

**First Regular Session  
Sixty-fifth General Assembly  
STATE OF COLORADO**

**REREVISED**

*This Version Includes All Amendments*

*Adopted in the Second House*

LLS NO. 05-0751.01 Michael Dohr

**SENATE BILL 05-137**

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**SENATE SPONSORSHIP**

**Grossman**

**HOUSE SPONSORSHIP**

**Paccione, and Frangas**

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**Senate Committees**

Business, Labor and Technology  
Appropriations

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**House Committees**

Business Affairs and Labor

---

**A BILL FOR AN ACT**

101 **CONCERNING IDENTITY THEFT.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

Permits a consumer to put a security freeze on his or her credit report. Allows the consumer to temporarily lift the freeze to allow a particular entity access to the credit report for the purpose of issuing or extending credit to the consumer. Requires the freeze to be maintained until the consumer specifically requests its removal.

Requires that a consumer be notified of the right to place a security freeze on his or her credit report each time the consumer receives a summary of the rights relating to credit reports.

Compels a consumer reporting agency to notify the consumer

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

*Capital letters indicate new material to be added to existing statute.*

*Dashes through the words indicate deletions from existing statute.*

HOUSE  
Amended 3rd Reading  
May 2, 2005

HOUSE  
Amended 2nd Reading  
April 29, 2005

SENATE  
3rd Reading Unamended  
April 18, 2005

SENATE  
Amended 2nd Reading  
April 14, 2005

within 5 days after releasing credit information that was in violation of a security freeze.

Allows a consumer who had credit information released in violation of a security freeze to bring a private civil right of action against the consumer reporting agency that released the information in violation of the security freeze.

Prohibits a consumer reporting agency from furnishing a consumer's credit header to someone who does not have a permissible basis to obtain the consumer credit header.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 12-14.3-102, Colorado Revised Statutes, is  
3 amended BY THE ADDITION OF THE FOLLOWING NEW  
4 SUBSECTIONS to read:

5 **12-14.3-102. Definitions.** As used in this article, unless the  
6 context otherwise requires:

7 (9) "PROPER IDENTIFICATION" MEANS INFORMATION GENERALLY  
8 DEEMED SUFFICIENT TO IDENTIFY A PERSON. IF THE CONSUMER IS UNABLE  
9 TO REASONABLY IDENTIFY HIMSELF OR HERSELF WITH THE INFORMATION  
10 DESCRIBED ABOVE, A CONSUMER REPORTING AGENCY MAY REQUIRE  
11 ADDITIONAL INFORMATION CONCERNING THE CONSUMER'S EMPLOYMENT  
12 AND PERSONAL OR FAMILY HISTORY IN ORDER TO VERIFY HIS OR HER  
13 IDENTITY.

14 (10) "REVIEWING THE ACCOUNT" MEANS ACTIVITIES RELATED TO  
15 ACCOUNT MAINTENANCE, MONITORING, CREDIT LINE INCREASES, AND  
16 ACCOUNT UPGRADES AND ENHANCEMENTS.

17 (11) "SECURITY FREEZE" OR "FREEZE" MEANS A NOTICE PLACED IN  
18 A CONSUMER REPORT, AT THE REQUEST OF A CONSUMER AND SUBJECT TO  
19 CERTAIN EXCEPTIONS, THAT PROHIBITS THE CONSUMER REPORTING  
20 AGENCY FROM RELEASING THE CONSUMER REPORT OR ANY INFORMATION

1 FROM IT WITHOUT THE EXPRESS AUTHORIZATION OF THE CONSUMER.

2 **SECTION 2.** Part 1 of article 14.3 of title 12, Colorado Revised  
3 Statutes, is amended BY THE ADDITION OF THE FOLLOWING NEW  
4 SECTIONS to read:

5 **12-14.3-106.6. Security freeze - timing - covered entities - cost.**

6 (1) (a) A CONSUMER MAY ELECT TO PLACE A SECURITY FREEZE ON HIS OR  
7 HER CONSUMER REPORT BY MAKING A REQUEST IN WRITING BY CERTIFIED  
8 MAIL TO A CONSUMER REPORTING AGENCY.

9 [REDACTED]  
10 (b) EXCEPT AS PROVIDED IN SUBSECTION (11) AND PARAGRAPH (b)  
11 OF SUBSECTION (6) OF THIS SECTION, IF A SECURITY FREEZE IS IN PLACE,  
12 INFORMATION FROM A CONSUMER REPORT MAY NOT BE RELEASED TO A  
13 THIRD PARTY WITHOUT PRIOR, EXPRESS AUTHORIZATION FROM THE  
14 CONSUMER.

15 (c) THIS SECTION DOES NOT PREVENT A CONSUMER [REDACTED]  
16 REPORTING AGENCY FROM ADVISING A THIRD PARTY THAT A SECURITY  
17 FREEZE IS IN EFFECT WITH RESPECT TO THE CONSUMER REPORT.

18 (2) (a) A CONSUMER [REDACTED] REPORTING AGENCY SHALL PLACE A  
19 SECURITY FREEZE ON A CONSUMER REPORT NO LATER THAN FIVE BUSINESS  
20 DAYS AFTER RECEIVING THE REQUEST FROM THE CONSUMER.

21 (b) THE CONSUMER [REDACTED] REPORTING AGENCY SHALL SEND A  
22 WRITTEN CONFIRMATION OF THE SECURITY FREEZE TO THE CONSUMER  
23 WITHIN TEN BUSINESS DAYS AND, WITH THE CONFIRMATION, SHALL  
24 PROVIDE THE CONSUMER WITH A UNIQUE PERSONAL IDENTIFICATION  
25 NUMBER OR PASSWORD TO BE USED BY THE CONSUMER WHEN PROVIDING  
26 AUTHORIZATION FOR THE RELEASE OF HIS OR HER CONSUMER REPORT TO  
27 A SPECIFIC PARTY OR FOR A SPECIFIC PERIOD OF TIME.

1           (3) IF A CONSUMER WISHES TO ALLOW HIS OR HER CONSUMER  
2           REPORT TO BE ACCESSED BY A SPECIFIC PARTY OR FOR A SPECIFIC PERIOD  
3           OF TIME WHILE A FREEZE IS IN PLACE, HE OR SHE SHALL CONTACT THE  
4           CONSUMER [REDACTED] REPORTING AGENCY, REQUEST THAT THE FREEZE BE  
5           TEMPORARILY LIFTED, AND PROVIDE THE FOLLOWING:

6           (a) PROPER IDENTIFICATION;

7           (b) THE UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD  
8           PROVIDED BY THE CONSUMER [REDACTED] REPORTING AGENCY PURSUANT TO  
9           PARAGRAPH (b) OF SUBSECTION (2) OF THIS SECTION; AND

10          (c) THE PROPER INFORMATION REGARDING THE THIRD PARTY WHO  
11          IS TO RECEIVE THE CONSUMER REPORT OR THE TIME PERIOD THAT THE  
12          REPORT SHALL BE AVAILABLE TO USERS OF THE CONSUMER REPORT.

13          (4) A CONSUMER [REDACTED] REPORTING AGENCY THAT RECEIVES A  
14          REQUEST FROM A CONSUMER TO TEMPORARILY LIFT A FREEZE ON A  
15          CONSUMER REPORT PURSUANT TO SUBSECTION (3) OF THIS SECTION, SHALL  
16          COMPLY WITH THE REQUEST NO LATER THAN THREE BUSINESS DAYS AFTER  
17          RECEIVING THE REQUEST.

18          (5) A CONSUMER [REDACTED] REPORTING AGENCY MAY DEVELOP  
19          PROCEDURES INVOLVING THE USE OF TELEPHONE, FAX, INTERNET, OR  
20          OTHER ELECTRONIC MEDIA TO RECEIVE AND PROCESS A REQUEST FROM A  
21          CONSUMER TO PLACE A FREEZE OR TO TEMPORARILY LIFT A FREEZE ON A  
22          CONSUMER REPORT PURSUANT TO SUBSECTION (3) OF THIS SECTION IN AN  
23          EXPEDITED MANNER.

24          (6) A CONSUMER [REDACTED] REPORTING AGENCY SHALL REMOVE OR  
25          TEMPORARILY LIFT A FREEZE PLACED ON A CONSUMER REPORT ONLY IN  
26          THE FOLLOWING CASES:

27          (a) UPON CONSUMER REQUEST, PURSUANT TO SUBSECTION (3) OR

1 (9) OF THIS SECTION; OR

2 (b) IF THE CONSUMER REPORT WAS FROZEN DUE TO A MATERIAL  
3 MISREPRESENTATION OF FACT BY THE CONSUMER OR SOMEBODY  
4 PURPORTING TO BE THE CONSUMER. IF A CONSUMER REPORTING  
5 AGENCY INTENDS TO REMOVE A FREEZE ON A CONSUMER REPORT  
6 PURSUANT TO THIS PARAGRAPH (b), THE CONSUMER REPORTING  
7 AGENCY SHALL NOTIFY THE CONSUMER IN WRITING PRIOR TO REMOVING  
8 THE FREEZE PLACED ON THE CONSUMER REPORT.

9 (7) IF A THIRD PARTY REQUESTS ACCESS TO A CONSUMER  
10 REPORT ON WHICH A SECURITY FREEZE IS IN EFFECT, AND THE REQUEST IS  
11 IN CONNECTION WITH AN APPLICATION FOR CREDIT OR OTHER USE, AND  
12 THE CONSUMER DOES NOT ALLOW HIS OR HER CONSUMER REPORT TO BE  
13 ACCESSED BY THAT SPECIFIC PARTY OR DURING THAT PERIOD OF TIME, THE  
14 THIRD PARTY MAY TREAT THE APPLICATION AS INCOMPLETE.

15 (8) IF A CONSUMER REQUESTS A SECURITY FREEZE, THE CONSUMER  
16 REPORTING AGENCY SHALL DISCLOSE THE PROCESS OF PLACING AND  
17 TEMPORARILY LIFTING A FREEZE AND THE PROCESS FOR ALLOWING ACCESS  
18 TO INFORMATION FROM THE CONSUMER REPORT TO A SPECIFIC PARTY OR  
19 FOR A SPECIFIC PERIOD OF TIME WHILE THE FREEZE IS IN PLACE.

20 (9) A SECURITY FREEZE SHALL REMAIN IN PLACE UNTIL THE  
21 CONSUMER REQUESTS THAT THE SECURITY FREEZE BE REMOVED. A  
22 CONSUMER REPORTING AGENCY SHALL REMOVE A SECURITY FREEZE  
23 WITHIN THREE BUSINESS DAYS OF RECEIVING A REQUEST FOR REMOVAL  
24 FROM THE CONSUMER, WHO PROVIDES BOTH OF THE FOLLOWING:

25 (a) PROPER IDENTIFICATION; AND

26 (b) THE UNIQUE PERSONAL IDENTIFICATION NUMBER OR PASSWORD  
27 PROVIDED BY THE CONSUMER REPORTING AGENCY PURSUANT TO

1 PARAGRAPH (b) OF SUBSECTION (2) OF THIS SECTION.

2 (10) A CONSUMER [REDACTED] REPORTING AGENCY SHALL REQUIRE  
3 PROPER IDENTIFICATION OF THE PERSON MAKING A REQUEST TO PLACE [REDACTED]  
4 [REDACTED] A SECURITY FREEZE IN A MANNER CONSISTENT WITH THE  
5 REQUIREMENTS OF THIS SECTION.

6 (11) THE PROVISIONS OF THIS ARTICLE SHALL NOT APPLY TO THE  
7 USE OF A CONSUMER [REDACTED] REPORT BY OR FOR ANY OF THE FOLLOWING FOR  
8 THE PERMISSIBLE PURPOSES SET FORTH IN SECTION 12-14.3-103:

9 (a) A PERSON OR ENTITY, OR A SUBSIDIARY, AFFILIATE, OR AGENT  
10 OF THAT PERSON OR ENTITY THAT OWNS A FINANCIAL OBLIGATION OWING  
11 BY THE CONSUMER TO THAT PERSON OR ENTITY, [REDACTED] INCLUDING A  
12 DEMAND DEPOSIT ACCOUNT, OR TO WHOM THE CONSUMER ISSUED A  
13 NEGOTIABLE INSTRUMENT, FOR THE PURPOSES OF REVIEWING THE  
14 ACCOUNT OR COLLECTING THE FINANCIAL OBLIGATION OWING FOR THE  
15 ACCOUNT, CONTRACT, DEBT, OR NEGOTIABLE INSTRUMENT, AND LAWFUL  
16 ASSOCIATED COSTS;

17 (b) AN ASSIGNEE OR A PROSPECTIVE ASSIGNEE OF A FINANCIAL  
18 OBLIGATION OWING BY THE CONSUMER TO A PERSON OR ENTITY IN  
19 PARAGRAPH (a) OF THIS SUBSECTION (11);

20 (c) A SUBSIDIARY, AFFILIATE, AGENT, ASSIGNEE, OR PROSPECTIVE  
21 ASSIGNEE OF A PERSON TO WHOM ACCESS HAS BEEN GRANTED UNDER  
22 SUBSECTION (3) OF THIS SECTION FOR PURPOSES OF FACILITATING THE  
23 EXTENSION OF CREDIT OR OTHER PERMISSIBLE USE;

24 (d) A STATE OR LOCAL AGENCY, LAW ENFORCEMENT AGENCY,  
25 TRIAL COURT, [REDACTED] PRIVATE COLLECTION AGENCY, OR PERSON ACTING  
26 PURSUANT TO A COURT ORDER, WARRANT, OR SUBPOENA AUTHORIZING THE  
27 USE OF THE CONSUMER REPORT;

1 (e) A CHILD SUPPORT ENFORCEMENT AGENCY ACTING TO ENFORCE  
2 CHILD SUPPORT OBLIGATIONS;

3 (f) THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING OR  
4 ITS AGENTS OR ASSIGNS ACTING TO INVESTIGATE FRAUD;

5 (g) THE DEPARTMENT OF HUMAN SERVICES OR ITS AGENTS OR  
6 ASSIGNEES ACTING TO INVESTIGATE FRAUD;

7 (h) THE DEPARTMENT OF REVENUE OR ITS AGENTS OR ASSIGNS  
8 ACTING TO INVESTIGATE OR COLLECT DELINQUENT TAXES OR UNPAID  
9 COURT ORDERS OR TO FULFILL ANY OF ITS OTHER STATUTORY  
10 RESPONSIBILITIES;

11 (i) THE USE OF CREDIT INFORMATION FOR THE PURPOSES OF  
12 PRESCREENING AS PROVIDED FOR BY THE "FAIR CREDIT REPORTING ACT",  
13 15 U.S.C. 1681, ET SEQ.;

14 (j) ANY PERSON OR ENTITY ADMINISTERING A CREDIT FILE  
15 MONITORING SUBSCRIPTION SERVICE TO WHICH THE CONSUMER HAS  
16 SUBSCRIBED;

17 (k) ANY PERSON OR ENTITY FOR THE PURPOSE OF PROVIDING A  
18 CONSUMER WITH A COPY OF HIS OR HER CONSUMER REPORT UPON THE  
19 CONSUMER'S REQUEST;

20 \_\_\_\_\_

21 (l) A PENSION PLAN ACTING TO DETERMINE THE CONSUMER'S  
22 ELIGIBILITY FOR PLAN BENEFITS OR PAYMENTS AUTHORIZED BY LAW OR TO  
23 INVESTIGATE FRAUD;

24 (m) A PERSON CONDUCTING A PRE-SENTENCE INVESTIGATION IN A  
25 CRIMINAL MATTER OR A PROBATION OFFICER USING THIS INFORMATION FOR  
26 SUPERVISION OF AN OFFENDER;

27 (n) A COLLECTIONS INVESTIGATOR OR OTHER PERSON ENGAGED IN

1 THE COLLECTING OF FEES, FINES, OR RESTITUTION ASSESSED IN A COURT  
2 PROCEEDING;

3 (o) A LICENSED HOSPITAL WITH WHICH THE CONSUMER HAS OR  
4 HAD A CONTRACT, OR A DEBTOR-CREDITOR RELATIONSHIP FOR THE  
5 PURPOSES OF REVIEWING THE ACCOUNT OR COLLECTING THE FINANCIAL  
6 OBLIGATION OWING FOR THE CONTRACT, ACCOUNT, OR DEBT.

7 (p) A LAW ENFORCEMENT AGENCY OR ITS AGENTS ACTING TO  
8 INVESTIGATE A CRIME OR CONDUCTING A CRIMINAL BACKGROUND CHECK.

9 (12) (a) FEES FOR REQUESTING A SECURITY FREEZE, TEMPORARILY  
10 LIFTING A SECURITY FREEZE, AND PERMANENTLY REMOVING A SECURITY  
11 FREEZE FROM CONSUMER REPORTS MAY BE CHARGED ONLY IN  
12 ACCORDANCE WITH THIS SUBSECTION.

13 (b) A CONSUMER REPORTING AGENCY MAY NOT CHARGE A FEE FOR  
14 A CONSUMER'S FIRST REQUEST TO PLACE A SECURITY FREEZE ON HIS OR  
15 HER CONSUMER REPORT.

16 (c) EXCEPT AS PROVIDED FOR IN PARAGRAPHS (a) AND (b) OF THIS  
17 SUBSECTION, A CONSUMER REPORTING AGENCY MAY CHARGE A CONSUMER  
18 A REASONABLE FEE OF NO MORE THAN TEN DOLLARS FOR:

19 (I) A TEMPORARY LIFT FOR A PERIOD OF TIME OR PERMANENT  
20 REMOVAL OF A SECURITY FREEZE FROM THE CONSUMER REPORT; OR

21 (II) A SUBSEQUENT REQUEST FOR A SECURITY FREEZE OF THE  
22 CONSUMER REPORT AFTER THE CONSUMER'S FIRST REQUEST FOR A  
23 SECURITY FREEZE HAS BEEN PERMANENTLY REMOVED FROM HIS OR HER  
24 CONSUMER REPORT.

25 (d) EXCEPT AS PROVIDED FOR IN PARAGRAPHS (a) AND (b) OF THIS  
26 SUBSECTION, A CONSUMER REPORTING AGENCY MAY CHARGE A FEE NOT TO  
27 EXCEED TWELVE DOLLARS FOR TEMPORARILY LIFTING A SECURITY FREEZE



1 ON THE CONSUMER REPORT FOR A SPECIFIC PARTY.

2 12-14.3-106.7 Notice of rights. (1) AT ANY TIME THAT A  
3 CONSUMER IS REQUIRED TO RECEIVE A SUMMARY OF RIGHTS REQUIRED  
4 UNDER SECTION 609 OF THE "FAIR CREDIT REPORTING ACT", 15 U.S.C.  
5 1681g, AS AMENDED, OR NOTICE PURSUANT TO SECTION 12-14.3-104 (2),  
6 THE FOLLOWING NOTICE SHALL BE INCLUDED:

7 STATE CONSUMERS HAVE THE RIGHT TO OBTAIN A SECURITY FREEZE.

8 YOU MAY OBTAIN A SECURITY FREEZE ON YOUR  
9 CONSUMER REPORT TO PROTECT YOUR PRIVACY AND  
10 ENSURE THAT CREDIT IS NOT GRANTED IN YOUR NAME  
11 WITHOUT YOUR KNOWLEDGE, EXCEPT AS PROVIDED BY LAW.  
12 YOU HAVE A RIGHT TO PLACE A SECURITY FREEZE ON YOUR  
13 CONSUMER REPORT TO PROHIBIT A CONSUMER  
14 REPORTING AGENCY FROM RELEASING ANY INFORMATION IN  
15 YOUR CONSUMER REPORT WITHOUT YOUR EXPRESS  
16 AUTHORIZATION OR APPROVAL, EXCEPT AS THE LAW  
17 ALLOWS.

18 YOU WILL NOT BE INITIALLY CHARGED TO PLACE A  
19 SECURITY FREEZE ON YOUR CONSUMER REPORT. HOWEVER,  
20 YOU WILL BE CHARGED A FEE OF NO MORE THAN TEN  
21 DOLLARS TO TEMPORARILY LIFT THE FREEZE FOR A PERIOD OF  
22 TIME, TO PERMANENTLY REMOVE THE FREEZE FROM YOUR  
23 CONSUMER REPORT, OR WHEN YOU MAKE A SUBSEQUENT  
24 REQUEST FOR A FREEZE TO BE PLACED ON YOUR CONSUMER  
25 REPORT. AS WELL, YOU MAY BE CHARGED A FEE OF NO  
26 MORE THAN TWELVE DOLLARS TO TEMPORARILY LIFT THE  
27 FREEZE FOR A SPECIFIC PARTY.

1                   THE SECURITY FREEZE IS DESIGNED TO PREVENT  
2                   CREDIT, LOANS, AND SERVICES FROM BEING APPROVED IN  
3                   YOUR NAME WITHOUT YOUR CONSENT. WHEN YOU PLACE A  
4                   SECURITY FREEZE ON YOUR CONSUMER REPORT, WITHIN  
5                   FIVE BUSINESS DAYS YOU WILL BE PROVIDED PROCEDURES  
6                   FOR THE TEMPORARY RELEASE OF  YOUR CONSUMER  
7                   REPORT TO A SPECIFIC PARTY OR PARTIES OR FOR A PERIOD  
8                   OF TIME AFTER THE SECURITY FREEZE IS IN PLACE. TO  
9                   PROVIDE THAT AUTHORIZATION, YOU MUST CONTACT THE  
10                  CONSUMER REPORTING AGENCY AND PROVIDE THE PROPER  
11                  INFORMATION REGARDING THE THIRD PARTY OR PARTIES  
12                  WHO ARE TO RECEIVE THE CONSUMER REPORT OR THE  
13                  PERIOD OF TIME FOR WHICH THE REPORT SHALL BE  
14                  AVAILABLE TO USERS OF THE CONSUMER REPORT.

15                  A CONSUMER REPORTING AGENCY THAT RECEIVES A  
16                  REQUEST FROM A CONSUMER TO TEMPORARILY LIFT A  
17                  SECURITY FREEZE ON A CONSUMER REPORT SHALL COMPLY  
18                  WITH THE REQUEST NO LATER THAN THREE BUSINESS DAYS  
19                  AFTER RECEIVING THE REQUEST.

20                  A SECURITY FREEZE DOES NOT APPLY TO  
21                  CIRCUMSTANCES WHERE YOU HAVE AN EXISTING ACCOUNT  
22                  RELATIONSHIP, AND A COPY OF YOUR REPORT IS REQUESTED  
23                  BY YOUR EXISTING CREDITOR OR ITS AGENTS OR AFFILIATES  
24                  FOR CERTAIN TYPES OF ACCOUNT REVIEW, COLLECTION,  
25                  FRAUD CONTROL OR SIMILAR ACTIVITIES.

26                  YOU SHOULD BE AWARE THAT USING A SECURITY  
27                  FREEZE TO TAKE CONTROL OVER WHO GAINS ACCESS TO THE

1           PERSONAL AND FINANCIAL INFORMATION IN YOUR  
2           CONSUMER REPORT MAY DELAY, INTERFERE WITH, OR  
3           PROHIBIT THE TIMELY APPROVAL OF ANY SUBSEQUENT  
4           REQUEST OR APPLICATION YOU MAKE REGARDING NEW  
5           LOANS, CREDIT, MORTGAGE, INSURANCE, GOVERNMENT  
6           SERVICES OR PAYMENTS, RENTAL HOUSING, EMPLOYMENT,  
7           INVESTMENT, LICENSE, CELLULAR PHONE, UTILITIES,  
8           DIGITAL SIGNATURE, INTERNET CREDIT CARD TRANSACTION,  
9           OR OTHER SERVICES, INCLUDING AN EXTENSION OF CREDIT  
10          AT THE POINT OF SALE. YOU SHOULD PLAN AHEAD AND LIFT  
11          A SECURITY FREEZE EITHER COMPLETELY IF YOU ARE  
12          SHOPPING AROUND, OR SPECIFICALLY FOR A CERTAIN  
13          CREDITOR A FEW DAYS BEFORE ACTUALLY APPLYING FOR  
14          NEW CREDIT.

15                    YOU HAVE THE RIGHT TO BRING A CIVIL ACTION OR  
16                    SUBMIT TO BINDING ARBITRATION AGAINST A CONSUMER  
17                    REPORTING AGENCY TO ENFORCE AN OBLIGATION UNDER  
18                    THE SECURITY FREEZE LAW AFTER FOLLOWING SPECIFIED  
19                    DISPUTE PROCEDURES AND HAVING RECEIVED THE  
20                    NECESSARY NOTICE.

21           **12-14.3-106.8. Security freeze - prohibition of changing official**  
22           **information in credit report.** IF A SECURITY FREEZE IS IN PLACE, A  
23           CONSUMER REPORTING AGENCY SHALL NOT CHANGE ANY OF THE  
24           FOLLOWING OFFICIAL INFORMATION IN A CONSUMER REPORT  
25           WITHOUT SENDING A WRITTEN NOTICE OF THE CHANGE TO THE CONSUMER  
26           WITHIN THIRTY DAYS OF THE CHANGE BEING POSTED TO THE CONSUMER'S  
27           FILE: NAME, DATE OF BIRTH, SOCIAL SECURITY NUMBER, AND ADDRESS.

1 WRITTEN NOTICE IS NOT REQUIRED FOR TECHNICAL MODIFICATIONS OF A  
2 CONSUMER'S OFFICIAL INFORMATION, INCLUDING NAME AND STREET  
3 ABBREVIATIONS, COMPLETE SPELLINGS, OR TRANSPOSITION OF NUMBERS  
4 OR LETTERS. IN THE CASE OF AN ADDRESS CHANGE, THE WRITTEN NOTICE  
5 SHALL BE SENT TO BOTH THE NEW ADDRESS AND THE FORMER ADDRESS.

6 **12-14.3-106.9. Security freeze - exemptions.** (1) SECTIONS  
7 12-14.3-106.6 TO 12-14.3-106.8 SHALL NOT APPLY TO A CONSUMER  
8 REPORTING AGENCY THAT ACTS ONLY AS A RESELLER OF CREDIT  
9 INFORMATION BY ASSEMBLING AND MERGING INFORMATION CONTAINED  
10 IN THE DATABASE OF ANOTHER CONSUMER REPORTING AGENCY OR  
11 MULTIPLE CONSUMER REPORTING AGENCIES, AND THAT DOES NOT  
12 MAINTAIN A PERMANENT DATABASE OF CREDIT INFORMATION FROM WHICH  
13 NEW CONSUMER REPORTS ARE PRODUCED. HOWEVER, A CONSUMER  
14 REPORTING AGENCY SHALL HONOR ANY SECURITY FREEZE PLACED  
15 ON A CONSUMER REPORT BY ANOTHER CONSUMER REPORTING  
16 AGENCY.

17 (2) THE FOLLOWING ENTITIES ARE NOT REQUIRED TO PLACE IN A  
18 CONSUMER REPORT A SECURITY FREEZE:

19 (a) A CHECK SERVICE OR FRAUD PREVENTION SERVICE THAT ISSUES  
20 REPORTS ON INCIDENTS OF FRAUD OR AUTHORIZATIONS FOR THE PURPOSE  
21 OF APPROVING OR PROCESSING NEGOTIABLE INSTRUMENTS, ELECTRONIC  
22 FUNDS TRANSFERS, OR SIMILAR METHODS OF PAYMENTS;

23 (b) A DEPOSIT ACCOUNT INFORMATION SERVICE COMPANY THAT  
24 ISSUES REPORTS REGARDING ACCOUNT CLOSURES DUE TO FRAUD,  
25 SUBSTANTIAL OVERDRAFTS, OR AUTOMATIC TELLER MACHINE ABUSE OR  
26 SIMILAR NEGATIVE INFORMATION REGARDING A CONSUMER TO INQUIRING  
27 BANKS OR OTHER FINANCIAL INSTITUTIONS FOR USE ONLY IN REVIEWING

1 A CONSUMER REQUEST FOR A DEPOSIT ACCOUNT AT THE INQUIRING BANK  
2 OR FINANCIAL INSTITUTION;

3 (C) A FRAUD PREVENTION SERVICES COMPANY ISSUING REPORTS TO  
4 PREVENT OR INVESTIGATE FRAUD.

5 **SECTION 3.** 12-14.3-107, Colorado Revised Statutes, is  
6 amended to read:

7 **12-14.3-107. Consumer's right to file action in court or**  
8 **arbitrate disputes.** An action to enforce any obligation of a consumer  
9 reporting agency to a consumer under this article may be brought in any  
10 court of competent jurisdiction as provided by the federal "Fair Credit  
11 Reporting Act" or submitted to binding arbitration after the consumer has  
12 followed all dispute procedures in section 12-14.3-106 and has received  
13 the notice specified in subsection (6) of said section, or has followed all  
14 of the block procedures in section 12-14.3-106.5, OR HAS FOLLOWED ALL  
15 OF THE FREEZE PROCEDURES IN SECTION 12-14.3-106.6, in the manner set  
16 forth in the rules of the American arbitration association to determine  
17 whether the consumer reporting agency met its obligations under this  
18 article. No decision by an arbitrator pursuant to this section shall affect  
19 the validity of any obligations or debts owed to any party. A successful  
20 party to any such arbitration proceeding shall be compensated for the  
21 costs and attorney fees of the proceeding as determined by the court or  
22 arbitration. No consumer may submit more than one action to arbitration  
23 against any consumer reporting agency during any  
24 one-hundred-twenty-day period. The results of an arbitration action  
25 brought against a consumer reporting agency doing business in this state  
26 shall be communicated in a timely manner with all other consumer  
27 reporting agencies doing business in this state. If, as a result of an

1 arbitration a determination is made in favor of the consumer, any adverse  
2 information in such consumer's file or record shall be blocked, removed,  
3 or stricken in a timely manner, OR THE CONSUMER REPORT SHALL BE  
4 FROZEN WITHIN FIVE DAYS OF RECEIPT OF SUCH DETERMINATION BY THE  
5 CONSUMER REPORTING AGENCY. If such adverse information is not so  
6 blocked, removed, or stricken, OR THE FILE IS NOT FROZEN, the consumer  
7 may bring an action against the noncomplying agency pursuant to this  
8 section notwithstanding the one-hundred-twenty-day waiting period.

9 **SECTION 4.** 12-14.3-108, Colorado Revised Statutes, is  
10 amended to read:

11 **12-14.3-108. Violations.** (1) Any consumer reporting agency  
12 that willfully violates any provision of this article, or the federal "Fair  
13 Credit Reporting Act", sec. 1681c, as amended, shall be liable for three  
14 times the amount of actual damages or one thousand dollars FOR A  
15 VIOLATION OF SECTION 12-14.3-106.6, OR for each inaccurate or  
16 unblocked entry in the consumer's file that was disputed or alleged to be  
17 unauthorized in accordance with section 12-14.3-106.5 by the consumer,  
18 whichever is greater, reasonable attorney fees, and costs.

19 (2) (a) Any consumer reporting agency that negligently violates  
20 this article, or the federal "Fair Credit Reporting Act", sec. 1681c, as  
21 amended, shall be liable for the greater of actual damages or one  
22 thousand dollars for each VIOLATION OF SECTION 12-14.3-106.6, OR FOR  
23 EACH inaccurate or unblocked entry in the consumer's file that was  
24 disputed or alleged to be unauthorized in accordance with section  
25 12-14.3-106.5 by the consumer ~~and~~ THAT affects the consumer's  
26 creditworthiness, as defined in section 12-14.3-102 (4.5), PLUS reasonable  
27 attorney fees, and costs, if within thirty days after receiving notice of

1 dispute from a consumer, in accordance with section 12-14.3-106, the  
2 consumer reporting agency does not correct the complained of items or  
3 activities and does not send the consumer and, upon request of the  
4 consumer, any person who has requested the consumer information,  
5 written notification of such corrective action, in accordance with section  
6 12-14.3-106 (6), OR SECTION 12-14.3-106.6 or if, within thirty days after  
7 receiving a copy of a police report alleging, or a certified court order  
8 finding, unauthorized activity, the consumer reporting agency does not  
9 block the information in accordance with section 12-14.3-106.5.

10 (b) Any consumer reporting agency that negligently violates this  
11 article, or the federal "Fair Credit Reporting Act", sec. 1681c, as  
12 amended, shall be liable for the greater of actual damages or one  
13 thousand dollars for all VIOLATIONS OF SECTION 12-14.3-106.6 OR ALL  
14 inaccurate or unblocked entries in the consumer's file that were disputed  
15 or alleged to be unauthorized in accordance with section 12-14.3-106.5  
16 OR SECTION 12-14.3-106.6 by the consumer but THAT did not affect the  
17 consumer's creditworthiness, PLUS reasonable attorney fees, and costs, if  
18 within thirty days after receiving notice of dispute from a consumer, in  
19 accordance with section 12-14.3-106, the consumer reporting agency  
20 does not correct the complained of items or activities and does not send  
21 the consumer and, if requested by the consumer, any person who has  
22 requested the consumer information, written notification of such  
23 corrective action, in accordance with section 12-14.3-106 (6) OR SECTION  
24 12-14.3-106.6 or if, within thirty days after receiving a copy of a police  
25 report alleging, or a certified court order finding, unauthorized activity,  
26 the consumer reporting agency does not block the information in  
27 accordance with section 12-14.3-106.5.

1 (3) In addition to the damages assessed under subsections (1) and  
2 (2) of this section, if, ten days after the entry of any judgment for  
3 damages, the consumer's file is still not corrected, or blocked, OR FROZEN  
4 by the consumer reporting agency, such assessed damages shall be  
5 increased to one thousand dollars per day per UNFROZEN CONSUMER  
6 REPORT OR inaccurate or unblocked entry that remains in the consumer's  
7 file until the inaccurate entry is corrected or blocked, OR THE CONSUMER  
8 REPORT IS FROZEN.

9 **SECTION 5.** 7-90-306, Colorado Revised Statutes, is amended  
10 BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to  
11 read:

12 **7-90-306. Filing duty of secretary of state - manner of filing.**

13 (5) (a) NOTWITHSTANDING THE FOREGOING OR ANY OTHER PROVISION OF  
14 LAW, THE SECRETARY OF STATE MAY, UPON RECEIPT OF A WRITTEN  
15 REQUEST FROM AND A SHOWING OF GOOD CAUSE BY AN AUTHORIZED  
16 PERSON SUPPORTED BY SUCH VALIDATING, VERIFYING, AND  
17 AUTHENTICATING DOCUMENTS AS THE SECRETARY OF STATE MAY REQUIRE,  
18 REMOVE PERSONAL IDENTIFYING INFORMATION FROM THE PUBLICLY  
19 ACCESSIBLE DOCUMENTS AND OTHER RECORDS OF THE SECRETARY OF  
20 STATE MAINTAINED PURSUANT TO THIS SECTION WHERE SUCH  
21 INFORMATION IS NOT REQUIRED BY LAW TO BE INCLUDED IN SUCH  
22 DOCUMENTS AND RECORDS.

23 (b) A DOCUMENT OR RECORD FROM WHICH THE SECRETARY OF  
24 STATE REMOVES PERSONAL IDENTIFYING INFORMATION PURSUANT TO  
25 PARAGRAPH (a) OF THIS SUBSECTION (5) SHALL NOT BE RENDERED  
26 INSUFFICIENT OR INEFFECTIVE BY SUCH REMOVAL NOTWITHSTANDING ANY  
27 OTHER PROVISION OF LAW.



1 (c) THE SECRETARY OF STATE MAY RETAIN THE ORIGINAL OR A  
2 COPY OF A DOCUMENT OR RECORD THAT CONTAINS PERSONAL IDENTIFYING  
3 INFORMATION, BUT SUCH A DOCUMENT OR RECORD SHALL BE OPEN FOR  
4 INSPECTION, AND COPIES OR PRINTOUTS OF THE DOCUMENT OR RECORD OR  
5 INFORMATION FROM THE DOCUMENT OR RECORD SHALL BE FURNISHED  
6 ONLY UPON APPLICATION TO THE SECRETARY OF STATE AND ONLY FOR  
7 GOOD CAUSE SHOWN NOTWITHSTANDING ANY PROVISION OF PART 2 OF  
8 ARTICLE 72 OF TITLE 24, C.R.S., OR ANY OTHER PROVISION OF LAW.

9 (6) FOR THE PURPOSES OF THIS SECTION, "PERSONAL IDENTIFYING  
10 INFORMATION" MEANS INFORMATION ABOUT AN INDIVIDUAL THAT COULD  
11 REASONABLY BE USED TO IDENTIFY SUCH INDIVIDUAL, INCLUDING, BUT  
12 NOT LIMITED TO:

- 13 (a) A SOCIAL SECURITY NUMBER;
- 14 (b) A PERSONAL IDENTIFICATION NUMBER;
- 15 (c) A PASSWORD;
- 16 (d) A PASS CODE;
- 17 (e) AN OFFICIAL STATE- OR GOVERNMENT-ISSUED DRIVER'S  
18 LICENSE OR IDENTIFICATION CARD NUMBER;
- 19 (f) A GOVERNMENT PASSPORT NUMBER;
- 20 (g) BIOMETRIC DATA;
- 21 (h) AN EMPLOYER, STUDENT, OR MILITARY IDENTIFICATION  
22 NUMBER;
- 23 (i) A FINANCIAL TRANSACTION DEVICE, AS SUCH TERM IS DEFINED  
24 IN SECTION 18- 5-701 (3), C.R.S.;
- 25 (j) A PERSONAL IDENTIFICATION CODE, AS SUCH TERM IS DEFINED  
26 IN SECTION 18-5-701 (5), C.R.S.;
- 27 (k) OTHER PERSONAL FINANCIAL INFORMATION;

1 (l) DATE OF BIRTH; OR

2 (m) NAMES OF RELATIVES.

3 **SECTION 6.** Part 1 of article 5 of title 18, Colorado Revised  
4 Statutes, is amended BY THE ADDITION OF A NEW SECTION to  
5 read:

6 **18-5-119. Theft of personal identifying information.** (1) (a) A  
7 PERSON WHO, WITH THE INTENT TO DEFRAUD ANOTHER PERSON OF  
8 PERSONAL IDENTIFYING INFORMATION, UNLAWFULLY ENTERS A TRASH  
9 RECEPTACLE AND TAKES DOCUMENTS FROM THAT TRASH RECEPTACLE  
10 COMMITS THEFT OF PERSONAL IDENTIFYING INFORMATION.

11 (b) FOR PURPOSES OF THIS SECTION, "PERSONAL IDENTIFYING  
12 INFORMATION" SHALL HAVE THE SAME MEANING AS PROVIDED IN SECTION  
13 6-1-713 (2), C.R.S.; EXCEPT THAT "PERSONAL IDENTIFYING INFORMATION"  
14 SHALL NOT INCLUDE A FINANCIAL TRANSACTION DEVICE, AS DEFINED IN  
15 SECTION 18-5-701 (3).

16 (2) THEFT OF PERSONAL IDENTIFYING INFORMATION IS A CLASS 1  
17 MISDEMEANOR.

18 **SECTION 7. Effective date - applicability.** (1) Sections 5 and  
19 8 of this act shall take effect upon passage, section 6 of this act shall take  
20 effect on July 1, 2005, and shall apply to offenses committed on or after  
21 said date, and the remainder of this act shall take effect on July 1, 2006.

22 (2) However, if a referendum petition is filed against this act or  
23 an item, section, or part, other than section 5 or 6, of this act during the  
24 90-day period after final adjournment of the general assembly that is  
25 allowed for submitting a referendum petition pursuant to article V,  
26 section 1 (3) of the state constitution, then the act, item, section, or part,  
27 shall not take effect unless approved by the people at a biennial regular

1 general election and shall take effect on the date specified in subsection  
2 (1) or on the date of the official declaration of the vote thereon by  
3 proclamation of the governor, whichever is later.

4 **SECTION 8. Safety clause.** The general assembly hereby finds,  
5 determines, and declares that sections 5 and 6 of this act are necessary for  
6 the immediate preservation of the public peace, health, and safety.