



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1194: PROTECTIONS FOR VICTIMS OF ECONOMIC ABUSE

Prime Sponsors:

Rep. Armagost; Lindsay
Sen. Daugherty; Pelton B.

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Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill creates protections for victims of economic abuse, including prohibiting the collection of debt from victims unless a court determines the debt was not the result of economic abuse.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- State Revenue
- State Expenditures
- Local Government

Appropriations. For FY 2025-26, the bill requires an appropriation of \$597,438 to the Judicial Department.

Table 1
State Fiscal Impacts

Type of Impact¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$1,098,752	\$1,220,835
State Expenditures	\$715,507	\$834,130
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$1,098,752	\$1,220,835
Change in State FTE	5.4 FTE	6.6 FTE

¹ Fund sources for these impacts are shown in the tables below.

**Table 1A
State Revenue**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$0	\$0
Cash Funds	\$1,098,752	\$1,220,835
Total Revenue	\$1,098,752	\$1,220,835

**Table 1B
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$597,438	\$689,823
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$118,069	\$144,307
Total Expenditures	\$715,507	\$834,130
Total FTE	5.4 FTE	6.6 FTE

Summary of Legislation

The bill requires creditors, debt collectors, and collection agencies to cease the collection of a debt if the consumer provides written notice and sufficient documentation that shows the debt was a result of economic abuse or coerced debt. The collector may file a civil suit in court to get a decree, judgement, or court order that finds the transaction was not the result of economic abuse before they can collect the debt.

Consumer reporting agencies must reinvestigate disputed items related to coerced debt. The bill also expands the definition of "coercion" in civil protection orders to include economic abuse and coerced debt.

Assumptions

Under the bill, creditors, debt collectors, and collection agencies would file with the court to collect a debt if a consumer provides documentation that the debt resulted from economic abuse or coercion. Currently, there are about 77,500 civil cases involving money or debt heard by the trial courts each year. In addition, there are numerous debt collection activities that occur each year without the involvement of the courts. The fiscal note assumes the bill increase civil case filings involving money by 15 percent, or approximately 11,500 new civil case per year for claims involving economic abuse or coerced debt.

State Revenue

Based on the increase in civil case filings described above, state revenue to the Judicial Department from filing fees is estimated to increase by \$1.0 million in FY 2025-26 and \$1.2 million in FY 2026-27 and ongoing. Currently, civil filing fees are \$115. Revenue is prorated in the first year based on the effective date of the bill. Fee revenue will be deposited into various judicial cash funds and is subject to the state's TABOR limit.

State Expenditures

The bill increases state expenditures in the Judicial Department by \$716,000 in FY 2025-26 and \$834,000 in FY 2026-27. These costs, paid from the General Fund, are summarized in Table 2 and discussed below.

**Table 2
 State Expenditures
 Judicial Department**

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	\$548,218	\$670,043
Operating Expenses	\$14,220	\$17,380
Capital Outlay Costs	\$35,000	\$2,400
Centrally Appropriated Costs	\$118,069	\$144,307
Total Costs	\$715,507	\$834,130
Total FTE	5.4 FTE	6.6 FTE

Judicial Department

The trial courts in the Judicial Department requires 6.6 FTE beginning in FY 2025-26 to implement the bill, as outlined below. These staff include new county court judicial officers and support staff.

County Court Magistrates

As a county court judicial officer can handle 6,101 civil cases per year, the department requires an additional 1.9 FTE of judicial officers to manage the additional workload from new civil cases. It is also assumed that about three percent of current civil cases involving money will require an additional 15 minutes of judicial officer time to review documentation of economic abuse, including reviewing evidence, receiving testimony, making findings, and drafting orders. As a result, an additional 0.3 FTE of judicial officers is required to manage new work for existing cases.

Trial Court Staff

The department requires 4.4 FTE trial court staff to support the additional casework and judicial officers, based on a 2:1 staff-to-magistrate ratio.

Workload Impact

Workload will also increase for economic abuse and coerced debt issues that arise in civil protection order proceedings. This impact is indeterminate.

Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table(s) above.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the December 2024 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Local Government

Similar to the state, the bill increases expenditures for Denver County Court to hear additional civil cases.

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 debt incurred after the applicable effective date of the act.

State Appropriations

For FY 2025-26, the bill requires a General Fund of appropriation of \$597,438 to the Judicial Department, and 5.4 FTE.

State and Local Government Contacts

Human Services	Personnel
Judicial	Regulatory Agencies
Law	Revenue