First Regular Session Seventy-fifth General Assembly STATE OF COLORADO

INTRODUCED

LLS NO. 25-0236.02 Sarah Lozano x3858

HOUSE BILL 25-1090

HOUSE SPONSORSHIP

Sirota and Ricks,

SENATE SPONSORSHIP

Weissman and Cutter,

House Committees Judiciary **Senate Committees**

A BILL FOR AN ACT

101 CONCERNING PROTECTIONS AGAINST DECEPTIVE PRICING PRACTICES.

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>)

Section 2 of the bill:

- Prohibits a person from offering, displaying, or advertising pricing information for a good, service, or property unless the person discloses the maximum total (total price) of all amounts that a person may pay for the good, service, or property, not including a government charge or shipping charge (total price disclosure requirement);
- Prohibits a person from misrepresenting the nature and

Shading denotes HOUSE amendment. <u>Double underlining denotes SENATE amendment.</u> Capital letters or bold & italic numbers indicate new material to be added to existing law. Dashes through the words or numbers indicate deletions from existing law. purpose of pricing information for a good, service, or property;

- Requires a person to disclose the nature and purpose of pricing information for a good, service, or property that is not part of the total price; and
- Prohibits a landlord from requiring a tenant to pay certain fees, charges, or amounts.

A person does not violate the total price disclosure requirement if the person does not use deceptive, unfair, and unconscionable acts or practices related to the pricing of goods, services, or property and if the person:

- Is a food and beverage service establishment that:
 - Includes a disclosure in the total price for a good or service the amount of any mandatory service charge and how the mandatory service charge is distributed; and
 - Distributes any mandatory service charge exclusively to nonmanagerial employees in accordance with applicable laws; or
- Can demonstrate that the person is governed by and compliant with applicable federal law regarding pricing transparency.

A violation of the above prohibitions and requirement (violation) constitutes a deceptive, unfair, and unconscionable act or practice.

Section 2 also, along with any other remedies available by law or in equity, allows a person aggrieved by a violation to bring a civil action and send a written demand for the violation. If a person declines to make full legal tender of all fees, charges, amounts, or damages demanded or refuses to cease charging the aggrieved person within 14 days after receiving the written demand, the person is liable for the greater of:

- 3 times the actual damages incurred; or
- At least \$100 to no more than \$1,000 per person per violation.

Current law prohibits a written rental agreement from including a provision requiring a tenant to pay a markup or fee for a service for which the landlord is billed by a third party. **Section 3** changes that provision to prohibit the inclusion of a provision in a written rental agreement that requires a tenant to pay a fee that is a violation.

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SECTION 1. Legislative declaration. (1) The general assembly

3 finds and declares that the purposes and policies of this act are to:

¹ Be it enacted by the General Assembly of the State of Colorado:

2 communication of prices in Colorado, including landlord obligations 3 regarding setting and communicating the price of rent and other costs to 4 residential tenants; and 5 (b) Protect people, including tenants, who experience deceptive, 6 unfair, or unconscionable pricing of goods, services, or property in the 7 state. 8 (2) Therefore, the general assembly further declares that this act 9 should be broadly interpreted to achieve its intended purposes and 10 policies. 11 SECTION 2. In Colorado Revised Statutes, add 6-1-737 as 12 follows: 13 6-1-737. Requirement to disclose certain pricing information 14 - landlords and tenants - remedies - definitions. (1) AS USED IN THIS 15 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES: 16 (a) "ANCILLARY GOOD, SERVICE, OR PROPERTY" MEANS ANY 17 ADDITIONAL GOOD, SERVICE, OR PROPERTY OFFERED TO A PERSON AS PART 18 OF THE SAME TRANSACTION. 19 "CLEARLY AND CONSPICUOUSLY" OR "CLEAR AND (b)20 CONSPICUOUS" MEANS THAT A REQUIRED DISCLOSURE IS EASILY 21 NOTICEABLE AND UNDERSTANDABLE, INCLUDING IN ALL OF THE 22 FOLLOWING WAYS: 23 (I) FOR A COMMUNICATION THAT IS ONLY VISUAL OR ONLY 24 AUDIBLE, THE DISCLOSURE MUST BE MADE THROUGH THE SAME MEANS BY 25 WHICH THE COMMUNICATION IS PRESENTED; 26 (II) FOR A COMMUNICATION THAT IS BOTH VISUAL AND AUDIBLE, 27 SUCH AS A TELEVISION ADVERTISEMENT, THE DISCLOSURE MUST BE MADE -3-HB25-1090

Clarify and reiterate the law governing the setting and

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(a)

SIMULTANEOUSLY IN BOTH THE VISUAL AND AUDIBLE PORTIONS OF THE
 COMMUNICATION, EVEN IF THE COMMUNICATION REQUIRING THE
 DISCLOSURE IS MADE THROUGH ONLY VISUAL OR AUDIBLE MEANS;

4 (III) FOR A VISUAL DISCLOSURE, THE DISCLOSURE MUST BE
5 DISTINGUISHABLE BY ITS SIZE, CONTRAST, AND LOCATION; THE LENGTH OF
6 TIME FOR WHICH IT APPEARS; AND OTHER CHARACTERISTICS FROM
7 ACCOMPANYING TEXT OR OTHER VISUAL ELEMENTS SO THAT IT IS EASILY
8 NOTICED, READ, AND UNDERSTOOD;

9 (IV) FOR AN AUDIBLE DISCLOSURE, INCLUDING BY TELEPHONE OR
10 STREAMING VIDEO, THE DISCLOSURE MUST BE DELIVERED IN A VOLUME,
11 SPEED, AND CADENCE SUFFICIENT FOR ORDINARY PERSONS TO EASILY
12 HEAR AND UNDERSTAND IT;

13 (V) IN ANY COMMUNICATION USING AN INTERACTIVE ELECTRONIC
14 MEDIUM, SUCH AS THE INTERNET OR SOFTWARE, THE DISCLOSURE MUST BE
15 UNAVOIDABLE;

16 (VI) THE DISCLOSURE USES DICTION AND SYNTAX
17 UNDERSTANDABLE TO ORDINARY PERSONS AND MUST APPEAR IN EACH
18 LANGUAGE IN WHICH THE REPRESENTATION REQUIRING THE DISCLOSURE
19 APPEARS;

(VII) THE DISCLOSURE MUST NOT BE CONTRADICTED OR
MITIGATED BY, OR INCONSISTENT WITH, ANYTHING ELSE IN THE
COMMUNICATION REQUIRING THE DISCLOSURE; AND

(VIII) THE DISCLOSURE MUST COMPLY WITH THE REQUIREMENTS
OF THIS SUBSECTION (1)(b) FOR EACH MEDIUM THROUGH WHICH IT IS
RECEIVED BY A PERSON, INCLUDING AN ELECTRONIC DEVICE OR
FACE-TO-FACE COMMUNICATION.

27 (c) "COMMON AREAS" HAS THE MEANING SET FORTH IN SECTION

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1 38-12-502 (2).

2 (d) (I) "DWELLING UNIT" HAS THE MEANING SET FORTH IN SECTION
3 38-12-502 (3).

4 (II) "DWELLING UNIT" DOES NOT INCLUDE COMMON AREAS.

5 (e) "FOOD AND BEVERAGE SERVICE ESTABLISHMENT" MEANS:

6 (I) A RETAIL FOOD ESTABLISHMENT, AS DEFINED IN SECTION
7 25-4-1602 (14);

8 (II) AN ALCOHOLIC BEVERAGES DRINKING PLACES INDUSTRY, AS
9 DEFINED IN SECTION 39-26-105 (1.3)(a)(I);

(III) A BREW PUB, DISTILLERY PUB, OR VINTNER'S RESTAURANT, AS
THOSE TERMS ARE DEFINED IN SECTION 44-3-103; OR

12 (IV) A RETAIL PORTION OF A BREWERY, DISTILLERY, OR WINERY,
13 AS THOSE TERMS ARE DEFINED IN SECTION 44-3-103, THAT SELLS
14 BEVERAGES FOR CONSUMPTION ON THE PREMISES.

15 (f) "GOVERNMENT CHARGE" MEANS A FEE OR CHARGE IMPOSED ON
16 CONSUMERS BY A FEDERAL, STATE, OR LOCAL GOVERNMENT AGENCY,
17 UNIT, OR DEPARTMENT.

18 (g) "LANDLORD" HAS THE MEANING SET FORTH IN SECTION
19 38-12-502 (5).

(h) "MANDATORY SERVICE CHARGE" MEANS A MANDATORY FEE,
CHARGE, OR AMOUNT THAT A FOOD AND BEVERAGE SERVICE
ESTABLISHMENT ADDS TO A CUSTOMER'S, GUEST'S, OR PATRON'S BILL TO
PAY NONMANAGERIAL EMPLOYEES ADDITIONAL AMOUNTS EXCEEDING
WAGES THAT THE FOOD AND BEVERAGE SERVICE ESTABLISHMENT OWES
UNDER APPLICABLE MINIMUM WAGE LAWS.

26 (i) "PRICING INFORMATION" MEANS INFORMATION RELATING TO AN
27 AMOUNT A PERSON MAY PAY.

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1 (j) "RENTAL AGREEMENT" HAS THE MEANING SET FORTH IN 2 SECTION 38-12-502 (7).

3 (k) "SHIPPING CHARGE" MEANS A FEE OR CHARGE THAT REFLECTS
4 THE ACTUAL COST THAT A PERSON INCURS TO SEND PHYSICAL GOODS TO
5 A PERSON THROUGH THE MAIL, INCLUDING A PRIVATE MAIL SERVICE.

6 (1) "TENANT" HAS THE MEANING SET FORTH IN SECTION 38-12-502
7 (9).

8 (m) (I) "TOTAL PRICE" MEANS THE MAXIMUM TOTAL OF ALL 9 AMOUNTS, INCLUDING FEES AND CHARGES, THAT A PERSON MUST PAY FOR 10 A GOOD, SERVICE, OR PROPERTY, INCLUDING ANY MANDATORY ANCILLARY 11 GOOD, SERVICE, OR PROPERTY.

12 (II) "TOTAL PRICE" INCLUDES ALL AMOUNTS THAT:

13 (A) MUST BE PAID TO PURCHASE, ENJOY, OR UTILIZE A GOOD,
14 SERVICE, OR PROPERTY;

15 (B) ARE NOT REASONABLY AVOIDABLE BY THE PERSON; OR

16 (C) A REASONABLE PERSON WOULD EXPECT TO BE INCLUDED IN
17 THE PURCHASE OF A GOOD, SERVICE, OR PROPERTY.

18 (III) "TOTAL PRICE" DOES NOT INCLUDE A GOVERNMENT CHARGE
19 OR SHIPPING CHARGE.

20 (2) (a) A PERSON SHALL NOT OFFER, DISPLAY, OR ADVERTISE AN 21 AMOUNT A PERSON MAY PAY FOR A GOOD, SERVICE, OR PROPERTY UNLESS 22 THE PERSON OFFERING, DISPLAYING, OR ADVERTISING THE GOOD, SERVICE, 23 OR PROPERTY CLEARLY AND CONSPICUOUSLY DISCLOSES THE TOTAL PRICE 24 FOR THE GOOD, SERVICE, OR PROPERTY AS A SINGLE NUMBER WITHOUT 25 SEPARATING THE TOTAL PRICE INTO SEPARATE FEES, CHARGES, OR 26 AMOUNTS. THE TOTAL PRICE FOR THE GOOD, SERVICE, OR PROPERTY MUST 27 BE DISCLOSED MORE PROMINENTLY THAN ANY OTHER PRICING

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1 INFORMATION FOR THE GOOD, SERVICE, OR PROPERTY.

(b) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
CONTRARY, A PERSON IS COMPLIANT WITH SUBSECTION (2)(a) OF THIS
SECTION IF THE PERSON DOES NOT USE DECEPTIVE, UNFAIR, AND
UNCONSCIONABLE ACTS OR PRACTICES RELATED TO THE PRICING OF
GOODS, SERVICES, OR PROPERTY AND IF THE PERSON:

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(I) IS A FOOD AND BEVERAGE SERVICE ESTABLISHMENT THAT:

8 (A) IN EVERY OFFER, DISPLAY, OR ADVERTISEMENT FOR THE 9 PURCHASE OF A GOOD OR SERVICE THAT INCLUDES PRICING INFORMATION, 10 INCLUDES IN THE TOTAL PRICE OF THE GOOD OR SERVICE BEING OFFERED, 11 DISPLAYED, OR ADVERTISED A CLEAR AND CONSPICUOUS DISCLOSURE OF 12 THE PERCENTAGE OR AMOUNT OF ANY MANDATORY SERVICE CHARGE AND 13 AN ACCURATE DESCRIPTION OF HOW THE MANDATORY SERVICE CHARGE 14 IS DISTRIBUTED; AND

(B) DISTRIBUTES THE FULL AMOUNT OF ANY MANDATORY SERVICE
CHARGES EXCLUSIVELY TO NONMANAGERIAL EMPLOYEES AND IN
ACCORDANCE WITH APPLICABLE WAGE AND HOUR LAWS FOR THE PURPOSE
OF PAYING EMPLOYEES ADDITIONAL AMOUNTS IN EXCESS OF WAGES OWED
UNDER APPLICABLE MINIMUM WAGE LAWS; OR

20 (II) CAN DEMONSTRATE THAT THE PERSON IS GOVERNED BY AND
21 COMPLIANT WITH APPLICABLE FEDERAL LAW REGARDING PRICING
22 TRANSPARENCY.

23 (3) (a) A PERSON SHALL NOT MISREPRESENT THE NATURE AND
24 PURPOSE OF PRICING INFORMATION FOR A GOOD, SERVICE, OR PROPERTY,
25 INCLUDING:

26 (I) THE REFUNDABILITY OF AN AMOUNT CHARGED;

27 (II) THE IDENTITY OF A GOOD, SERVICE, OR PROPERTY FOR WHICH

1 AN AMOUNT IS CHARGED;

2 (III) THE RECIPIENT OF AN AMOUNT CHARGED FOR THE GOOD,
3 SERVICE, OR PROPERTY; AND

4 (IV) THE ACTUAL COST OF THE PRICE OF THE GOOD, SERVICE, OR
5 PROPERTY FOR WHICH AN AMOUNT IS CHARGED.

6 (b) UPON OFFERING, DISPLAYING, OR ADVERTISING A GOOD, 7 SERVICE, OR PROPERTY AND BEFORE A PERSON CONSENTS TO PAY FOR THE 8 GOOD, SERVICE, OR PROPERTY, THE PERSON OFFERING, DISPLAYING, OR 9 ADVERTISING THE GOOD, SERVICE, OR PROPERTY SHALL CLEARLY AND 10 CONSPICUOUSLY DISCLOSE THE NATURE AND PURPOSE OF PRICING 11 INFORMATION FOR THE GOOD, SERVICE, OR PROPERTY THAT IS NOT PART 12 OF THE TOTAL PRICE FOR THE GOOD, SERVICE, OR PROPERTY, INCLUDING: 13 (I) THE REFUNDABILITY OF AN AMOUNT CHARGED FOR THE GOOD,

14 SERVICE, OR PROPERTY;

15 (II) THE IDENTITY OF A GOOD, SERVICE, OR PROPERTY FOR WHICH
16 AN AMOUNT IS CHARGED; AND

17 (III) THE RECIPIENT OF AN AMOUNT CHARGED FOR THE GOOD,18 SERVICE, OR PROPERTY.

19 (4) A LANDLORD OR THE LANDLORD'S AGENT SHALL NOT REQUIRE
20 A TENANT TO PAY A FEE, CHARGE, OR AMOUNT:

(a) RELATED TO THE PROVISION OF UTILITIES THAT IS ABOVE THE
AMOUNT CHARGED BY THE UTILITY PROVIDER FOR SERVICE TO THE
TENANT'S DWELLING UNIT;

(b) THAT INCREASES BY MORE THAN TWO PERCENT OVER THE
COURSE OF A RENTAL AGREEMENT OF ONE YEAR OR LESS, EXCEPT FOR THE
COST OF UTILITIES PROVIDED TO THE TENANT'S DWELLING UNIT;

27 (c) Related to the payment of property taxes or other

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1 LANDLORD OBLIGATIONS;

2 (d) RELATED TO THE PROCESSING OF RENT OR OTHER PAYMENTS; 3 (e) RELATED TO THE OVERDUE PAYMENT OF A FEE, CHARGE, OR 4 AMOUNT THAT IS NOT RENT; 5 (f) FOR A GOOD, SERVICE, OR PROPERTY NECESSARY TO COMPLY 6 WITH THE RESPONSIBILITIES OR OBLIGATIONS OF A LANDLORD OR THE 7 LANDLORD'S AGENT, INCLUDING THE LANDLORD'S RESPONSIBILITY TO 8 PROVIDE A HABITABLE LIVING ENVIRONMENT IN ACCORDANCE WITH 9 SECTION 38-12-503; 10 (g) ABOVE THE TOTAL PRICE OF THE GOOD, SERVICE, OR PROPERTY 11 FOR WHICH AN AMOUNT IS CHARGED; 12 (h) FOR A GOOD, SERVICE, OR PROPERTY NOT ACTUALLY 13 PROVIDED: 14 (i) FOR THE MAINTENANCE OF COMMON AREAS; OR 15 (i) THAT VIOLATES THIS SECTION OR IS OTHERWISE 16 UNENFORCEABLE. 17 (5) (a) A PERSON THAT VIOLATES ANY OF THE REQUIREMENTS OR 18 PROHIBITIONS OF THIS SECTION ENGAGES IN A DECEPTIVE, UNFAIR, AND 19 UNCONSCIONABLE ACT OR PRACTICE. 20 (b) (I) IN ADDITION TO ANY REMEDIES OTHERWISE PROVIDED BY 21 LAW OR IN EOUITY: 22 (A) A PERSON AGGRIEVED BY A VIOLATION OF THIS SECTION MAY 23 BRING A CIVIL ACTION AGAINST THE ALLEGED VIOLATOR TO RESTRAIN 24 FURTHER VIOLATIONS AND TO RECOVER ACTUAL DAMAGES, COSTS, AND 25 REASONABLE ATTORNEY FEES; AND 26 (B) PURSUANT TO A GOOD FAITH BELIEF THAT A VIOLATION OF ANY 27

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PROVISION OF THIS SECTION HAS OCCURRED, A PERSON AGGRIEVED BY A

1 VIOLATION MAY SEND A WRITTEN DEMAND TO THE ALLEGED VIOLATOR 2 FOR REIMBURSEMENT OF ANY FEES, CHARGES, OR AMOUNTS IN VIOLATION 3 OF THIS SECTION PAID BY THE AGGRIEVED PERSON OR A GROUP OF 4 SIMILARLY SITUATED AGGRIEVED PERSONS, FOR THE ACTUAL DAMAGES 5 SUFFERED, AND FOR THE ALLEGED VIOLATOR TO CEASE VIOLATING THIS 6 SECTION. THE AGGRIEVED PERSON MAY NOTIFY THE ALLEGED VIOLATOR 7 OF THEIR REFUSAL TO PAY ANY FEES, CHARGES, OR AMOUNTS THAT 8 VIOLATE THIS SECTION.

9 (II) IF A PERSON DECLINES TO MAKE FULL LEGAL TENDER OF ALL 10 FEES, CHARGES, AMOUNTS, OR ACTUAL DAMAGES DEMANDED OR REFUSES 11 TO CEASE CHARGING THE AGGRIEVED PERSON AND THOSE SIMILARLY 12 SITUATED THE FEES, CHARGES, OR AMOUNTS IN VIOLATION OF THIS 13 SECTION WITHIN FOURTEEN DAYS AFTER THE RECEIPT OF A WRITTEN 14 DEMAND SENT PURSUANT TO SUBSECTION (5)(b)(I)(B) OF THIS SECTION, 15 IN ADDITION TO ANY OTHER DAMAGES AVAILABLE BY LAW OR IN EQUITY, 16 THE PERSON IS LIABLE FOR THE GREATER OF:

17

(A) THREE TIMES THE ACTUAL DAMAGES INCURRED; OR

18 (B) AT LEAST ONE HUNDRED DOLLARS TO NO MORE THAN ONE19 THOUSAND DOLLARS PER PERSON PER VIOLATION.

20 (c) (I) A PERSON AGGRIEVED BY A VIOLATION OF THIS SECTION
21 DOES NOT NEED TO SEND A WRITTEN DEMAND, OR SATISFY ANY OTHER
22 PRE-SUIT REQUIREMENT, BEFORE ASSERTING A CLAIM BASED ON A
23 VIOLATION OF THIS SECTION.

24 (II) NOTHING IN THIS SECTION LIMITS REMEDIES AVAILABLE25 ELSEWHERE BY LAW OR IN EQUITY.

26 SECTION 3. In Colorado Revised Statutes, 38-12-801, amend
27 (3)(a)(VI) as follows:

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38-12-801. Written rental agreement - prohibited clauses copy - tenant - applicability - definitions. (3) (a) A written rental
 agreement must not include:

4 (VI) A provision that requires a tenant to pay a markup or fee for 5 a service for which the landlord is billed by a third party; except that a 6 written rental agreement may include a provision that requires a tenant to 7 pay either a markup or fee in an amount that does not exceed two percent 8 of the amount that the landlord was billed or a markup or fee in an 9 amount that does not exceed a total of ten dollars per month, but not both. 10 This subsection (3)(a)(VI) does not preclude a prevailing party from 11 recovering an amount equal to any reasonable attorney fees awarded by 12 a court pursuant to subsection (3)(a)(II) of this section. FEE, CHARGE, OR 13 AMOUNT THAT VIOLATES ANY PART OF SECTION 6-1-737;

14 Act subject to petition - effective date -SECTION 4. 15 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following 16 the expiration of the ninety-day period after final adjournment of the 17 general assembly; except that, if a referendum petition is filed pursuant 18 to section 1 (3) of article V of the state constitution against this act or an 19 item, section, or part of this act within such period, then the act, item, 20 section, or part will not take effect unless approved by the people at the 21 general election to be held in November 2026 and, in such case, will take 22 effect on the date of the official declaration of the vote thereon by the 23 governor.

24 (2) This act applies to conduct occurring on or after the applicable25 effective date of this act.

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