



Fiscal Note

Legislative Council Staff

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HB 25-1291: TRANS. NETWORK COMPANY CONSUMER PROTECTION

Prime Sponsors:

Rep. Willford; Froelich
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Fiscal note status: The fiscal note reflects the introduced bill. This analysis is preliminary and will be updated following further review and any additional information received.

Summary Information

Overview. The bill creates new safety requirements for transportation network companies and their drivers.

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

- State Revenue
- State Expenditures
- TABOR Refunds

Appropriations. For FY 2025-26, the bill requires appropriations totaling \$2,731,573 to the Department of Public Safety and the Department of Regulatory Agencies.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$3,379,753	\$4,119,847	\$3,346,403
State Expenditures	\$3,057,916	\$3,704,630	\$2,931,186
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$2,619,753	\$3,359,847	not estimated
Change in State FTE	17.9 FTE	27.0 FTE	17.9 FTE

¹ Fund sources for these impacts are shown in the tables below.

Table 1A
State Revenue

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0	\$0
CBI Identification Unit Cash Fund	\$3,002,000	\$3,002,000	\$3,002,000
Transportation Network Company Fund	\$377,753	\$1,117,847	\$344,403
Total Revenue	\$3,379,753	\$4,119,847	\$3,346,403

Table 1B
State Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0	\$0
Cash Funds	\$2,731,573	\$3,215,155	\$2,604,843
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$326,343	\$489,475	\$326,343
Total Expenditures	\$3,057,916	\$3,704,630	\$2,931,186
Total FTE	17.9 FTE	27.0 FTE	17.9 FTE

Summary of Legislation

The bill creates new safety requirements for transportation network companies (TNCs) and TNC drivers. Specifically, the bill requires TNCs to:

- prohibit a driver from driving for more than 10 consecutive hours;
- obtain a fingerprint-based criminal history record check for an individual before allowing them to act as a driver, and at least once every six months afterward;
- verify the identity of the driver through an in-vehicle dash camera, a live self-identification photograph or video, biometric verification, or another method before the driver picks up a rider;
- provide all known and available data, photographs, audio, and video related to a prearranged ride that is the subject of any complaint filed with the Public Utilities Commission (PUC);
- respond to a request for information related to any complaints no later than 24 hours after the request is made;
- submit annual reporting on safety incidents to the PUC, the Attorney General, and relevant legislative committees beginning February 1, 2026;

- develop polices to prevent imposter accounts and various crimes committed by or against TNC drivers; and,
- ensure that all rides are continuously audio and video recorded, unless a driver opts out. The TNC must develop policies allowing a driver to opt out of continuous recording.

A contract between a TNC and a rider is void if it attempts to waive specified rights.

Finally, the bill makes it a deceptive trade practice to violate the bill's requirements or any part of the "Transportation Network Company Act," alter a rating a rider assigns to a driver on a TNC's digital network, or assign an automatic or default driver rating not assigned by the rider.

Assumptions

According to the Department of Regulatory Agencies, there are 38,000 people in Colorado driving for Uber and Lyft, the two companies that make up almost the entire TNC market. The bill requires TNCs to obtain a fingerprint-based criminal history record check at least once every six months for each driver, so the fiscal note assumes 76,000 checks will be performed annually.

Additionally, under current law, TNCs are permitted to perform privately administered background checks on drivers. Under the bill, the PUC will have a new requirement to review these records.

State Revenue

The bill increases state cash fund revenue by \$3.4 million in FY 2025-26, \$4.1 million in FY 2026-27, and \$3.3 million in FY 2027-28 and ongoing. Additionally, the bill may increase revenue from penalties and fees for any individuals that commit a deceptive trade practice under the bill.

Fingerprint-Based Background Checks

This bill increases state cash fund revenue from fingerprint-based criminal history background checks to the CBI Identification Unit Cash Fund in the Department of Public Safety (DPS) by \$3 million beginning in FY 2025-26. This assumes 76,000 checks will be conducted in FY 2025-26 and ongoing years. The current fee for background checks is \$39.50, which includes \$10 for a Federal Bureau of Investigation (FBI) fingerprint-based check, which is passed on to that federal agency. The \$760,000 passed to the FBI is not subject to TABOR.

Transportation Network Company Fund

Administrative costs incurred by the PUC are paid from the TNC Fund. Whenever additional expenses are incurred against the fund, regulated TNCs must pay a higher regulatory fee to cover these expenses. Amounts in Table 1A are based on the expenditures identified for the PUC below.

Civil Penalties

Under the Colorado Consumer Protection Act, a person committing a deceptive trade practice may be subject to a civil penalty of up to \$20,000 for each violation. Additional penalties may be imposed for subsequent violations of a court order or injunction. This revenue is classified as a damage award and not subject to TABOR. Given the uncertainty about the number of cases that may be pursued by the Attorney General and district attorneys, as well as the wide range in potential penalty amounts, the fiscal note cannot estimate the potential impact of these civil penalties.

Filing Fees

The bill may increase revenue to the Judicial Department from an increase in civil case filings. Revenue from filing fees is subject to TABOR.

State Expenditures

The bill increases state expenditures by \$3.1 million in FY 2025-26, \$2.9 million in FY 2026-27, and similar amounts ongoing. These costs will be incurred in the Department of Public Safety and the Department of Regulatory Agencies as shown in Table 2 and described in the sections below.

Table 2
State Expenditures
All Departments

Department	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
Department of Public Safety	\$2,680,163	\$2,586,783	\$2,586,783
Department of Regulatory Agencies	\$377,753	\$1,117,847	\$344,403
Total Costs	\$3,057,916	\$3,704,630	\$2,931,186

Department of Public Safety

This bill increases overall expenditures from the CBI Identification Unit Cash Fund in the DPS by \$2.7 million and 13.8 FTE in FY 2025-26 and \$2.6 million and 13.8 FTE in FY 2026-27 and ongoing years.

Staff

Beginning in FY 2025-26, DPS requires 9.2 FTE Fingerprint Examiner II and 4.6 FTE Technician II to process the 76,000 new fingerprint background applications. A Fingerprint Examiner II can process 8,250 requests per year, and a Technician II 16,500 requests per year. Standard operating and capital outlay costs are included. Additionally, these employees will undertake a one-time training session that costs \$1,000 per person.

Federal Bureau of Investigation Pass-Through

The DPS passes \$10 of every application on to the federal government. With 76,000 applications, this equates to \$760,000 per year.

Processing Costs

The following costs are associated with each background check application: \$6.10 dedicated to equipment maintenance; \$1.55 for print digitization; \$0.88 to access the Colorado Crime Information Center for information pertinent to the background check; and \$0.73 printing and postage costs. This equates to about \$700,000 annually in additional expenses.

**Table 2A
 State Expenditures
 Department of Public Safety**

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$854,470	\$854,470	\$854,470
Operating Expenses	\$17,664	\$17,664	\$17,664
Capital Outlay Costs	\$93,380	\$0	\$0
FBI Pass-Through	\$760,000	\$760,000	\$760,000
Background Check Expenses	\$703,760	\$703,760	\$703,760
Centrally Appropriated Costs	\$250,889	\$250,889	\$250,889
Total Costs	\$2,680,163	\$2,586,783	\$2,586,783
Total FTE	13.8 FTE	13.8 FTE	13.8 FTE

Department of Regulatory Agencies

The bill increases costs to the DORA to process and review fingerprint records in order to determine the qualification or disqualification of drivers and respond to complaints from disqualified drivers as part of its regulation of TNCs. Costs are paid from the TNC Fund.

Staff

The PUC in the DORA requires 4.1 FTE permanent staff beginning in FY 2025-26, and 9.1 FTE part-time staff for FY 2026-27 only. Ongoing staff will ensure compliance of background checks and fingerprinting within the specifications of the bill and prepare and hear administrative appeals, as well as respond to audits and inquiries. One-time staff will assist in the initial processing and reviewing of fingerprint records to determine driver qualification.

**Table 2B
 State Expenditures
 Department of Regulatory Agencies**

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$263,701	\$802,335	\$263,701
Operating Expenses	\$5,248	\$16,896	\$5,248
Capital Outlay Costs	\$33,350	\$60,030	\$0
Centrally Appropriated Costs	\$75,454	\$238,586	\$75,454
Total Costs	\$377,753	\$1,117,847	\$344,403
Total FTE	4.1 FTE	13.2 FTE	4.1 FTE

Other Agencies

Department of Law

Workload in the Department of Law will minimally increase to the extent that deceptive trade practice complaints are filed. The department will review complaints under the bill and prioritize investigations as necessary within the overall number of deceptive trade practice complaints and available resources.

Judicial Department

The trial courts in the Judicial Department may have an increase in cases filed under the Colorado Consumer Protection Act from the addition of a new deceptive trade practice. It is assumed that online marketplaces will abide by the law and that any violation of the legislation will result in minimal number of new cases. The fiscal note assumes that this can be accomplished within existing resources and that no change in appropriations is required.

Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in the expenditure tables above.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Fiscal Impacts section above. This estimate assumes the March 2025 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Effective Date

The bill takes effect July 1, 2025.

State Appropriations

For FY 2025-26, the bill requires the following appropriations:

- \$2,429,274 from the CBI Identification Unit Cash Fund to the Department of Public Safety, and 13.8 FTE; and,
- \$302,299 from the Transportation Network Company Cash Fund to the Department of Regulatory Agencies, and 4.1 FTE.

State and Local Government Contacts

Judicial

Public Safety

Law

Regulatory Agencies