

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-1003.01 Christopher McMichael x4775

SENATE BILL 26-174

SENATE SPONSORSHIP

Roberts,

HOUSE SPONSORSHIP

Carter and Soper, Garcia

Senate Committees
Judiciary

House Committees

A BILL FOR AN ACT

101 CONCERNING THE PROHIBITION OF LEAD GENERATION MARKETING
102 FOR LEGAL SERVICES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill establishes that the practice of lead generation marketing for legal services is a deceptive trade practice that is subject to enforcement under the "Colorado Consumer Protection Act".

"Lead generation legal marketing" is defined in the bill as a form of marketing in which a lawyer, law firm, or legal paraprofessional pays money or other compensation to a third party to receive information about

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

a potential client or case, including the client's contact information or information about the potential client's legal issue or case.

The bill prohibits an attorney, law firm, or legal paraprofessional from paying money or other compensation to any person engaged in lead generation legal marketing.

The bill prohibits a person from engaging in the practice of lead generation legal marketing. A person may not solicit or market for legal services in Colorado unless the person is:

- A licensed attorney, law firm, or licensed legal paraprofessional;
- Working on behalf of a licensed attorney, law firm, or licensed legal paraprofessional and the attorney, law firm, or licensed legal paraprofessional is clearly identified in any advertisement and marketing materials, information, or resources; or
- A nonprofit organization that provides legal services.

The bill establishes that a person that engages in the practice of lead generation legal marketing may be subject to both civil and criminal penalties.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 6-1-105, **add**
3 (1)(qqqq) as follows:

4 **6-1-105. Unfair or deceptive trade practices - definitions.**

5 (1) A person engages in a deceptive trade practice when, in the
6 course of the person's business, vocation, or occupation, the person:

7 (qqqq) VIOLATES SECTION 6-1-741.

8 **SECTION 2.** In Colorado Revised Statutes, **add** 6-1-741 as
9 follows:

10 **6-1-741. Lead generation legal marketing - deceptive trade**
11 **practice - enforcement - penalties - rules - definitions - legislative**
12 **declaration.**

13 (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

14 (a) TRADITIONAL LEGAL MARKETING ALLOWS ATTORNEYS AND

1 LAW FIRMS TO ADVERTISE THEIR SERVICES WHILE CLEARLY IDENTIFYING
2 THEMSELVES AND ALLOWING CONSUMERS TO MAKE INFORMED DECISIONS
3 REGARDING THEIR LEGAL REPRESENTATION;

4 (b) LEAD GENERATION LEGAL MARKETING FOR LEGAL SERVICES
5 INVOLVES THIRD PARTIES THAT SOLICIT CONSUMERS WHO MAY NEED
6 LEGAL SERVICES BY OBTAINING THE CONSUMER'S PERSONAL INFORMATION
7 AND INFORMATION ABOUT THE CONSUMER'S LEGAL ISSUE AND THEN
8 SELLING THAT INFORMATION TO ATTORNEYS OR LAW FIRMS;

9 (c) LEAD GENERATION LEGAL MARKETING FOR LEGAL SERVICES IS
10 INHERENTLY MISLEADING TO CONSUMERS BECAUSE THE PERSON
11 CONDUCTING THE LEAD GENERATION LEGAL MARKETING PURPORTS TO BE
12 AN ATTORNEY OR REPRESENTATIVE FROM A LAW FIRM BUT IS ACTUALLY
13 NOT AN ATTORNEY OR LAW-FIRM REPRESENTATIVE;

14 (d) LEAD GENERATION LEGAL MARKETING FIRMS TYPICALLY USE
15 "BAIT-AND-SWITCH" TACTICS, "LOOK-ALIKE" ADVERTISING,
16 IMPERSONATION, FRAUD, AND OTHER DECEPTIVE ADVERTISING PRACTICES
17 TO TARGET INJURED OR VULNERABLE CONSUMERS WHO ARE IN NEED OF
18 LEGAL REPRESENTATION;

19 (e) LEAD GENERATION LEGAL MARKETING ALSO MISLEADS THE
20 ATTORNEYS OR LAW FIRMS THAT PURCHASE THE CONSUMER INFORMATION
21 FROM THE LEAD GENERATION LEGAL MARKETING ORGANIZATION BECAUSE
22 THE CONSUMER INFORMATION IS OFTEN SOLD TO MULTIPLE FIRMS, THE
23 INFORMATION IS ERRONEOUS, OR THE INFORMATION DOES NOT REPRESENT
24 A VIABLE LEGAL CASE;

25 (f) BECAUSE OF THE HARM THAT LEAD GENERATION LEGAL
26 MARKETING CAN HAVE ON CONSUMERS, ATTORNEYS, AND THE LEGAL
27 PROFESSION, IT IS IMPERATIVE THAT THIS PRACTICE BE PROHIBITED IN THE

1 STATE AND ENFORCED THROUGH CIVIL AND CRIMINAL PENALTIES;

2 (g) CIVIL AND CRIMINAL VIOLATIONS RELATED TO THE PRACTICE
3 OF LEAD GENERATION LEGAL MARKETING ARE CAPABLE OF BEING
4 ENFORCED BY THE ATTORNEY GENERAL AND THE STATE'S DISTRICT
5 ATTORNEYS UNDER THE "COLORADO CONSUMER PROTECTION ACT",
6 ARTICLE 1 OF TITLE 6, AND THE COLORADO CRIMINAL CODE, INCLUDING,
7 BUT NOT LIMITED TO, CRIMINAL IMPERSONATION, FRAUD, AND
8 RACKETEERING; AND

9 (h) THEREFORE, IT IS IN THE BEST INTEREST OF COLORADANS TO
10 PROHIBIT PERSONS THAT CONDUCT LEAD GENERATION LEGAL MARKETING
11 FOR LEGAL SERVICES FROM DOING BUSINESS IN THE STATE.

12 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
13 REQUIRES:

14 (a) (I) "LEAD GENERATION LEGAL MARKETING" MEANS ANY FORM
15 OF MARKETING IN WHICH AN ATTORNEY, LAW FIRM, OR LICENSED LEGAL
16 PARAPROFESSIONAL PAYS MONEY OR OTHER COMPENSATION TO A THIRD
17 PARTY TO RECEIVE INFORMATION ABOUT A POTENTIAL CLIENT OR CASE,
18 WHICH INFORMATION MAY INCLUDE THE POTENTIAL CLIENT'S CONTACT
19 INFORMATION OR INFORMATION ABOUT THE POTENTIAL CLIENT'S LEGAL
20 ISSUE, AND THE THIRD PARTY, PRIOR TO OBTAINING INFORMATION ABOUT
21 A POTENTIAL CLIENT OR CASE, DID NOT IDENTIFY TO THE POTENTIAL
22 CLIENT THE IDENTITY OF A SPECIFIC ATTORNEY, LAW FIRM, OR LICENSED
23 LEGAL PARAPROFESSIONAL TO WHOM THE POTENTIAL CLIENT WOULD BE
24 REFERRED.

25 (II) "LEAD GENERATION LEGAL MARKETING" INCLUDES
26 MARKETING IN WHICH COMPENSATION IS PROVIDED TO A THIRD PARTY
27 DIRECTLY, INDIRECTLY, ON A PER-LEAD OR PER-CASE BASIS, OR AS A

1 SUBSCRIPTION MODEL AND INCLUDES COMPENSATION MADE THROUGH
2 INTERMEDIARIES, AFFILIATES, OR OTHER ENTITIES.

3 (III) "LEAD GENERATION LEGAL MARKETING" DOES NOT INCLUDE
4 THE SHARING OF FEES BETWEEN LICENSED ATTORNEYS, LAW FIRMS, OR
5 LICENSED LEGAL PARAPROFESSIONALS SO LONG AS THE FEES ARE SHARED
6 IN COMPLIANCE WITH STATE LAW AND RULES ADOPTED BY THE COLORADO
7 SUPREME COURT.

8 (b) (I) "TRADITIONAL LEGAL MARKETING" MEANS MARKETING
9 DONE BY AN ATTORNEY, LAW FIRM, OR LICENSED LEGAL
10 PARAPROFESSIONAL, OR BY A THIRD PARTY ON BEHALF OF AN ATTORNEY,
11 LAW FIRM, OR LICENSED LEGAL PARAPROFESSIONAL, DURING WHICH
12 MARKETING THE ATTORNEY, LAW FIRM, OR LICENSED LEGAL
13 PARAPROFESSIONAL THAT IS ADVERTISING THEIR SERVICES IS CLEARLY
14 IDENTIFIED TO THE CONSUMER.

15 (II) "TRADITIONAL LEGAL MARKETING" INCLUDES, BUT IS NOT
16 LIMITED TO, SEARCH ENGINE OPTIMIZATION, PAY-PER-CLICK INTERNET
17 ADVERTISING, RADIO ADVERTISING, TELEVISION ADVERTISING, STREAMING
18 ADVERTISING, BILLBOARD ADVERTISING, AND LISTING IN LEGAL
19 DIRECTORIES IN WHICH THE NAME OR IDENTITY OF THE ATTORNEY, LAW
20 FIRM, OR LICENSED LEGAL PARAPROFESSIONAL IS CLEARLY DISCLOSED.

21 (3) (a) AN ATTORNEY, LAW FIRM, OR LICENSED LEGAL
22 PARAPROFESSIONAL IN THE STATE SHALL NOT PAY MONEY OR OTHER
23 COMPENSATION TO ANY PERSON ENGAGED IN LEAD GENERATION LEGAL
24 MARKETING.

25 (b) A PERSON SHALL NOT ENGAGE IN THE PRACTICE OF LEAD
26 GENERATION LEGAL MARKETING IN THE STATE OR SELL LEADS TO AN
27 ATTORNEY, LAW FIRM, OR LICENSED LEGAL PARAPROFESSIONAL IN THE

1 STATE.

2 (4) A PERSON SHALL NOT SOLICIT A POTENTIAL CLIENT OR MARKET
3 FOR LEGAL SERVICES IN THE STATE UNLESS THE PERSON IS:

4 (a) A LICENSED ATTORNEY IN COLORADO, A LAW FIRM, OR A
5 LICENSED LEGAL PARAPROFESSIONAL;

6 (b) WORKING ON BEHALF OF A LICENSED ATTORNEY IN COLORADO,
7 A LAW FIRM, OR A LICENSED LEGAL PARAPROFESSIONAL AND THAT
8 ATTORNEY, LAW FIRM, OR LICENSED LEGAL PARAPROFESSIONAL IS
9 CLEARLY IDENTIFIED IN ANY ADVERTISEMENT AND IN THE MARKETING
10 MATERIAL, INFORMATION, OR RESOURCES; OR

11 (c) A NONPROFIT ORGANIZATION THAT PROVIDES LEGAL SERVICES.

12 (5) THIS SECTION DOES NOT PROHIBIT A PERSON FROM ENGAGING
13 IN THE PRACTICE OF TRADITIONAL LEGAL MARKETING.

14 (6) (a) A COURT MAY ORDER INJUNCTIVE RELIEF IN A CIVIL ACTION
15 BROUGHT PURSUANT TO THIS SECTION.

16 (b) AN ATTORNEY, LAW FIRM, OR LICENSED LEGAL
17 PARAPROFESSIONAL OR ANY CONSUMER WHO HAS BEEN AFFECTED BY
18 LEAD GENERATION LEGAL MARKETING MAY BRING A CIVIL ACTION TO
19 ENFORCE THIS SECTION.

20 (c) IF A PERSON IS HELD TO BE IN VIOLATION OF THIS SECTION AS
21 A RESULT OF A CIVIL ACTION, THE CLAIMANT IS ENTITLED TO DAMAGES IN
22 THE AMOUNT OF TEN THOUSAND DOLLARS PER VIOLATION, PLUS
23 REASONABLE ATTORNEY FEES AND COSTS.

24 (7) THE ATTORNEY GENERAL OR A DISTRICT ATTORNEY MAY BRING
25 A CRIMINAL ACTION AGAINST A PERSON THAT ENGAGES IN THE PRACTICE
26 OF LEAD GENERATION LEGAL MARKETING IF THE ATTORNEY GENERAL OR
27 DISTRICT ATTORNEY DETERMINES THAT THE PERSON'S ACTIONS

1 CONSTITUTE A CRIME PURSUANT TO THE COLORADO CRIMINAL CODE,
2 INCLUDING:

3 (a) CRIMINAL IMPERSONATION, AS DESCRIBED IN SECTION
4 18-5-113;

5 (b) OFFENSES INVOLVING FRAUD, AS DESCRIBED IN ARTICLE 5 OF
6 TITLE 18;

7 (c) RACKETEERING ACTIVITY, AS DEFINED IN SECTION 18-17-103
8 (5); OR

9 (d) ANY OTHER CRIME UNDER COLORADO LAW.

10 (8) THE ATTORNEY GENERAL MAY ADOPT ANY RULES NECESSARY
11 TO ENFORCE THIS SECTION.

12 **SECTION 3. Act subject to petition - effective date -**
13 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
14 the expiration of the ninety-day period after final adjournment of the
15 general assembly (August 12, 2026, if adjournment sine die is on May 13,
16 2026); except that, if a referendum petition is filed pursuant to section 1
17 (3) of article V of the state constitution against this act or an item, section,
18 or part of this act within such period, then the act, item, section, or part
19 will not take effect unless approved by the people at the general election
20 to be held in November 2026 and, in such case, will take effect on the
21 date of the official declaration of the vote thereon by the governor.

22 (2) This act applies to conduct occurring on or after the applicable
23 effective date of this act.