Second Regular Session Seventy-fourth General Assembly STATE OF COLORADO

REENGROSSED

This Version Includes All Amendments Adopted in the House of Introduction HOUSE BILL 24-1014

LLS NO. 24-0732.01 Jennifer Berman x3286

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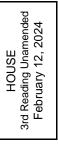
A BILL FOR AN ACT

101	CONCERNING THE ELIMINATION OF A JUDICIALLY CREATED
102	REQUIREMENT THAT A SIGNIFICANT NUMBER OF CONSUMERS BE
103	HARMED BEFORE REMEDIES MAY BE AVAILABLE UNDER THE
104	"COLORADO CONSUMER PROTECTION ACT".

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <u>http://leg.colorado.gov</u>.)

The bill establishes that evidence that a person has engaged in an unfair or deceptive trade practice constitutes a significant impact to the public.





Be it enacted by the General Assembly of the State of Colorado:
 SECTION 1. Legislative declaration. (1) The general assembly

3 finds, determines, and declares that:

4 (a) For more than 100 years, it has been the policy of the United
5 States and of Colorado to promote honest competition among businesses
6 and to discourage unfair competition;

7 (b) In 1914, Congress passed the "Federal Trade Commission
8 Act", 15 U.S.C. sec. 41 et seq., to prohibit "unfair methods of competition
9 in commerce";

(c) The "Federal Trade Commission Act" has been continually
updated as the economy has evolved and currently prohibits "[u]nfair
methods of competition in or affecting commerce, and unfair or deceptive
acts or practices in or affecting commerce";

(d) In 1915, the Colorado general assembly passed legislation
prohibiting "untrue, deceptive, or misleading" advertising, as codified in
C.L. 1921 § 6942;

17 (e) In 1969, the Colorado general assembly passed the first
18 modern consumer protection law to prohibit "deceptive trade practices"
19 and to protect consumers from unfair, unconscionable, and deceptive acts
20 or practices;

(f) In 1998, in *Hall v. Walter*, 969 P.2d 224, 234 (Colo. 1998), the
Colorado supreme court limited the application of the "Colorado
Consumer Protection Act", part 1 of article 1 of title 6, Colorado Revised
Statutes, by holding that an injured individual or business must prove that
an unfair, unconscionable, or deceptive act or practice "significantly
impacts the public", placing a requirement on injured individuals or

businesses to prove circumstances far outside their own knowledge or
 control;

3 (g) The requirement that an injured individual or business prove
4 that an unfair or deceptive trade practice "significantly impacts the
5 public" is nowhere to be found in the text of the "Colorado Consumer
6 Protection Act";

(h) According to the most recent 50-state survey from the National
Consumer Law Center, Colorado is one of only 7 states that curtail their
consumer protection laws with this type of "significantly impacts the
public" limitation;

(i) According to the federal trade commission, Colorado ranks
 above the national average for reports of consumer fraud per capita, with
 the fourteenth highest reporting numbers; and

(j) By eliminating this 25-year-old judicially created limitation on
the "Colorado Consumer Protection Act", Colorado can join the
overwhelming majority of other states that do not impose such limitation
and, thereby, better promote honest competition among businesses,
discourage unfair competition, and protect consumers.

SECTION 2. In Colorado Revised Statutes, 6-1-105, amend (2)
as follows:

6-1-105. Unfair or deceptive trade practices. (2) Evidence that
a person has engaged in AN UNFAIR OR a deceptive trade practice:

(a) shall be Is prima facie evidence of intent to injure competitors
and to destroy or substantially lessen competition; AND

(b) IS SUFFICIENT TO ESTABLISH A SIGNIFICANT IMPACT TO THE
PUBLIC.

27 SECTION 3. Applicability. This act applies to evidence

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concerning acts and omissions that occur on or after the effective date of
 this act.

3 **SECTION 4. Safety clause.** The general assembly finds, 4 determines, and declares that this act is necessary for the immediate 5 preservation of the public peace, health, or safety or for appropriations for 6 the support and maintenance of the departments of the state and state 7 institutions.