

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 83rd General Assembly
3 Regular Session, 2001

A Bill

HOUSE BILL 2299

4
5 By: Representative M. Smith
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7

For An Act To Be Entitled

8
9 AN ACT TO PROTECT THE PRIVACY OF SHOPPER' S CARD
10 HOLDERS; AND FOR OTHER PURPOSES.
11

Subtitle

12
13 AN ACT TO PROTECT THE PRIVACY OF
14 SHOPPER' S CARD HOLDERS.
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 SECTION 1. Definitions.

20 For purposes of this act:

21 (1)(A) "Cardholder" means any consumer to whom a shopper's card has
22 been issued;

23 (B) In cases where more than one shopper's card has been issued
24 for the same account, all persons holding those shoppers' cards may be
25 treated as a single cardholder;

26 (2) "Club membership card" is a card of membership agreement where the
27 issuer complies with all of the following:

28 (A) The issuer charges an annual fee for the card;

29 (B) The issuer requires cardholders to renew the card annually
30 and to pay an annual renewal fee;

31 (C) The issuer allows only club members and cardholders, and not
32 members of the public, to make purchases in the issuer's place of business;
33 and

34 (D) Prior to selling or transferring names and addresses of
35 cardholders to an outside company, the issuer has obtained a written
36 confidentiality agreement from the outside company that the outside company

1 will not sell or share the information with any other entity.

2 (3)(A) "Marketing information" means all personal information about
3 the cardholder, including but limited to, the cardholder's name, address,
4 telephone number, or other personal identification information. It also
5 includes the categorization of cardholders derived from account activity
6 based upon a cardholder's:

7 (i) Shopping patterns derived from account activity; or

8 (ii) Spending history derived from account activity; or

9 (iii) Behavioral characteristics derived from account
10 activity.

11 (B) "Marketing information" does not include aggregate data
12 which does not identify a cardholder and cannot be used to identify a
13 cardholder.

14 (4) "Shopper's card issuer" means any person or entity who provides
15 shopper's cards to be used by the cardholders in conjunction with purchases
16 at the issuer's place of business, and includes an issuer's contract
17 information services provider;

18 (5)(A) "Shopper's card" means any card, plate, coupon book, or other
19 single device, however denominated, existing for the purpose of being used
20 upon presentation for price discounts, or for other purposes, on retail
21 products offered by the shopper's card issuer.

22 (B) "Shopper's card" does not include any credit card or club
23 membership card.

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25 SECTION 2. Penalties.

26 (a) A violation of this act constitutes a violation of the Arkansas
27 Deceptive Trade Practices Act, §§ 4-88-101 through 4-88-115.

28 (b) Any person, firm, or corporation, when as principal, agent,
29 officer, or director, for himself, or itself, or for another person, or for
30 any firm or corporation, or any corporation who or which shall violate any of
31 the provisions of this act, is guilty of a misdemeanor for each single
32 violation and shall be punished by a fine of not less than one hundred
33 dollars (\$100) nor more than one thousand dollars (\$1,000) or by imprisonment
34 not exceeding six (6) months, or by both fine and imprisonment at the
35 discretion of the court.

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1 SECTION 3. (a) Notwithstanding any other provision of law, no
2 shopper's card issuer shall request in a shopper's card application, or
3 require as a condition of obtaining a shopper's card, that an applicant
4 provide a driver's license number or a social security account number.

5 (b) This section shall not be construed to prohibit a shopper's card
6 issuer from requesting a driver's license number or a social security account
7 number for a shopper's card that can also be used as identification for check
8 cashing purposes or to debit the checking or savings account of the
9 cardholder.

10 (c) No shopper's card issuer shall, as a condition of obtaining a
11 shopper's card, require a cardholder to obtain a shopper's card that can also
12 be used as identification for check cashing purposes or to debit the checking
13 or savings account of the cardholder.

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15 SECTION 4. (a) Notwithstanding any other provision of law, no
16 shopper's card issuer may sell or share with any third party any marketing
17 information related to a cardholder, including but not limited to, a
18 cardholder's name, address, telephone number, or other personal
19 identification information.

20 (b)(1) Nothing in this section is intended to prevent a shopper's card
21 issuer from:

22 (A) Providing names and addresses of cardholders to a
23 third party for the sole purpose of mailing shopper's card information to
24 cardholders on behalf of the shopper's card issuer; or

25 (B) Providing names, addresses, and telephone numbers of
26 cardholders to a third party for the sole purpose shipping goods to the
27 cardholder on behalf of the shopper's card issuer.

28 (2) However, the third party shall not use the information for
29 any other purpose.

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31 SECTION 5. EMERGENCY CLAUSE. It is found and determined by the
32 General Assembly that this act protects consumers who obtain shopper's cards
33 in order to obtain a discount and that this act is immediately necessary to
34 restrict the use of information obtained by issuers of shopper's cards.
35 Therefore, an emergency is declared to exist and this act being immediately
36 necessary for the preservation of the public peace, health and safety shall

1 become effective on the date of its approval by the Governor. If the bill is
2 neither approved nor vetoed by the Governor, it shall become effective on the
3 expiration of the period of time during which the Governor may veto the bill.
4 If the bill is vetoed by the Governor and the veto is overridden, it shall
5 become effective on the date the last house overrides the veto.

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