



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**HB 18-1063**

**FISCAL NOTE**

---

<b>Drafting Number:</b>	LLS 18-0668	<b>Date:</b>	January 18, 2018
<b>Prime Sponsors:</b>	Rep. Williams D.	<b>Bill Status:</b>	House SVMA
		<b>Fiscal Analyst:</b>	Clare Pramuk   303-866-2677 clare.pramuk@state.co.us

---

**Bill Topic:** CONSUMER CONTROL OF CONSUMER CREDIT INFORMATION

---

**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 gives consumers additional rights with respect to consumer reporting agencies. 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.

---

**Summary of Legislation**

This bill amends the Colorado Consumer Reporting Act to allow a consumer to require a consumer reporting agency to obtain his or her consent prior to providing a report to a third party. The reporting agency must provide written notice of the consumer's right to require this consent. The bill also requires reporting agencies to develop procedures for a consumer to obtain his or her files after a security breach. This includes procedures for the consumer to request that the reporting agency, free of charge:

- turn over the consumer's file;
- purge the consumer's information from its records; and
- no longer record or retain any information related to the consumer.

These procedures apply to security breaches occurring on or after January 1, 2017, and exclude publicly available information. Consumer reporting agencies may develop procedures for responding to third-party requests for information related to a consumer whose data can no longer be stored by the agency.

## **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.

## **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.

## **State and Local Government Contacts**

Information Technology

Judicial

Law