured by means of the credit card is greater than one ten thousand dollars. If the value of the property or services secured or sought to be secured by means of the credit card is greater than one thousand dollars but not more than ten thousand dollars, an offense under this section is a class "D" felony, otherwise the offense is an aggravated misdemeanor.

Sec. 2. Section 715A.6, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 3. For purposes of this section, the value of the property or services is the highest value of the property or services determined by any reasonable standard at the time the violation occurred. Any reasonable standard includes but is not limited to market value within the community, actual value, or replacement value. If property or services are secured by two or more acts from the same person or location, or from different persons by two or more acts which occur in approximately the same location or time period so that the acts are attributable to a single scheme, plan, or conspiracy, the acts may be considered as a single act and the value may be the total value of all property or services involved.

Sec. 3. NEW SECTION. 715A.10 ILLEGAL USE OF SCANNING DEVICE OR REENCODER.

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

a. 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 to place information encoded on the magnetic strip or stripe of a payment card onto the magnetic strip or stripe of a different card without the permission of the authorized user of the card from which the information is being reencoded, and with the intent to defraud 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:

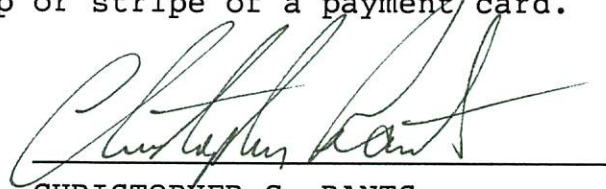
a. "Merchant" means an owner or operator of a retail mercantile establishment or an agent, employee, lessee, consignee, officer, director, franchisee, or independent contractor of such owner or operator. A "merchant" also means a person who receives from an authorized user of a payment card, or someone 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. "Payment card" means a credit card, charge card, debit card, 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, 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.



CHRISTOPHER C. RANTS

Speaker of the House



MARY E. KRAMER

President of the Senate

I hereby certify that this bill originated in the House and is known as House File 504, Eightieth General Assembly.



MARGARET THOMSON

Chief Clerk of the House

Approved March 28, 2003



THOMAS J. VILSACK

Governor