



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**HB 18-1233**

**FINAL  
FISCAL NOTE**

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<b>Drafting Number:</b>	LLS 18-0986	<b>Date:</b>	August 22, 2018
<b>Prime Sponsors:</b>	Rep. Duran; Lawrence Sen. Fenberg; Gardner	<b>Bill Status:</b>	Signed into Law
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**Bill Topic:** CONSUMER REPORTING AGENCY SECURITY FREEZE MINORS

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**Summary of Fiscal Impact:**

<input checked="" type="checkbox"/> State Revenue ( <i>potential, minimal</i> )	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure ( <i>potential, minimal</i> )	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> 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 enacted bill..

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### 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 was signed into law by the Governor on March 29, 2018, and took effect August 8, 2018. The bill applies to actions brought and violations committed on or after the effective date.

**State and Local Government Contacts**

Information Technology

Judicial

Law