



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Fiscal Note

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<b>Drafting Number:</b>	LLS 24-0536	<b>Date:</b>	March 27, 2024
<b>Prime Sponsors:</b>	Rep. Lindstedt; Valdez Sen. Sullivan; Gardner	<b>Bill Status:</b>	House Business & Labor
		<b>Fiscal Analyst:</b>	Brendan Fung   303-866-4781 brendan.fung@coleg.gov

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**Bill Topic:** CONSUMER PROTECTION IN EVENT TICKET SALES

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**Summary of Fiscal Impact:**

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Local Government
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill modifies consumer protection laws regarding event ticket sales and expands actions that constitute a deceptive trade practice. It minimally increases state revenue and state and local workload starting in FY 2024-25.

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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 modifies consumer protection laws regarding ticket sales for events by:

- requiring operators and resellers to guarantee refunds to purchasers of tickets under certain circumstances; and
- prohibiting an operator from denying an individual access to an event because the individual bought the ticket through a reseller.

The bill also expands the actions that constitute a deceptive trade practice during the sale or resale of tickets. A person commits a deceptive trade practice when:

- displaying trademarked, copyrighted, or substantially similar web designs, URLs, or other images and symbols with the intent to mislead a purchaser;
- selling a ticket to an event without disclosing the total cost of the ticket; or
- increasing the price of a ticket once the ticket has been selected for purchase, aside from adding delivery fees.

## 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

Starting in FY 2024-25, the bill minimally impacts workload in the Department of Law and the Judicial Department.

**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 event operators and ticket resellers 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

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

## State and Local Government Contacts

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](#).