



Legislative Council Staff
Nonpartisan Services for Colorado's Legislature

Fiscal Note

Table with 2 columns: Field (Drafting Number, Prime Sponsors, Date, Bill Status, Fiscal Analyst) and Value (LLS 24-0732, Rep. Weissman; Mabrey Sen. Gonzales, January 17, 2024, House Judiciary, Clayton Mayfield | 303-866-5851 clayton.mayfield@coleg.gov)

Bill Topic: DECEPTIVE TRADE PRACTICE SIGNIFICANT IMPACT STANDARD

Table with 2 columns: Summary of Fiscal Impact and Checklist (State Revenue, State Expenditure, State Transfer, TABOR Refund, Local Government, Statutory Public Entity)

The bill clarifies standards in unfair or deceptive trade practice cases. Starting in FY 2024-25, the bill will minimally increase state and local expenditures and revenue.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

Under current Colorado case law, a claim of an unfair or deceptive trade practice under the Colorado Consumer Protection Act must have a significant impact to the public to prevail. The bill clarifies that any evidence that a person has engaged in an unfair or deceptive trade practice is adequate to establish a significant impact to the public.

Background

Under current law, the Attorney General or a district attorney may bring a civil action on behalf of the state to seek the imposition of civil penalties against a person who violates the Colorado Consumer Protection Act. Civil penalties vary by type of violation and are paid to the General Fund. A 1998 decision by the Colorado Supreme court created the current standard that these cases must involve significant impact to the public to prevail.

State Revenue

Civil penalties. The fiscal note assumes that the bill will result in additional civil actions filed related to unfair or deceptive trade practices, and cases filed may progress further and potentially result in increased penalty revenue to the state. 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

**Department of Law.** Workload in the Department of Law will minimally increase to the extent that additional deceptive trade practice complaints or related civil actions are filed or progress further under the standard established by the bill. The department will review complaints under the bill and prioritize investigations and filings 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 standard established by the bill. The fiscal note assumes that this can be accomplished within existing resources and that no change in appropriations is required.

## Local Government

Similar to the state, to the extent district attorneys receive additional deceptive trade practice complaints related to the new standard established by the bill, workload will increase to investigate complaints and seek relief when appropriate. Workload will also increase if more civil actions are filed. It is assumed most such cases will be handled at the state level by the Attorney General.

## Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature. It applies to acts occurring on or after that date.

## State and Local Government Contacts

District Attorneys

Judicial

Law

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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 the [General Assembly website](#).