



**Legislative
Council Staff**

Nonpartisan Services for Colorado's Legislature

FISCAL NOTE

Drafting Number:	LLS 18-0476	Date:	January 31, 2018
Prime Sponsors:	Rep. Duran; Ransom	Bill Status:	House SVMA
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Bill Topic: CREDIT SEC FREEZE FOR MINORS & AT-RISK ADULTS

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 automatically place security freezes on reports for individuals under 18 years of age. 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 that has a file on an individual under 18 years of age to automatically place a security freeze on the individual's file, free of charge, and unfreeze the file when the individual turns 18 years of age unless the individual or a parent or a legal guardian requires the freeze to remain in place. It also allows a parent or guardian to request a security freeze, temporarily lift, or permanently remove a security freeze on a child or legal ward. 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.

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