



General Assembly

February Session, 2006

Raised Bill No.

594

LCO No. 2720



Referred to Committee on

Introduced by: **JUDICIARY**  
(JUD)

**AN ACT CONCERNING THE UNLAWFUL USE OR POSSESSION OF SCANNING DEVICES AND REENCODERS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (Effective October 1, 2006) (a) As used in this section  
2 and sections 2 and 3 of this act:

3 (1) "Scanning device" means a scanner, reader or any other  
4 electronic device that is used to access, read, scan, obtain, memorize or  
5 store, temporarily or permanently, information encoded on the  
6 computer chip or magnetic strip or stripe of a payment card;

7 (2) "Reencoder" means an electronic device that places encoded  
8 information from the computer chip or magnetic strip or stripe of a  
9 payment card onto the computer chip or magnetic strip or stripe of a  
10 different payment card or any electronic medium that allows an  
11 authorized transaction to occur; and

12 (3) "Payment card" means a credit card, charge card, debit card or  
13 any other card that is issued to an authorized user and that allows the  
14 user to obtain, purchase or receive money, goods, services or anything

15 else of value.

16 Sec. 2. (NEW) (Effective October 1, 2006) (a) A person is guilty of  
 17 using a scanning device or reencoder with intent to defraud when such  
 18 person, with intent to defraud the authorized user of the payment  
 19 card, the issuer of the payment card, any person providing money,  
 20 goods, services or anything else of value or any other person,  
 21 knowingly (1) uses a scanning device to access, read, obtain, memorize  
 22 or store, temporarily or permanently, information encoded on the  
 23 computer chip or magnetic strip or stripe of a payment card without  
 24 the permission of the authorized user of the payment card, or (2) uses a  
 25 reencoder to place information encoded on the computer chip or  
 26 magnetic strip or stripe of a payment card onto the computer chip or  
 27 magnetic strip or stripe of a different payment card or any electronic  
 28 medium that allows an authorized transaction to occur without the  
 29 permission of the authorized user of the payment card from which the  
 30 information is being reencoded.

31 (b) Using a scanning device or reencoder with intent to defraud is a  
 32 class D felony.

33 Sec. 3. (NEW) (Effective October 1, 2006) (a) A person is guilty of  
 34 unlawful possession of a scanning device or reencoder when such  
 35 person has in such person's possession a scanning device or reencoder  
 36 under circumstances manifesting an intent to use the same in the  
 37 commission of a violation of section 2 of this act.

38 (b) Unlawful possession of a scanning device or reencoder is a class  
 39 A misdemeanor.

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2006	New section
Sec. 2	October 1, 2006	New section
Sec. 3	October 1, 2006	New section

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594

**Statement of Purpose:**

To provide specific criminal penalties for "skimming" wherein a person, without permission and with intent to defraud, copies information encoded on a customer's credit, debit or other payment card by using a scanning device or reencoder.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*