HB 18-1129

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FINAL FISCAL NOTE

Drafting Number:	LLS 18-0344	**Date:**	June 4, 2018
Prime Sponsors:	Rep. Lawrence Sen. Tate	**Bill Status:**	Postponed Indefinitely
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Bill Topic: CONSUMER REPORT SEC FREEZE FOR PROTECTED CONSUMERS

Summary of Fiscal Impact:

- ☒ State Revenue *(potential, minimal)*
- ☒ State Expenditure *(potential, minimal)*
- ☐ State Transfer
- ☐ TABOR Refund
- ☐ Local Government
- ☐ Statutory Public Entity

This bill requires consumer reporting agencies to place security freezes on reports of protected consumers upon request. The bill may increase state revenue and workload by a minimal amount. These impacts are ongoing.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

This bill amends the Colorado Consumer Reporting Act to require a consumer reporting agency to place a security freeze on the report for an individual under 17 years of age or represented by a guardian (protected consumer) upon request of the parent or guardian, free of charge. If the reporting agency does not have a report on the protected consumer at the time of the request, the agency is required to create one. A parent or guardian can request that the security freeze be temporarily lifted, lifted for a specific third party, or permanently removed. A protected consumer may have the freeze lifted when he or she turns 17 years of age. If a reporting agency violates a security freeze, it is required to notify the protected consumer's parent, or guardian, or the protected consumer, within five days of discovering the release of information.

Background

Under current law, a consumer may bring an action against a reporting agency to enforce the Colorado Consumer Credit Reporting Act in any court of competent jurisdiction or submit to binding arbitration. A reporting agency that willfully violates the act or the federal Fair Credit Reporting Act is liable for damages based on the violation or on the number of inaccurate or unblocked entries in a consumer's file.

State Revenue

Beginning in FY 2018-19, trial courts may see a minimal increase in filing fee revenue to the Judicial Stabilization Fund, Justice Center Fund, and Court Security Fund for cases brought against consumer reporting agencies for the new type of claims created by the bill.

State Expenditures

Beginning in FY 2018-19, this bill may increase workload for trial courts in the Judicial Department and the Consumer Protection section in the Department of Law. If a reporting agency fails to comply with the requirements in the bill, an individual may file a claim in court seeking damages. If the Consumer Protection section receives a number of valid complaints about a reporting agency, it may take enforcement action. In either situation, the number of cases is expected to be minimal and can be accomplished within existing appropriations

Effective Date

The bill was postponed indefinitely by the House State, Veterans, and Military Affairs Committee on February 7, 2018.

State and Local Government Contacts

Information Technology　　Judicial　　Law