



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Room 029 State Capitol, Denver, CO 80203-1784
Phone: (303) 866-3521 • Fax: (303) 866-3855
lcs.ga@state.co.us • leg.colorado.gov/lcs

Fiscal Note Memorandum

April 10, 2023

TO: Members of the House Finance Committee

FROM: John Armstrong, Fiscal Analyst
john.armstrong@coleg.gov | (303-866-6289)

SUBJECT: Fiscal Assessment of Proposed Amendment **HB1162_L.005**

This memorandum is an assessment of the fiscal impact of the attached proposed amendment L.005 to HB23-1162. This fiscal assessment is for the impact of the bill with inclusion of this amendment only. Any other added amendment could influence the fiscal impact.

Summary of Proposed Amendment

Amendment L.005 strikes the House Business Affairs and Labor Committee report and strikes everything below the enacting clause in the introduced bill, which removes the requirements that companies offering consumer legal funding agreements register with the Department of Law and that the department regulate these agreements. Instead, Amendment L.005 allows the Department of Law to adopt rules concerning deferral charges that result from a creditor having a future interest in a settlement or judgment from a consumer's legal claim.

Fiscal Impact of Amendment

Amendment L.005 removes the revenue and expenditure impacts shown in the most recent fiscal note, dated February 23, 2023. Specifically, the revenue from fees of \$192,200 in FY 2023-24 and the increase in cash fund expenditures of \$120,716 and 0.9 FTE in FY 2023-24 and \$50,147 and 0.4 FTE in FY 2024-25 are eliminated by removing the requirements that companies register with the Department of Law and that the Department of Law enforce requirements governing such agreements.

Bill's Revised Fiscal Impact with Amendment

In FY 2023-24 only, the bill with Amendment L.005 will result in a minimal increase in workload to the Department of Law to make rules for any deferral charges for consumer legal claims. No change in appropriations is required.