

# SENATE BILL No. 161

February 11, 2003, Introduced by Senators BISHOP, KUIPERS, ALLEN, GARCIA, PATTERSON, BIRKHOLZ, BRATER, BASHAM, VAN WOERKOM, JELINEK, BROWN, TOY, OLSHOVE, GOSCHKA, HARDIMAN and JOHNSON and referred to the Committee on Judiciary.

A bill to amend 1931 PA 328, entitled  
"The Michigan penal code,"  
(MCL 750.1 to 750.568) by adding section 360b.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 360b. (1) A person shall not use a scanning device to  
2 access, read, obtain, memorize, or store, temporarily or  
3 permanently, information encoded on the magnetic strip or stripe  
4 of a payment card without the permission of the authorized user  
5 of the payment card and with the intent to defraud the authorized  
6 user, the issuer of the authorized user's payment card, or a  
7 merchant.

8       (2) A person shall not use a reencoder to place information  
9 encoded on the magnetic strip or stripe of a payment card onto  
10 the magnetic strip or stripe of a different card without the  
11 permission of the authorized user of the card from which the

1 information is being reencoded and with the intent to defraud the  
2 authorized user, the issuer of the authorized user's payment  
3 card, or a merchant.

4 (3) A person who violates subsection (1) or (2) is guilty of  
5 a felony punishable as follows:

6 (a) By imprisonment for not more than 2 years or a fine of  
7 not more than \$500.00, or both.

8 (b) If the person has a prior conviction for violating  
9 subsection (1) or (2), by imprisonment for not more than 4 years  
10 or a fine of not more than \$1,000.00, or both.

11 (4) As used in this section:

12 (a) "Merchant" means an owner or operator of a retail  
13 mercantile establishment or an agent, employee, lessee,  
14 consignee, officer, director, franchisee, or independent  
15 contractor of the owner or operator, who receives 1 or more of  
16 the following from an authorized user of a payment card, or  
17 someone he or she believes is an authorized user of a payment  
18 card, as the instrument for obtaining, purchasing, or receiving  
19 goods, services, money, or anything of value:

20 (i) A payment card, or what he or she believes to be a  
21 payment card.

22 (ii) Information from a payment card, or what he or she  
23 believes to be information from a payment card.

24 (b) "Payment card" means a credit card, charge card, debit  
25 card, or any other card that is issued to an authorized user and  
26 that allows the user to obtain, purchase, or receive goods,  
27 services, money, or anything of value from a merchant.

1       (c) "Reencoder" means an electronic device that places  
2 encoded information from the magnetic strip or stripe of a  
3 payment card onto the magnetic strip or stripe of a different  
4 payment card.

5       (d) "Scanning device" means a scanner, reader, or other  
6 electronic device that is used to access, read, scan, obtain,  
7 memorize, or store, temporarily or permanently, information  
8 encoded on the magnetic strip or stripe of a payment card.