



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 26-1267: LIMITATIONS ON COLLECTION ACTIONS FOR MEDICAL DEBT

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**Prime Sponsors:**

Rep. Joseph; Mabrey  
Sen. Jodeh; Weissman

**Fiscal Analyst:**

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### Summary Information

**Overview.** The bill places requirements on collectors of medical debt, and specifies that damages may be awarded in the event of violations.

**Types of impacts.** The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Revenue
- Minimal State Workload

**Appropriations.** No appropriation is required.

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**Table 1**  
**State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

## Summary of Legislation

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The bill expands impermissible collection actions that medical creditors may utilize in collecting a medical debt, including targeting non-patients, seizing personal property or retirement assets, garnishing wages, threatening arrest, deportation, or immigration consequences, or reducing a patient's bank funds below a protected threshold. It also establishes affirmative obligations for health care facilities and medical creditors, including verifying that patients have been screened for public insurance and financial assistance and offering reasonable payment plans to all patients. Medical creditors must also provide at least 30-days notice to a patient before collecting, transferring, selling, or assigning a medical debt.

Patients whose medical creditor is in violation of the requirements for selling, transferring, or assigning medical debt, or undertaking collection activities, are entitled to \$3,000 in damages or actual damages, whichever is greater.

## State Revenue and Expenditures

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The bill may minimally impact workload in the Department of Law and the Judicial Department, and may increase revenue from filing fees.

### Department of Law

The Department of Law will review complaints under the bill and prioritize investigations as necessary within the overall number of complaints and available resources.

### Judicial Department

The trial courts in the Judicial Department may have an increase in cases filed. Any additional caseload can be managed within existing resources and no change in appropriations is required. Similarly, any revenue from filing fees, which is subject to TABOR, is assumed to be minimal.

## Effective Date

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The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## State and Local Government Contacts

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Health Care Policy and  
Financing

Judicial  
Law

Regulatory Agencies  
Revenue

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).