

**NO FISCAL IMPACT****Drafting Number:** LLS 11-0452**Date:** February 15, 2011**Prime Sponsor(s):** Rep. Kagan  
Sen. Carroll**Bill Status:** House SVMA**Fiscal Analyst:** Harry Zeid (303-866-4753)**TITLE:** CONCERNING THE PERMISSIBLE USE OF CONSUMER CREDIT INFORMATION.**Summary of Legislation**

HB11-1127 identifies permissible uses of consumer credit information. The bill:

- restricts an employer's use of consumer credit information for employment purposes. Employers are required to disclose to an employee or job applicant the particular credit information used when the information causes an adverse action to be taken;
- modifies current law regarding the permissible use of credit information by an insurer offering personal lines of property and casualty insurance;
- requires automobile insurers to comply with the same provisions governing the use of credit information as required of property and casualty insurers;
- requires consumer reporting agencies to notify a cosigner to a debt when the agency receives information that would add negative information to a debt cosigner's file;
- allows landlords to use consumer credit information of a potential tenant only to evaluate the applicant's payment history for prior tenancies. The landlord must disclose to the applicant that credit information was used if the applicant's consumer credit information adversely impacts the landlord's decision.

The bill becomes effective July 1, 2011, and applies to acts occurring on or after that date.

**Assessment**

The bill provides permissible guidelines concerning the use of consumer credit information for employers, insurers, consumer reporting agencies, and landlords. The bill does not affect state or local revenue or expenditures, and is therefore assessed at no fiscal impact.

It is assumed that most employers, insurers, consumer reporting agencies, and landlords will be in high compliance with the bill to avoid any potential for future litigation. Therefore, no impact is anticipated on the Judicial Branch. Also, no additional workload will result to the Department of Law to support client agencies. Any posting of information regarding changes to current guidelines for the Department of Labor & Employment can be accomplished within existing resources.

**Departments Contacted**Judicial  
PersonnelLabor & Employment  
Public SafetyLaw  
Regulatory Agencies