

Department of Legislative Services  
Maryland General Assembly  
1999 Session

FISCAL NOTE

House Bill 880 (Delegates Kagan and Minnick)

Economic Matters

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Consumer Protection - Consumer Reporting Agencies

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This bill restricts the circumstances under which a consumer reporting agency may furnish a consumer report.

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Fiscal Summary

**State Effect:** None. Assuming the Consumer Protection Division receives less than 50 complaints as a result of this bill, any additional workload to the division could be handled with existing resources.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Fiscal Analysis

**Bill Summary:** This bill restricts the circumstances under which a consumer reporting agency may furnish a consumer report. As under current law, the bill allows a consumer reporting agency to furnish a consumer report in response to a court order or to a person that has the written consent of the consumer to whom it relates and the consumer report is used for the purpose consented to by the consumer. However, the bill repeals provisions of law that allow a consumer reporting agency to furnish a consumer report to a person which the agency has reason to believe: (1) intends to use the information in connection with a credit transaction involving the consumer on whom the information is to be furnished and involving the extension of credit to, or review or collection of an account of, the consumer; (2) intends to use the information for employment purposes; (3) intends to use the information in connection with the underwriting of insurance involving the consumer; (4) intends to use the

information in connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status; or (5) otherwise has a legitimate business need for the information in connection with a business transaction involving the consumer.

The bill specifies that the restrictions relating to the release of consumer reports does not affect: (1) the ability of a person that has secured the consent of the consumer to include in the person's request to the consumer permission to also obtain credit reports, in connection with the same transaction or extension of credit, for the purpose of reviewing the account, increasing the credit line on the account, taking collection action on the account, or for other legitimate purposes associated with the account; or (2) the use of credit information for the purpose of prescreening, as defined and allowed on occasion by the Federal Trade Commission.

The bill requires consumer reporting agencies to maintain reasonable procedures to assure maximum possible compliance with these restrictions on releasing a consumer report.

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**Information Source:** Attorney General's Office

**Fiscal Note History:** First Reader - March 4, 1999

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