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For More Information:

Holly Lang (404) 525-1085

Danny Orrock (404) 580-1536

Sine die action on several pro-consumer bills

Lawmakers approve ID theft and foreclosure measures, improve lemon law.

ATLANTA – While lawmakers achieved far less progress than anticipated on topics such as tax reform and funding for trauma care and transportation, several solid, pro-consumer bills were approved by both chambers and await the signature of Gov. Sonny Perdue.

After three years of discussion, the General Assembly voted overwhelmingly on sine die to allow most Georgia consumers to place a freeze on their credit file for only \$3. For victims of identity theft and senior citizens 65 and older, the freeze would be free. Each temporary lift to allow a consumer access to their file would also cost \$3, and would be available electronically within 15 minutes of request, keeping on-the-spot credit an option for shoppers.

House Bill 130, sponsored by Rep. Calvin Hill (R-Canton), is part of a national trend toward lower credit freeze fees. In March, the South Carolina legislature passed a credit freeze law with a \$0 fee.

“Both chambers passed by overwhelming margins a reasonable three dollar fee, which makes this crime prevention tool accessible to more Georgians,” said Allison Wall, executive director of Georgia Watch. **“All that remains is to send HB 130 on to the Governor’s desk for approval.”**

If signed into law, the \$3 credit freeze will be available to consumers beginning August 01. Georgia will be the first state to offer a 15-minute temporary lift.

Lawmakers also approved several consumer-friendly revisions to the state lemon law, including:

- a replacement vehicle for a new car that has multiple or repeated defects immediately following purchase;
- expansion of the term “consumer” to include small businesses;
- the right to evoke the lemon law if consumers have a certain number of defects or serious safety defects on a new car within the first 24 months or 24,000 miles;
- expansion of the definition of “serious safety defect” to include anything that would threaten the consumer’s life, create risk of fire or explosion, or hinder the driver’s ability to control the car.

House Bill 470, sponsored by Rep. Butch Parrish (R-Swainsboro), passed the Senate on sine die.

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“These changes to the lemon law will allow more Georgians, including small business owners, to take advantage of this important consumer protection,” said Wall.

Yet another sine die success, Senate Bill 531, made minor but meaningful, pro-consumer changes to existing foreclosure statutes. Because most mortgages are sold from one lender to another, some homeowners facing foreclosure have difficulty locating and contacting the company holding the loan to inquire about restructured payments.

Sponsored by Senate Banking & Financial Institutions Chairman Bill Hamrick (R-Carrollton) and Sen. Nan Orrock (D-Atlanta), SB 531 requires that a homeowner facing foreclosure be provided with the identity of the mortgage holder and contact information for a party authorized to negotiate a modification of the mortgage.

SB 531 also extends the notification period required before sale of a foreclosed home from 15 to 30 days, giving homeowners more opportunity to contact the lender and negotiate new payment terms.

Finally, Rep. John Lunsford (R-McDonough) filed House Resolution 1625 to establish a study committee to examine the indigent care practices of Georgia’s tax-exempt nonprofit hospitals.

By definition, tax-exempt nonprofit hospitals do not pay most taxes, including sales, income or property taxes. Tax exemptions are one of many forms of subsidization by state and local governments for which nonprofit hospitals are obligated to provide affordable health care to medically uninsured and indigent patients, regardless of ability to pay.

“Taxpayers deserve a comprehensive cost-benefit analysis that takes into account lost tax revenue, and the value of services our nonprofit hospitals provide in terms of indigent and charity care,” said Wall.

HR 1625 passed the House on the final day of the legislative session. A study committee of five House members will be appointed by Speaker Glenn Richardson (R-Hiram) and will convene prior to the 2009 legislative session.

Other key legislators who contributed to the fine-tuning and passage of these consumer bills include: Rep. Rich Golick (R-Smyrna), Sen. Chip Rogers (R-Woodstock), Rep. Tommy Benton (R-Jefferson), Rep. Rob Teilhet (D-Smyrna), House Health & Human Services Committee Chairwoman Sharon Cooper (R-Marietta), Sen. Renee Unterman (R-Loganville), Rep. Bobby Reese (R-Sugar Hill), Rep. Steve “Thunder” Tumlin (R-Marietta), House Banks & Banking Committee Chairman James Mills (R-Gainesville) and Lt. Governor Casey Cagle.

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Founded in 2002, Georgia Watch is a nonprofit, nonpartisan 501-(c)(3) watchdog group focusing on consumer education and research in the areas of health care, insurance, identity theft and personal finance.