



# Fiscal Note

## Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

### SB 25-201: REQUIRE AGE CHECKS FOR ONLINE SEXUAL MATERIALS

**Prime Sponsors:**

Sen. Lundeen; Daugherty  
Rep. Lukens; Lindsay

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**Version:** Initial Fiscal Note  
**Date:** March 26, 2025

**Fiscal note status:** The fiscal note reflects the introduced bill. Due to time constraints, this fiscal note is preliminary and may be updated to reflect additional information received.

### Summary Information

**Overview.** The bill requires websites with sexually explicit content to verify the age of users before allowing access to their materials.

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

- Minimal State Revenue
- Minimal State Workload
- Local Government

**Appropriations.** No appropriation is required.

**Table 1  
State Fiscal Impacts**

| Type of Impact          | Budget Year<br>FY 2025-26 | Out Year<br>FY 2026-27 |
|-------------------------|---------------------------|------------------------|
| 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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Beginning July 1, 2026, the bill requires websites that earn profits by distributing sexually explicit material to:

- verify the age of consumers before allowing access to their website;
- prevent minors from accessing these materials; and
- have an independent auditor review their age verification procedures annually, and provide a method for a potential user to appeal the determination of their age.

Age verification must use an independently certified and commercially available technology that is effective in determining the potential user is not a minor. Websites may not solely rely on the geographical registration of an internet protocol address to determine if a potential user is located in Colorado. Any personal data collected by the website to verify an age must be destroyed as soon as is reasonable and comply with the Colorado Privacy Act.

## Background

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Several other states have either enacted or introduced similar legislation. A similar law in Texas is currently being challenged in the [United States Supreme Court](#) with a decision expected by July of this year. Texas' fiscal assessment for the similar bill was [indeterminate](#). Pending legislation in Washington State is estimated to incur [expenses](#) for the state attorney general.

## State Revenue and Expenditures

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### Department of Law

The fiscal note assumes that the Colorado Attorney General will enforce the bill under the provisions of the Colorado Privacy Act within the Colorado Consumer Protection Act. The department will review complaints under the bill and prioritize investigations as necessary within available resources. To the extent civil penalties are issued, TABOR-exempt revenue will increase.

### Judicial Department

Courts may experience an increase in cases if the Attorney General or district attorneys file suit against websites failing to comply with privacy provisions of the bill. Assuming most websites comply with the law, any additional workload for the courts will be minimal.

## **Local Government**

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Similar to the state, district attorney workload may increase to investigate complaints and seek relief when appropriate.

## **Effective Date**

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The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## **State and Local Government Contacts**

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Information Technology

Law

Judicial