



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 20-1414

FISCAL NOTE

Drafting Number: LLS 20-1306 Date: June 4, 2020
Prime Sponsors: Rep. Weissman; Titone Sen. Foote Bill Status: House SVMA
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Bill Topic: PRICE GOUGE AMID DISASTER DECEPTIVE TRADE PRACTICE

Summary of Fiscal Impact: State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity

This bill creates a deceptive trade practice for price gouging during a disaster period, enforceable by the Attorney General or a local district attorney's office. It may increase state revenue and workloads beginning in FY 2020-21.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill.

Summary of Legislation

This bill creates a deceptive trade practice for price gouging during a disaster period, enforceable by the Attorney General or the district attorney's office with jurisdiction over the place where the act occurred. Specific items and services subject to the deceptive trade practice are:

- building materials;
consumer food items;
emergency supplies;
fuel;
medical supplies;
other necessities;
repair or reconstruction services;
transportation, freight, or storage services; or
services used in an emergency cleanup.

For the bill to apply, the disaster declaration must be made by the U.S. President, the Governor, or by the principal executive officer of a political subdivision, within a specified period of time and geographic area.

## **Background**

For more information about price gouging laws in other states, see Legislative Council Staff's memorandum on State Laws Prohibiting Price Gouging During Declared Emergencies: [https://leg.colorado.gov/sites/default/files/price\\_gouging\\_in\\_times\\_of\\_emergency\\_ip\\_memo.pdf](https://leg.colorado.gov/sites/default/files/price_gouging_in_times_of_emergency_ip_memo.pdf).

## **State Revenue**

Beginning in FY 2020-21, the bill may increase state General Fund revenue from penalty and fine revenue paid by persons committing prohibited price gouging. Any revenue increase is expected to be minimal; it is assumed that most persons and businesses will comply with the law.

## **State Expenditures**

Beginning in FY 2020-21, this bill may increase workload in the Department of Law and the Judicial Department, as discussed below.

**Department of Law.** Workload will increase for the Attorney General to receive and investigate complaints about price gouging and, when necessary, file a deceptive trade practice action with the courts. As the enforcement of deceptive trade practices is permissive, the Attorney General will prioritize efforts in the context of all complaints received and within existing appropriations.

**Judicial Department.** Workload may increase in the trial courts to address deceptive trade practice claims brought under the bill. This workload increase is expected to be minimal.

## **Local Government**

Beginning in FY 2020-21, this bill may increase workload for district attorneys who prosecute claims brought against persons engaged in deceptive trade practices under the bill. Similar to the state, this workload is permissive and expected to be minimal.

## **Effective Date**

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, and applies to actions brought on or after that date.

## **State and Local Government Contacts**

Judicial

Law

Municipalities

Counties