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BILL ANALYSIS



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Senate Bill 228 (as introduced 3-9-2017)
Sponsor: Senator Wayne Schmidt
Committee: Agriculture

Date Completed: 5-17-17

CONTENT

The bill would amend the Motor Fuels Quality Act to require fuel pumps to include security measures to restrict the unauthorized access of customer payment card information.

The bill would apply to a pump for dispensing motor fuel for sale at a roadside retail location that includes a scanning device for reading a customer payment card as an integral part of the pump. Under the bill, the pump would have to include a security measure to restrict the unauthorized access of customer payment card information, and the security measure would have to include one or more of the following:

- Pressure-sensitive security tape imprinted with a customized graphic and placed over the panel opening leading to the scanning device so as to restrict unauthorized opening of the panel.
- A device or system to render the pump or the scanning device inoperable if the panel were opened without proper authorization.
- A means for encrypting the customer payment card information in the scanning device.
- Any other measure approved by the Department of Agriculture and Rural Development.

The bill provides that if the owner or agent of the owner of a pump received a notice of noncompliance, he or she would be responsible for bringing the pump into compliance. If the violation were not corrected within five days after receipt of the notice, the Department could only prohibit the use of the pump until a properly functioning security measure was installed on the scanning device.

The bill would define "customer payment card" as a credit or debit card or other card encoded to provide an electronic means for initiating a fund transfer from the customer's deposit account or for initiating electronic billing.

"Scanning device" would mean a scanner, reader, or any other electronic device that is used to access, read, scan, obtain, memorize, or store, temporarily or permanently, information encoded on the magnetic strip or stripe of a customer payment card.

Currently, a person who violates the Act or a rule promulgated under it is subject to an administrative fine in an amount specified under the Act. Under the bill, this would apply except as otherwise provided in the language proposed by the bill.

The bill would take effect 90 days after it was enacted into law.

FISCAL IMPACT

The bill would have a minimal fiscal impact on the Department of Agriculture and Rural Development, as the Department would be required to approve pump security measures and monitor and respond to noncompliance with the bill's provisions, activities supportable by existing departmental resources.

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