



Legislative Council Staff

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Revised Fiscal Note

(replaces fiscal note dated April 28, 2021)

Drafting Number: LLS 21-0945 Date: May 24, 2021
Prime Sponsors: Rep. Ricks; Hooton Bill Status: Senate Business
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Bill Topic: VEHICLE TOWING CONSUMER PROTECTION

- Summary of Fiscal Impact: [X] State Revenue [X] State Expenditure [ ] State Transfer [ ] TABOR Refund [ ] Local Government [ ] Statutory Public Entity

The bill creates a new sunset review of the Public Utilities Commission's regulation of towing, moves a sunset review of the Towing Task Force, and modifies the membership of the task force. It will increase state revenue and expenditures beginning in FY 2021-22 on an ongoing basis.

Appropriation Summary: For FY 2021-22, the bill requires an appropriation of \$20,029 to the Department of Regulatory Agencies.

Fiscal Note Status: The revised fiscal note reflects the reengrossed bill.

Table 1
State Fiscal Impacts Under HB 21-1283

Table with 4 columns: Category, Budget Year FY 2021-22, and Out Year FY 2022-23. Rows include Revenue, Expenditures (Cash Funds, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and TABOR Refund.

## Summary of Legislation

The bill creates a new sunset review of the Public Utilities Commission's (PUC's) regulation of towing, moves a sunset review of the Towing Task Force back one year, and modifies task force membership, as detailed below.

**Sunset review.** The bill requires the Department of Regulatory Agencies (DORA) to conduct a sunset review of the PUC's regulation of towing carriers in 2025 and moves back DORA's sunset review of the Towing Task Force one year, from September 1, 2024, to September 1, 2025.

As part of its review of the PUC's regulation of towing carriers, the department is required to review:

- complaints against towing carriers;
- whether the towing industry and consumers would benefit from dispute resolution of complaints;
- the reasonableness of rates for recovery, towing, and storage fees; and
- the reasonableness of towing contracts that towing companies enter into with property owners.

**Towing Task Force.** Effective November 1, 2021, the bill changes the composition of the Towing Task Force to add 5 members, for a total of 14, with new representation from consensual and non-consensual towing services, motor carriers, consumer protection, the disability community, and disproportionately affected communities. The task force is required to meet at least twice a year.

**Reporting.** The bill requires the PUC to report to the General Assembly by December 1 of each year on fees charged for and complaints arising from nonconsensual tows, as well as recommendations from the task force, including rule changes, whether the recommendations were implemented with or without modification, and an analysis of PUC decision-making. This section repeals on July 1, 2026.

## State Revenue

The bill may increase fee revenue to the Motor Carrier Fund to cover the PUC's administrative expenses under the bill, which are estimated at \$24,841 per year. Actual adjustments to fees for towing companies or other regulated motor carriers will be set administratively by the PUC.

## State Expenditures

The bill increases state expenditures from the Motor Carrier Fund in the Public Utilities Commission by \$24,481 and 0.3 FTE from FY 2021-22 through FY 2022-23, as shown in Table 2. Specifically, the PUC requires Rate and Financial Analyst staff to support the reporting requirements under the bill. Additionally, the bill will minimally increase workload in DORA to conduct an additional sunset review of the PUC's regulation of towing carriers, and this work will be accomplished by the Colorado Office of Policy, Research and Regulatory Reform within existing resources.

**Table 2**  
**Expenditures Under HB 21-1283**

<b>Cost Components</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>
<b>Department of Regulatory Agencies</b>		
Personal Services	\$20,029	\$20,029
Centrally Appropriated Costs <sup>1</sup>	\$4,812	\$4,812
<b>Total</b>	<b>\$24,841</b>	<b>\$24,841</b>
<b>Total FTE</b>	<b>0.3 FTE</b>	<b>0.3 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

## Effective Date

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

## State Appropriations

For FY 2021-22, the bill requires an appropriation of \$20,029 from the Motor Carrier Fund to the Department of Regulatory Agencies and 0.3 FTE.

## State and Local Government Contacts

Information Technology

Law

Regulatory Agencies