



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated February 20, 2023)

Drafting Number:	LLS 23-0744	Date:	March 28, 2023
Prime Sponsors:	Rep. Mauro Sen. Hinrichsen; Mullica	Bill Status:	Senate Business
		Fiscal Analyst:	Clayton Mayfield 303-866-5851 clayton.mayfield@coleg.gov

Bill Topic: GUARANTEED ASSET PROTECTION AGREEMENTS

Summary of Fiscal Impact: No fiscal impact. The bill establishes requirements for guaranteed asset protection agreements offered by motor vehicle lenders. It is assessed as having no fiscal impact on state or local government agencies.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

The bill establishes requirements for guaranteed asset protection (GAP) agreements offered by motor vehicle lenders. Among other things, the bill allows creditors to charge a GAP fee in addition to other authorized finance charges if certain conditions are met, establishes a maximum GAP fee of 5 percent of the amount financed, requires certain consumer disclosures, specifies provisions for the payment of a deficiency balance, and allows consumers to cancel GAP agreements.

Assessment of No Fiscal Impact

The bill primarily concerns contracts between private parties, and does not modify the regulatory authority of the Department of Law, or legal services required by the Division of Insurance in the Department of Regulatory Agencies. As a result, the bill does not change state or local government revenue or expenditures and is assessed as having no fiscal impact.

Effective Date

The bill takes effect January 1, 2024, assuming no referendum petition is filed, and applies to GAP agreements entered into on or after this date.

State and Local Government Contacts

Law Regulatory Agencies

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit: leg.colorado.gov/fiscalnotes.