



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 4209 (Substitute H-4 as passed by the House)
Sponsor: Representative Gregory E. Pitoniak
House Committee: Commerce
Senate Committee: Financial Services

Date Completed: 12-2-96

CONTENT

The bill would amend the Revised Judicature Act to prohibit a person from requiring that a Social Security or credit card number be written on a check as a condition of acceptance of that check. A violation of the bill would be a State civil infraction, punishable by a fine of not more than \$500. In a "sale at retail" it would be the owner of the business who would be liable for a violation and responsible for a State civil infraction and maximum fine of \$500. The bill would take effect on February 1, 1997.

The bill would not prohibit either a credit granting institution from requiring its own account number to be recorded on a check or a governmental entity from requiring a person to record his or her Social Security number on a check made for a payment of taxes. A person who had agreed to accept a check from a credit card holder would not be prohibited from requiring the credit card number and the expiration date of the card to be recorded on the check, if the check were guaranteed by the credit card issuer.

The following would be prima facie evidence of the identity of the drawer of a check:

- If obtained from the drawer and recorded on the check, the drawer's name; address; home or work telephone number; and driver license number, State identification card number, or military identification card number.
- The signature of the drawer of the check, if witnessed and initialed by the person receiving the check.

"Check" would include a draft, warrant, or any other instrument that authorized the payment of money. "Sale at retail" would mean a transaction by which ownership or leasing of tangible personal property was transferred or leased for consideration, if made in the ordinary course of business.

Proposed MCL 600.2963

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill could result in increased fine revenues, which would be dedicated to public libraries. The actual amount of increased revenue would depend on the number of annual violations, and the amount of fine (if any) enforced. There are no data available at this time that might indicate the estimated number of annual violations.

Fiscal Analyst: M. Hansen

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.