



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

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| Drafting Number: | LLS 23-0457 | Date: | January 18, 2023 |
| Prime Sponsors: | Sen. Pelton R. | Bill Status: | Senate Business |
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| Bill Topic: | FINANCIAL INSTITUTION DISCRIMINATION ENVIRONMENTAL CRITERIA |
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| Summary of Fiscal Impact: | <input checked="" type="checkbox"/> State Revenue | <input checked="" type="checkbox"/> TABOR Refund |
| | <input checked="" type="checkbox"/> State Expenditure | <input type="checkbox"/> Local Government |
| | <input type="checkbox"/> State Transfer | <input type="checkbox"/> Statutory Public Entity |

The bill prohibits financial institutions that do business in the state from discriminating against any person based on their environmental impact or policies. The bill may minimally increase state revenue and state and local expenditures on an ongoing basis.

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| Appropriation Summary: | No appropriation is required. |
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| Fiscal Note Status: | The fiscal note reflects the introduced bill. |
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Summary of Legislation

The bill prohibits financial institutions that do business in the state from discriminating against any person based on a score or ranking that considers their environmental impact or policies. A financial institution's violation of this prohibition is an unfair or deceptive trade practice.

State Revenue

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 workload in the Department of Law and Judicial Department by a minimal amount.

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 financial institutions will abide by the law and that any violation of the legislation will result in minimal number of new cases. No change in appropriations is required.

Local Government

Similar to the state, to the extent district attorneys receive deceptive trade practice complaints, workload will increase to investigate complaints and seek relief when appropriate. It is assumed most such cases will be handled at the state level by the Attorney General.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed. It applies to conduct occurring on or after the effective date of the bill.

State and Local Government Contacts

District Attorneys
Law

Information Technology
Regulatory Agencies

Judicial