

ASSEMBLY BILL

No. 1677

Introduced by Assembly Member Charles Calderon

February 23, 2007

An act relating to Internet transactions.

LEGISLATIVE COUNSEL'S DIGEST

AB 1677, as introduced, Charles Calderon. Internet transactions: verification.

Existing law sets forth comprehensive provisions governing funds transfers, as defined, including provisions related to the issuance and acceptance of payment orders, requirements for verification, the effect of errors, the effect of acceptance of a payment order, and related provisions.

This bill would declare the intent of the Legislature to enact legislation requiring a service provider to contact the person by recorded telephone call in order to confirm a high value transaction over the Internet, and to impose penalties on service providers who fail to meet this requirement and on persons who confirm fraudulent transactions.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. It is the intent of the Legislature to enact
2 legislation requiring that, when a person initiates a high value
3 transaction over the Internet, the service provider contact the person
4 by recorded telephone call, in real-time, in order to confirm that
5 the transaction is legitimate. It is the intent of the Legislature that

1 the legislation would impose penalties on service providers that
2 fail to meet this requirement with regard to transactions that are
3 claimed to be fraudulent, and would impose strict penalties on
4 persons who use these telephone calls to confirm a fraudulent
5 transaction.

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