

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

| Prime Sponsors: | Rep. Titone; Woodrow Sen. Bridges; Hinrichsen | Bill Status: Fiscal Analyst: | Signed into Law Brendan Fung 303-866-4781 brendan.fung@coleg.gov |
|------------------------------|---|---|--|
| Bill Topic: | CONSUMER RIGHT TO REPAIR DIGITAL ELECTRONIC EQUIPMENT | | |
| Summary of Fiscal Impact: | ☑ State Revenue☑ State Expenditure | ☐ State Transfer☐ TABOR Refund | □ Local Government □ Statutory Public Entity |
| | The bill expands consumer right-to-repair statutes to include digital electronic equipment. It may increase state revenue and state and local expenditures on an ongoing basis. | | |
| Appropriation Summary: | No appropriation is required. | | |
| Fiscal Note Status: | This final fiscal note reflects the enacted bill. | | |

Summary of Legislation

Current law requires a manufacturer of agricultural equipment or powered wheelchairs to provide documentation, software, data, and other tools upon request to equipment owners and independent repair providers to facilitate in the repair of a manufactured good. The bill expands existing consumer right-to-repair statutes to include digital electronic equipment.

The bill clarifies exemptions for various types of digital electronic equipment manufactured for the first time and first sold in Colorado on or after July 1, 2021, including motor vehicles, medical devices, electric vehicle charging equipment, electrical equipment, portable generators, energy storage systems, fuel cell power systems, safety communications equipment, power tools, marine vessels, and certain construction-related equipment, among others.

The bill makes violating the right-to-repair law for digital electronic equipment a deceptive trade practice.

State Revenue

Starting in FY 2024-25, the bill may increase state revenue from civil penalties and court filing fees by a minimal amount.

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 may increase workload in the Department of Law and the Judicial Department beginning in FY 2024-25, as described below.

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. 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 digital electronic equipment manufacturers will abide by the law and that any violation of the legislation will result in minimal number of new cases. 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 deceptive trade practice complaints related to the new deceptive trade practice under the bill, 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

Law

The bill was signed into law by the Governor on May 28, 2024, and takes effect on January 1, 2026, assuming no referendum petition is filed.

State and Local Government Contacts

District Attorneys Information Technology Judicial

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 <u>General Assembly website</u>.