



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number: LLS 18-0986 Date: February 6, 2018
Prime Sponsors: Rep. Duran; Lawrence Bill Status: House SVMA
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Bill Topic: CONSUMER REPORTING AGENCY SECURITY FREEZE MINORS

- 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 bill as introduced.

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 16 years of age or a ward of a guardian (protected consumer) upon request of the parent or guardian (representative), 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 representative 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 16 years of age. Reporting agencies are required to include a notice of the rights added by the bill when periodically providing a summary of rights to consumers as required under state or federal law. If a reporting agency violates a security freeze, it is required to notify the protected consumer's representative, 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 takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed. The bill applies to actions brought and violations committed on or after the effective date.

State and Local Government Contacts

Information Technology Judicial Law