

JAN 27 1988

Place On Calendar

HOUSE FILE 2127  
BY COMMITTEE ON SMALL  
BUSINESS AND COMMERCE

(Formerly House Study Bill 568)

Passed House, Date 2/12/88 (p. 100) Passed Senate, Date 3/29/88 (p. 110)  
Vote: Ayes 87 Nays 7 Vote: Ayes 47 Nays 9  
Approved April 12, 1988 (p. 1808)

A BILL FOR

1 An Act relating to the acceptance of checks and share drafts by  
2 prohibiting certain forms of identification as a condition of  
3 acceptance of a check or share draft, and providing penalties.

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

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HF 2127

1 Section 1. NEW SECTION. 537.8101 PROVISION OF CREDIT  
2 CARD NUMBER AS CONDITION OF CHECK CASHING OR ACCEPTANCE  
3 PROHIBITED.

4 1. PROVISION OF CREDIT CARD NUMBER OR EXPIRATION DATE NOT  
5 REQUIRED. A person shall not require as a condition of  
6 acceptance of a check or share draft, or as a means of  
7 identification, that the person presenting the check provide a  
8 credit card number or expiration date, or both.

9 2. RECORDING OF CREDIT CARD NUMBER OR EXPIRATION DATE,  
10 SIMPLE MISDEMEANOR. Recording a credit card number or  
11 expiration date, or both, in connection with a sale of goods  
12 or services in which the purchaser pays by check or share  
13 draft, or in connection with the acceptance of a check or  
14 share draft, is a simple misdemeanor.

15 3. DISPLAY WITHOUT RECORDATION PERMISSIBLE CONDITION.  
16 This section does not prohibit a person from requesting a  
17 purchaser to display a credit card as indicia of credit  
18 worthiness and financial responsibility or as additional  
19 identification, but the only information concerning a credit  
20 card which may be recorded is the type of credit card so  
21 displayed and the issuer of the credit card. This section  
22 does not require acceptance of a check or share draft whether  
23 or not a credit card is presented.

24 4. PROVISION OF CREDIT CARD NUMBER OR EXPIRATION DATE IN  
25 LIEU OF DEPOSIT. This section does not prohibit a person from  
26 requesting or receiving a credit card number or expiration  
27 date and recording the number or date, or both in lieu of a  
28 deposit to secure payment in event of default, loss, damage,  
29 or other occurrence.

30 Sec. 2. Sections 537.8101 through 537.8149 are established  
31 as a new article 8 of chapter 537 entitled "CHECK CASHING  
32 PRACTICES".

33 EXPLANATION

34 This bill bars a person from recording a credit card number  
35 or expiration date, or both, as a condition to accepting a

1 check or as a means of identification. Violation of the  
2 restriction is a simple misdemeanor. A person may request to  
3 see a credit card, but may not record the numerical  
4 information which could enable a stranger to make charges to  
5 the card account. The name and issuer of a credit card may be  
6 recorded.

7           SUCCESSOR TO HOUSE STUDY BILL 568 (LSB 7825HC)

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HSB 568

House Study Bill 568

SMALL BUSINESS AND COMMERCE

Small Business and Commerce: Skow, Chair; Hansen of Woodbury, Hanson of Delaware and Metcalf.

*new*  
*2/27*

BY \_\_\_\_\_ E \_\_\_\_\_  
(PROPOSED COMMITTEE ON SMALL  
BUSINESS AND COMMERCE BILL)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

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HOUSE FILE 2127

AN ACT

RELATING TO THE ACCEPTANCE OF CHECKS AND SHARE DRAFTS BY PROHIBITING CERTAIN FORMS OF IDENTIFICATION AS A CONDITION OF ACCEPTANCE OF A CHECK OR SHARE DRAFT, AND PROVIDING PENALTIES.

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

Section 1. NEW SECTION. 537.8101 PROVISION OF CREDIT CARD NUMBER AS CONDITION OF CHECK CASHING OR ACCEPTANCE PROHIBITED.

1. PROVISION OF CREDIT CARD NUMBER OR EXPIRATION DATE NOT REQUIRED. A person shall not require as a condition of acceptance of a check or share draft, or as a means of identification, that the person presenting the check provide a credit card number or expiration date, or both.

2. RECORDING OF CREDIT CARD NUMBER OR EXPIRATION DATE, SIMPLE MISDEMEANOR. Recording a credit card number or expiration date, or both, in connection with a sale of goods or services in which the purchaser pays by check or share draft, or in connection with the acceptance of a check or share draft, is a simple misdemeanor.

3. DISPLAY WITHOUT RECORDATION PERMISSIBLE CONDITION. This section does not prohibit a person from requesting a purchaser to display a credit card as indicia of credit worthiness and financial responsibility or as additional identification, but the only information concerning a credit card which may be recorded is the type of credit card so displayed and the issuer of the credit card. This section does not require acceptance of a check or share draft whether or not a credit card is presented.

4. PROVISION OF CREDIT CARD NUMBER OR EXPIRATION DATE IN LIEU OF DEPOSIT. This section does not prohibit a person from

requesting or receiving a credit card number or expiration date and recording the number or date, or both in lieu of a deposit to secure payment in event of default, loss, damage, or other occurrence.

Sec. 2. Sections 537.8101 through 537.8149 are established as a new article 8 of chapter 537 entitled "CHECK CASHING PRACTICES".

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DONALD D. AVENSON  
Speaker of the House

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JO ANN ZIMMERMAN  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2127, Seventy-second General Assembly.

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JOSEPH O'HERN  
Chief Clerk of the House

Approved April 12, 1988

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TERRY E. BRANSTAD  
Governor

HF 2127