

SESSION OF 2018

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2580

As Amended by House Committee on Judiciary

Brief*

HB 2580 would amend the Fair Credit Reporting Act to clarify that existing statutes governing security freezes on consumer reports fall within the Act. It also would amend one of the statutes governing security freezes to remove a provision allowing a \$5 fee to place, temporarily lift, or remove a freeze, and instead prohibit a consumer reporting agency from charging a fee for these services.

Similarly, the bill would amend the statute governing security freezes for “protected consumers” (defined elsewhere in the Act as an individual under 16 years of age when the request for a security freeze is made or an individual for whom a guardian or conservator has been appointed) to remove a provision allowing a \$10 fee to place or remove a security freeze.

Because no fee would be allowed in any case, the bill would remove provisions in both statutes prohibiting the charging of a fee to an identity theft victim or, in the case of a protected consumer, when the protected consumer is under 18 years of age and the reporting agency has a consumer report pertaining to the consumer.

Background

The bill was introduced by the House Committee on Judiciary at the request of Representative Finch, on behalf of the Attorney General.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

In the House Committee hearing, the Attorney General testified in support of the bill, stating it would relieve consumers from fees associated with securing their credit reports following data breaches such as that experienced by Equifax in 2017. A representative of the Consumer Data Industry Association submitted written-only opponent testimony stating that consumers already have many free credit services, that credit freezes should not be a first line of defense, and that freezes are not appropriate across the board for all consumers. No neutral testimony was provided.

The House Committee amended the bill to remove the fee for protected consumers.

According to the fiscal note prepared by the Division of the Budget on the bill as introduced, the Office of Judicial Administration indicates any fiscal effect that may result from the enactment of the bill would be negligible.