

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301  
Indianapolis, IN 46204  
(317) 233-0696  
<http://www.in.gov/legislative>

**FISCAL IMPACT STATEMENT**

**LS 6387**

**BILL NUMBER: SB 60**

**NOTE PREPARED: Feb 9, 2009**

**BILL AMENDED: Feb 9, 2009**

**SUBJECT:** Prohibit Retention of Certain Access Device Data.

**FIRST AUTHOR:** Sen. Walker

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill prohibits a person that accepts an access device card, such as a credit card, debit card, or stored value card, in connection with a transaction, from retaining the card security code, the PIN verification code number, or the full contents of the information contained in the magnetic stripe or microprocessor chip of the access device: (1) after authorization of the transaction if the transaction is not a PIN debit transaction; or (2) more than 48 hours after authorization of the transaction if the transaction is a PIN debit transaction. It provides that a person violates this prohibition if the person's service provider retains the information. It requires a person that violates the prohibition to reimburse a state or federally chartered or federally insured financial institution for the costs associated with a breach of the security of a system of the person or the person's service provider.

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** This bill prohibits a person from retaining certain information associated with credit card, debit card, and stored value card (e.g., gift card) transactions. If a person violates the prohibitions in the bill and there is a breach of that person's security system, the person is liable to the card-issuing financial institution for certain costs associated with dealing with such a breach. The costs listed in the bill include canceling the card, opening another account, closing an account, blocking further transactions, notifying the cardholder, refunding unauthorized transactions, and any damages paid to a cardholder injured by the breach. The financial institution may have to initiate a civil action to enforce the reimbursement requirements set forth in the bill.

*Civil Actions:* If additional civil actions occur and court fees are collected, revenue to the state General Fund may increase. A civil filing fee of \$100 would be assessed when a civil case is filed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the judicial salaries fee (\$18), the public defense administration fee (\$3), the court administration fee (\$5), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Court Fee Revenue:* If additional civil actions occur, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$100 civil costs fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

**State Agencies Affected:**

**Local Agencies Affected:** Trial courts.

**Information Sources:**

**Fiscal Analyst:** Jessica Harmon, 317-232-9854.