

# SENATE BILL 897

I3, I2

3lr2972  
CF HB 1297

---

By: **Senator Klausmeier**

Introduced and read first time: February 11, 2013

Assigned to: Rules

---

## A BILL ENTITLED

1 AN ACT concerning

2 **Consumer Protection – Security Freezes – Children in Foster Care Settings**

3 FOR the purpose of requiring the Social Services Administration of the Maryland  
4 Department of Human Resources to request a security freeze on the consumer  
5 report or a certain record of certain protected consumers who are minor children  
6 in the custody of a local department of social services who have been placed in a  
7 foster care setting in accordance with certain application procedures; requiring  
8 a consumer reporting agency to place a security freeze for a protected consumer  
9 under certain circumstances and within a certain period of time; requiring a  
10 consumer reporting agency to create a certain record under certain  
11 circumstances; prohibiting a consumer agency from releasing certain  
12 information while a security freeze is in place; providing that a security freeze  
13 remains in effect until a certain request is made or the security freeze is  
14 removed in accordance with a certain provision of this Act; providing that a  
15 certain protected consumer or the Social Services Administration may request  
16 the removal of a certain security freeze by submitting a certain request in a  
17 certain manner under certain circumstances; requiring a consumer reporting  
18 agency to remove a certain security freeze within a certain period of time;  
19 prohibiting a consumer reporting agency from charging a certain fee; requiring  
20 the Social Services Administration to send each month to each consumer  
21 reporting agency by electronic transmission a certain list of children and a  
22 request for a security freeze for each child on the list; allowing a consumer  
23 reporting agency to remove a security freeze or delete a certain record under  
24 certain circumstances; providing that the exclusive remedy for a certain  
25 violation shall be a certain complaint filed with the Commissioner of Financial  
26 Regulation; requiring the Social Services Administration, on the entry of a  
27 certain order for adoption, to provide certain notice to the adoptive parent of  
28 certain provisions of law; requiring the Social Services Administration to send  
29 to each consumer reporting agency by electronic means a certain list on the  
30 effective date of this Act; requiring a consumer agency that receives a certain  
31 list to delete certain information from a certain file and place a security freeze

---

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 for the consumer record of the protected consumer; defining certain terms; and  
2 generally relating to consumer reports and security freezes.

3 BY adding to  
4 Article – Commercial Law  
5 Section 14–1212.3  
6 Annotated Code of Maryland  
7 (2005 Replacement Volume and 2012 Supplement)

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
9 MARYLAND, That the Laws of Maryland read as follows:

10 **Article – Commercial Law**

11 **14–1212.3.**

12 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE  
13 MEANINGS INDICATED.

14 (2) “ADMINISTRATION” MEANS THE SOCIAL SERVICES  
15 ADMINISTRATION OF THE DEPARTMENT OF HUMAN RESOURCES.

16 (3) “FOSTER CARE” HAS THE MEANING STATED IN § 5–501(F) OF  
17 THE FAMILY LAW ARTICLE.

18 (4) “LOCAL DEPARTMENT” MEANS:

19 (I) A LOCAL DEPARTMENT OF SOCIAL SERVICES CREATED  
20 OR CONTINUED IN A COUNTY OF THE STATE OR IN BALTIMORE CITY UNDER §  
21 3–201 OF THE HUMAN SERVICES ARTICLE; OR

22 (II) IN MONTGOMERY COUNTY, THE MONTGOMERY  
23 COUNTY GOVERNMENT.

24 (5) “PROTECTED CONSUMER” MEANS AN INDIVIDUAL WHO:

25 (I) IS UNDER THE AGE OF 16 YEARS AT THE TIME A  
26 REQUEST FOR THE PLACEMENT OF A SECURITY FREEZE IS MADE;

27 (II) IS IN THE CUSTODY OF A LOCAL DEPARTMENT; AND

28 (III) HAS BEEN PLACED IN A FOSTER CARE SETTING.

29 (6) “RECORD” MEANS A COMPILATION OF INFORMATION THAT:

1 (I) IDENTIFIES A PROTECTED CONSUMER;

2 (II) IS CREATED BY A CONSUMER REPORTING AGENCY  
3 SOLELY FOR THE PURPOSE OF COMPLYING WITH THIS SECTION; AND

4 (III) MAY NOT BE CREATED OR USED TO CONSIDER THE  
5 PROTECTED CONSUMER'S CREDITWORTHINESS, CREDIT STANDING, CREDIT  
6 CAPACITY, CHARACTER, GENERAL REPUTATION, PERSONAL CHARACTERISTICS,  
7 OR MODE OF LIVING FOR ANY PURPOSE LISTED IN § 14-1201(D)(1) OF THIS  
8 SUBTITLE.

9 (7) "SECURITY FREEZE" MEANS:

10 (I) IF A CONSUMER REPORTING AGENCY DOES NOT HAVE A  
11 FILE PERTAINING TO A PROTECTED CONSUMER, A RESTRICTION THAT:

12 1. IS PLACED ON THE PROTECTED CONSUMER'S  
13 RECORD IN ACCORDANCE WITH THIS SECTION; AND

14 2. PROHIBITS THE CONSUMER REPORTING AGENCY  
15 FROM RELEASING THE PROTECTED CONSUMER'S RECORD EXCEPT AS PROVIDED  
16 IN THIS SECTION; OR

17 (II) IF A CONSUMER REPORTING AGENCY HAS A FILE  
18 PERTAINING TO THE PROTECTED CONSUMER, A RESTRICTION THAT:

19 1. IS PLACED ON THE PROTECTED CONSUMER'S  
20 CONSUMER REPORT IN ACCORDANCE WITH THIS SECTION; AND

21 2. PROHIBITS THE CONSUMER REPORTING AGENCY  
22 FROM RELEASING THE PROTECTED CONSUMER'S CONSUMER REPORT OR ANY  
23 INFORMATION DERIVED FROM THE PROTECTED CONSUMER'S CONSUMER  
24 REPORT EXCEPT AS PROVIDED IN THIS SECTION.

25 (8) (I) "SUFFICIENT PROOF OF IDENTIFICATION" MEANS  
26 INFORMATION OR DOCUMENTATION THAT IDENTIFIES A PROTECTED  
27 CONSUMER OR A REPRESENTATIVE OF A PROTECTED CONSUMER.

28 (II) "SUFFICIENT PROOF OF IDENTIFICATION" INCLUDES:

29 1. A SOCIAL SECURITY NUMBER OR A COPY OF A  
30 SOCIAL SECURITY CARD ISSUED BY THE SOCIAL SECURITY ADMINISTRATION;

1                   **2. A CERTIFIED OR OFFICIAL COPY OF A BIRTH**  
2 **CERTIFICATE ISSUED BY THE ENTITY AUTHORIZED TO ISSUE THE BIRTH**  
3 **CERTIFICATE;**

4                   **3. A COPY OF A DRIVER'S LICENSE, AN**  
5 **IDENTIFICATION CARD ISSUED BY THE MOTOR VEHICLE ADMINISTRATION, OR**  
6 **ANY OTHER GOVERNMENT-ISSUED IDENTIFICATION; OR**

7                   **4. A COPY OF A BILL, INCLUDING A BILL FOR**  
8 **TELEPHONE, SEWER, SEPTIC TANK, WATER, ELECTRIC, OIL, OR NATURAL GAS**  
9 **SERVICES, THAT SHOWS A NAME AND HOME ADDRESS.**

10           **(B) THIS SECTION DOES NOT APPLY TO THE USE OF A PROTECTED**  
11 **CONSUMER'S CONSUMER REPORT OR RECORD BY:**

12                   **(1) A PERSON ADMINISTERING A CREDIT FILE MONITORING**  
13 **SUBSCRIPTION SERVICE TO WHICH:**

14                           **(I) THE PROTECTED CONSUMER HAS SUBSCRIBED; OR**

15                           **(II) THE REPRESENTATIVE OF THE PROTECTED CONSUMER**  
16 **HAS SUBSCRIBED ON BEHALF OF THE PROTECTED CONSUMER;**

17                   **(2) A PERSON PROVIDING THE PROTECTED CONSUMER OR THE**  
18 **PROTECTED CONSUMER'S REPRESENTATIVE A COPY OF THE PROTECTED**  
19 **CONSUMER'S CONSUMER REPORT ON REQUEST OF THE PROTECTED CONSUMER**  
20 **OR THE PROTECTED CONSUMER'S REPRESENTATIVE; OR**

21                   **(3) AN ENTITY LISTED IN § 14-1212.1(B)(2)(I) OR (II) OR (C)(5)**  
22 **OF THIS SUBTITLE.**

23           **(C) (1) A CONSUMER REPORTING AGENCY SHALL PLACE A SECURITY**  
24 **FREEZE FOR A PROTECTED CONSUMER IF THE CONSUMER REPORTING AGENCY**  
25 **RECEIVES A REQUEST FROM THE SOCIAL SERVICES ADMINISTRATION FOR THE**  
26 **PLACEMENT OF THE SECURITY FREEZE AS PROVIDED IN SUBSECTION (J) OF**  
27 **THIS SECTION.**

28                   **(2) THE SOCIAL SERVICES ADMINISTRATION SHALL SUBMIT THE**  
29 **REQUEST TO THE CONSUMER REPORTING AGENCY BY ELECTRONIC**  
30 **TRANSMISSION TO THE ELECTRONIC MAIL ADDRESS OR OTHER POINT OF**  
31 **CONTACT IN THE MANNER SPECIFIED BY THE CONSUMER REPORTING AGENCY.**

1           **(3) IF A CONSUMER REPORTING AGENCY DOES NOT HAVE A FILE**  
2 **PERTAINING TO A PROTECTED CONSUMER WHEN THE CONSUMER REPORTING**  
3 **AGENCY RECEIVES A REQUEST UNDER SUBSECTION (J) OF THIS SUBSECTION,**  
4 **THE CONSUMER REPORTING AGENCY SHALL CREATE A RECORD FOR THE**  
5 **PROTECTED CONSUMER.**

6           **(D) WITHIN 30 DAYS AFTER RECEIVING A REQUEST THAT MEETS THE**  
7 **REQUIREMENTS OF SUBSECTION (C) OF THIS SECTION, A CONSUMER**  
8 **REPORTING AGENCY SHALL PLACE A SECURITY FREEZE FOR THE PROTECTED**  
9 **CONSUMER.**

10           **(E) UNLESS A SECURITY FREEZE FOR A PROTECTED CONSUMER IS**  
11 **REMOVED IN ACCORDANCE WITH SUBSECTION (G) OR (K) OF THIS SECTION, A**  
12 **CONSUMER REPORTING AGENCY MAY NOT RELEASE THE PROTECTED**  
13 **CONSUMER'S CONSUMER REPORT, ANY INFORMATION DERIVED FROM THE**  
14 **PROTECTED CONSUMER'S CONSUMER REPORT, OR ANY RECORD CREATED FOR**  
15 **THE PROTECTED CONSUMER.**

16           **(F) A SECURITY FREEZE FOR A PROTECTED CONSUMER PLACED UNDER**  
17 **SUBSECTION (D) OF THIS SECTION SHALL REMAIN IN EFFECT UNTIL:**

18           **(1) THE PROTECTED CONSUMER OR THE SOCIAL SERVICES**  
19 **ADMINISTRATION REQUESTS THE CONSUMER REPORTING AGENCY TO REMOVE**  
20 **THE SECURITY FREEZE IN ACCORDANCE WITH SUBSECTION (G) OF THIS**  
21 **SECTION; OR**

22           **(2) THE SECURITY FREEZE IS REMOVED IN ACCORDANCE WITH**  
23 **SUBSECTION (K) OF THIS SECTION.**

24           **(G) IF A PROTECTED CONSUMER OR THE SOCIAL SERVICES**  
25 **ADMINISTRATION WISHES TO REMOVE A SECURITY FREEZE FOR THE**  
26 **PROTECTED CONSUMER, THE PROTECTED CONSUMER OR THE SOCIAL**  
27 **SERVICES ADMINISTRATION SHALL:**

28           **(1) SUBMIT A REQUEST FOR THE REMOVAL OF THE SECURITY**  
29 **FREEZE TO THE CONSUMER REPORTING AGENCY AT THE ADDRESS OR OTHER**  
30 **POINT OF CONTACT IN THE MANNER SPECIFIED BY THE CONSUMER REPORTING**  
31 **AGENCY; AND**

32           **(2) PROVIDE TO THE CONSUMER REPORTING AGENCY:**

33           **(I) IN THE CASE OF A REQUEST BY THE PROTECTED**  
34 **CONSUMER:**

1                   1.     **PROOF THAT THE AUTHORITY OF THE SOCIAL**  
2 **SERVICES ADMINISTRATION TO ACT ON BEHALF OF THE PROTECTED**  
3 **CONSUMER IS NO LONGER VALID; AND**

4                   2.     **SUFFICIENT PROOF OF IDENTIFICATION OF THE**  
5 **PROTECTED CONSUMER; OR**

6                   (ii)   **IN THE CASE OF A REQUEST BY THE SOCIAL SERVICES**  
7 **ADMINISTRATION, SUFFICIENT PROOF OF IDENTIFICATION OF THE PROTECTED**  
8 **CONSUMER.**

9                   (h)   **WITHIN 30 DAYS AFTER RECEIVING A REQUEST THAT MEETS THE**  
10 **REQUIREMENTS OF SUBSECTION (G) OF THIS SECTION, THE CONSUMER**  
11 **REPORTING AGENCY SHALL REMOVE THE SECURITY FREEZE FOR THE**  
12 **PROTECTED CONSUMER.**

13                  (i)   **A CONSUMER REPORTING AGENCY MAY NOT CHARGE A FEE FOR**  
14 **ANY SERVICE PERFORMED UNDER THIS SECTION.**

15                  (j)   **EACH MONTH, THE SOCIAL SERVICES ADMINISTRATION SHALL**  
16 **SEND TO EACH CONSUMER REPORTING AGENCY BY ELECTRONIC TRANSMISSION**  
17 **A LIST OF CHILDREN UNDER THE AGE OF 16 WHO ARE IN THE CUSTODY OF A**  
18 **LOCAL DEPARTMENT AND HAVE BEEN PLACED IN A FOSTER CARE SETTING FOR**  
19 **THE FIRST TIME.**

20                  (k)   **A CONSUMER REPORTING AGENCY MAY REMOVE A SECURITY**  
21 **FREEZE FOR A PROTECTED CONSUMER OR DELETE A RECORD OF A PROTECTED**  
22 **CONSUMER IF THE SECURITY FREEZE WAS PLACED OR THE RECORD WAS**  
23 **CREATED BASED ON A MATERIAL MISREPRESENTATION OF FACT BY THE**  
24 **PROTECTED CONSUMER OR THE PROTECTED CONSUMER'S REPRESENTATIVE.**

25                  (l)   **NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE**  
26 **EXCLUSIVE REMEDY FOR A VIOLATION OF THIS SECTION SHALL BE A**  
27 **COMPLAINT FILED WITH THE COMMISSIONER UNDER § 14-1217 OF THIS**  
28 **SUBTITLE.**

29                  (m)   **ON THE ENTRY OF AN ORDER FOR THE ADOPTION OF A CHILD WHO**  
30 **WAS IN THE CUSTODY OF A LOCAL DEPARTMENT UNDER TITLE 5 OF THE**  
31 **FAMILY LAW ARTICLE, THE SOCIAL SERVICES ADMINISTRATION SHALL**  
32 **PROVIDE NOTICE TO THE ADOPTIVE PARENT OF THE PROVISIONS OF §**  
33 **14-1212.2 OF THIS TITLE RELATING TO THE AUTHORITY OF THE ADOPTIVE**  
34 **PARENT TO REQUEST A SECURITY FREEZE BY CONSUMER AGENCIES.**

1 SECTION 2. AND BE IT FURTHER ENACTED, That:

2 (a) On the effective date of this Act, the Social Services Administration shall  
3 send to each consumer reporting agency by electronic transmission:

4 (1) a list containing the names of the children who are in the custody  
5 of a local department of social services and the Montgomery County government who  
6 have been placed in a foster care setting; and

7 (2) a request for a security freeze for the consumer record of each child  
8 on the list; and

9 (b) If a consumer agency has a file pertaining to a protected consumer when  
10 the consumer reporting agency receives a list under subsection (a) of this section, each  
11 consumer reporting agency shall:

12 (1) delete any information from the file; and

13 (2) place a security freeze on the consumer record of the protected  
14 consumer.

15 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
16 October 1, 2013.