



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Fiscal Note

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<b>Drafting Number:</b>	LLS 23-0766	<b>Date:</b>	March 7, 2023
<b>Prime Sponsors:</b>	Rep. Weissman; Mabrey Sen. Gonzales	<b>Bill Status:</b>	House Finance
		<b>Fiscal Analyst:</b>	Clayton Mayfield   303-866-5851 clayton.mayfield@coleg.gov

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**Bill Topic:** **AMENDING TERMS CONSUMER LENDING LAWS**

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**Summary of Fiscal Impact:**

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill limits the total amount of finance charges on consumer credit transactions and exercises a state option to preempt federal regulation of interest rates. Starting in FY 2023-24, state and local expenditures and revenues may minimally increase on an ongoing basis.

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**Appropriation Summary:** No appropriation is required.

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**Fiscal Note Status:** The fiscal note reflects the introduced bill.

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## Summary of Legislation

The bill limits the total amount of finance charges on consumer credit transactions by requiring that a maximum finance charge include certain additional fees and charges specified in the bill. The bill also modifies the allowable charges, loan terms, and application procedures for loans less than \$1,000. Finally, the bill exercises a state option to exempt consumer credit transactions from certain federal interest rate limits, and instead applies interest rate limits in state law to those transactions.

## State Revenue and Expenditures

The bill primarily concerns contracts between private parties. Although the Department of Law serves as the administrator of the Colorado Uniform Consumer Credit Code, which the bill amends, the changes are not anticipated to affect the expenditures or revenues of the department. To the extent that civil filings with the trial courts increase, Judicial Department workload and revenue from filing fees may increase. Revenue from filing fees is subject to TABOR. No change in appropriations is required.

## Local Government

Similar to the state, to the extent civil cases are filed, workload and revenue for Denver County Court may increase.

## Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed. It applies to loans made or renewed on or after the effective date of the bill.

## State and Local Government Contacts

Judicial

Law

Regulatory Agencies