

Department of Planning and Budget 2007 Fiscal Impact Statement

1. Bill Number: HB2681

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron: Frederick

3. Committee: Commerce and Labor

4. Title: Security freezes on credit reports; penalty

5. Summary/Purpose: The bill authorizes any consumer to freeze access to his credit report. If a consumer has placed a freeze on his credit report, a consumer reporting agency is prohibited from releasing the credit report, or any information in it, without the consumer's express authorization. The measure provides a means by which a consumer can release his report permanently, temporarily, or to a specific third party. Consumer reporting agencies may charge a consumer up to \$20 for each freeze, removal of the freeze, or temporary lift of the freeze. A violation is a prohibited practice under the Consumer Protection Act.

6. No fiscal impact.

7. Budget amendment necessary: No.

8. Fiscal implications: In addition to providing for damage awards to individuals, the Virginia Consumer Protection Act also provides for civil penalties and attorney's fees. Those penalties can be of up to \$2,500 per violation and go to the Literary Fund. If a person violates an assurance of voluntary compliance or an injunction issued pursuant to the Act, he can be subject to a civil penalty of up to \$5,000 per violation, which also go to the Literary Fund. In addition, the authorities prosecuting the case may recover additional costs for investigative expenses and attorney's fees. The additional costs go into the general fund of the Commonwealth or the corresponding locality.

9. Specific agency or political subdivisions affected: Department of Agriculture and Consumer Services.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/19/07 kbs

Document: G:\07 FIS\DACS\HB2681.Doc

cc: Secretary of Agriculture and Consumer Services