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HOUSE JOINT RESOLUTION NO. 15

Offered January 9, 2008

Prefiled November 29, 2007

Establishing a joint subcommittee to study security freezes on consumer credit reports. Report.

Patron—O'Bannon

Referred to Committee on Rules

WHEREAS, a security freeze bars the credit bureau from releasing personal information in a consumer's credit report to a person making an inquiry, though a consumer may lift the freeze temporarily, using a personal identification number, to permit legitimate applications for credit or services to be processed; and

WHEREAS, Consumers Union has reported that in one-third of the estimated 10 million cases of identity theft each year, criminals use stolen personal information to open new accounts in their victim's name; and

WHEREAS, when a security freeze is in place an identity thief may be barred from opening a new account because the potential creditor or seller of services will not be able to check the victim's credit report; and

WHEREAS, according to Consumers Union, 39 states and the District of Columbia have enacted laws requiring the credit bureaus to enable some or all of their residents to place a security freeze on their credit reports; and

WHEREAS, 15 bills seeking to authorize consumers to freeze access to their credit reports have been introduced in the General Assembly in the previous legislative sessions; and

WHEREAS, the issue of credit freezes was studied by the Secretariats of Agriculture and Technology during the 2007 interim pursuant to Executive Directive 5; and

WHEREAS, opponents of credit freeze legislation have contended that it impedes access to credit, is of questionable value and, if appropriate, should be instituted through federal legislation to ensure uniformity in all states; and

WHEREAS, the three major credit bureaus (Equifax, Experian, and TransUnion) voluntarily implemented programs in November 2007 to allow all consumers in states that either have not enacted security freeze laws or that have enacted laws that allow only identity theft victims to freeze access to credit reports to place credit freezes on their credit reports for a fee of \$10; now, therefore, be it

RESOLVED by the House of Delegates, the Senate concurring, That a joint subcommittee be established to study security freezes on consumer credit reports. The joint subcommittee shall determine whether the enactment of legislation authorizing consumers to freeze access to their credit reports is appropriate and whether the voluntary programs initiated by the three major credit bureaus obviates the need for state legislation addressing the issue. The joint subcommittee shall have eight legislative members. Members shall be appointed as follows: five members of the House of Delegates, to be appointed by the Speaker of the House of Delegates in accordance with the principles of proportional representation contained in the Rules of the House of Delegates, and three members of the Senate, to be appointed by the Senate Committee on Rules. The joint subcommittee shall elect a chairman and vice chairman from among its membership.

Administrative staff support shall be provided by the Office of the Clerk of the House of Delegates. Legal, research, policy analysis, and other services as requested by the joint subcommittee shall be provided by the Division of Legislative Services. All agencies of the Commonwealth shall provide assistance to the joint subcommittee for this study, upon request.

The joint subcommittee shall be limited to four meetings for the 2008 interim, and the direct costs of this study shall not exceed \$8,000 without approval as set out in this resolution. Approval for unbudgeted nonmember-related expenses shall require the written authorization of the chairman of the joint subcommittee and the respective Clerk. If a companion joint resolution of the other chamber is agreed to, written authorization of both Clerks shall be required.

No recommendation of the joint subcommittee shall be adopted if a majority of the House members or a majority of the Senate members appointed to the joint subcommittee (i) vote against the recommendation and (ii) vote for the recommendation to fail notwithstanding the majority vote of the joint subcommittee.

The joint subcommittee shall complete its meetings by November 30, 2008, and the chairman shall submit to the Division of Legislative Automated Systems an executive summary of its findings and recommendations no later than the first day of the 2009 Regular Session of the General Assembly. The

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59 executive summary shall state whether the joint subcommittee intends to submit to the General
60 Assembly and the Governor a report of its findings and recommendations for publication as a House or
61 Senate document. The executive summary and the report shall be submitted as provided in the
62 procedures of the Division of Legislative Automated Systems for the processing of legislative documents
63 and reports and shall be posted on the General Assembly's website.

64 Implementation of this resolution is subject to subsequent approval and certification by the Joint
65 Rules Committee. The Committee may approve or disapprove expenditures for this study, extend or
66 delay the period for the conduct of the study, or authorize additional meetings during the 2008 interim.