



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1239: CO ANTI-DISCRIMINATION ACT

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**Prime Sponsors:**

Rep. Zokaie  
Sen. Daugherty; Weissman

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**Fiscal note status:** This fiscal note reflects the introduced bill.

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### Summary Information

**Overview.** The bill expands remedies for individuals who experience discriminatory practices related to public accommodations.

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

- State Revenue
- State Expenditure

**Appropriations.** For FY 2025-26, the bill requires an appropriation of \$368,971 to multiple state agencies. See State Appropriations Sections.

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**Table 1**  
**State Fiscal Impacts**

<b>Type of Impact<sup>1</sup></b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
State Revenue	\$0	\$0	\$0
State Expenditures	\$376,367	\$1,485,504	\$2,207,120
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	1.8 FTE	3.3 FTE	3.3 FTE

<sup>1</sup> Fund sources for these impacts are shown in the tables below.

**Table 1A**  
**State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
General Fund	\$368,971	\$33,268	\$33,268
Reappropriated Funds	\$0	\$1,442,991	\$2,164,607
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$7,396	\$9,245	\$9,245
<b>Total Expenditures</b>	<b>\$376,367</b>	<b>\$1,485,504</b>	<b>\$2,207,120</b>
<b>Total FTE</b>	<b>1.8 FTE</b>	<b>3.3 FTE</b>	<b>3.3 FTE</b>

<sup>1</sup> Out-year costs will be paid using a mix of General Fund, cash funds, and federal funds reappropriated to the DPA from affected state agencies.

## Summary of Legislation

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The bill modifies the Colorado Anti-Discrimination Act by consolidating and expanding remedies for individuals facing discrimination, particularly those with disabilities. Specifically, it:

- extends the deadline for filing a discrimination complaint related to public accommodations or discriminatory advertising from 60 days to 1 year;
- permits individuals to seek attorney’s fees and costs, actual monetary damages, noneconomic damages of up to \$50,000, and fines of \$5,000 per violation;
- reduces noneconomic damages that a small business is liable for by 50 percent if they correct the violation within 30 days; and
- conforms adjudication standards with the federal American Disabilities Act.

## Background

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The Colorado Civil Rights Division (CCRD) in the Department of Regulatory Agencies (DORA) enforces the state’s anti-discrimination laws in the areas of employment, housing, and public accommodations. In public accommodations matters, individuals who believe they have been discriminated against have 60 days from the act of alleged discrimination to file a complaint with the division. For housing matters, individuals must file complaints within one year of the act and for employment matters, the deadline is 300 days after notice of action.

The Division of Risk Management in the Department of Personnel and Administration (DPA) oversees the state’s response to liability claims and lawsuits stemming from allegations of negligence by state government or state employees related to such occurrences as public accommodations, employment, and housing discrimination.

## **Assumptions**

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In FY 2023-24, the CCRD received 133 complaint filings for public accommodations discrimination. The fiscal note assumes that 70 percent of aggrieved parties do not file a public accommodations complaint due to the 60-day filing deadline; therefore, the bill's deadline extension is assumed to increase the number of complaints by an additional 310 filings annually. Expenditures could shift if more or fewer complaints are filed with the CCRD.

Furthermore, the bill expands the allowable compensatory damages for prevailing plaintiffs in public accommodations discrimination cases, which is expected to increase the number of parties that choose to file suit against the state rather than seek administrative relief. In the past eight years, 22 public accommodations lawsuits were brought against the state. The fiscal note assumes that the state will defend 10 additional lawsuits in the first year and 20 additional lawsuits in future years.

## **State Revenue**

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Starting in FY 2025-26, the bill may increase state revenue from civil penalties and court filing fees by a minimal amount.

### **Civil Penalties**

A person committing an unfair housing practice may be subject to a civil penalty of up to \$10,000 for each violation, with additional penalties imposed for subsequent violations of a court order or injunction. Under the bill, a person committing a discriminatory practice is also subject to a civil penalty of up to \$5,000 per violation. 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**

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The bill increases state expenditures by about \$376,000 in FY 2025-26, \$1.5 million in FY 2026-27, and \$2.2 million in future years. These costs will be incurred by the DPA and DORA as shown in Table 2 and discussed below. First-year costs are paid from the General Fund; future year costs are paid using a mix of General Fund, cash funds, and federal funds. The bill also minimally affects workload in the Judicial Department.

**Table 2  
State Expenditures  
All Departments**

<b>Department</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
Department of Personnel & Administration	\$335,687	\$1,442,991	\$2,164,607
Department of Regulatory Agencies	\$40,680	\$42,513	\$42,513
<b>Total Costs</b>	<b>\$376,367</b>	<b>\$1,485,504</b>	<b>\$2,207,120</b>

### Department of Personnel and Administration

Expenditures in the DPA will increase by about \$336,000 in FY 2025-26, \$1.4 million in FY 2026-27, and \$2.2 million in future years from litigation and risk management costs. The state’s actual costs will depend on a number of factors, including the number and complexity of cases, outcomes, and the timing of cases and judgements. Potential costs include settlements, noneconomic damages, attorney’s fee awards, and legal services, as described below.

### State Litigation and Risk Impacts

In the first year, DPA is estimated to incur about \$336,000 in legal services, provided by the Department of Law, to represent the state in an estimated 10 additional public accommodations discrimination lawsuits. Approximately \$772,000 in settlements and awards from these cases are estimated for the following year, FY 2026-27. In all subsequent years, DPA is projected to incur legal services of \$671,000 from 20 annual lawsuits, and pay \$1.5 million of settlements and awards the following year.

Based on historical averages, the fiscal note assumes that:

- cases require 12 months to conclude after filing;
- the state will settle half of the lawsuits filed each year, at a rate of \$3,500 per case;
- about one-third of plaintiffs will receive the maximum noneconomic damage payment of \$50,000 each year;
- the state will award about 60 percent of plaintiffs for attorney’s fees, at a rate of \$100,686 per case; and
- legal services will average \$33,562 per case.

Based on these assumptions, the state will pay about \$35,000 in settlements, \$250,000 in noneconomic damages, and \$1.2 million in attorney’s fee awards beginning in FY 2027-2028. Settlement and award payments are prorated in FY 2026-27 based on an assumed 10 fewer cases filed in the first year. Depending on the outcome of any cases, settlement and liability payments will be required from the Risk Management Fund in the DPA. State agencies make payments for legal services and risk management through common policy billings based on costs incurred in prior years. It is assumed any change in costs will be accounted for through the annual budget process.

**Table 2A  
State Expenditures  
Department of Personnel and Administration**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
Settlements	\$0	\$17,500	\$35,000
Noneconomic Damages	\$0	\$150,000	\$250,000
Attorney's Fee Awards	\$0	\$604,116	\$1,208,232
Legal Services	\$335,687	\$671,375	\$671,375
FTE – Personal Services	0.0 FTE	0.0 FTE	0.0 FTE
FTE – Legal Services	1.4 FTE	2.8 FTE	2.8 FTE
<b>Total Costs</b>	<b>\$335,687</b>	<b>\$1,442,991</b>	<b>\$2,164,607</b>
<b>Total FTE</b>	<b>1.4 FTE</b>	<b>2.8 FTE</b>	<b>2.8 FTE</b>

### Department Regulatory Agencies

Starting in FY 2025-26, DORA requires 0.5 FTE Compliance Investigator I to investigate and resolve discrimination complaints filed with the CCRD. The fiscal note estimates that public accommodations complaints will increase by 310 filings per year. Staff costs and FTE, shown below in Table 2B, are prorated in the first year based on the bill's effective date.

**Table 2B  
State Expenditures  
Department of Regulatory Agencies**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
Personal Services	\$26,102	\$32,628	\$32,628
Operating Expenses	\$512	\$640	\$640
Capital Outlay Costs	\$6,670	\$0	\$0
Centrally Appropriated Costs	\$7,396	\$9,245	\$9,245
<b>Total Costs</b>	<b>\$40,680</b>	<b>\$42,513</b>	<b>\$42,513</b>
<b>Total FTE</b>	<b>0.4 FTE</b>	<b>0.5 FTE</b>	<b>0.5 FTE</b>

### Judicial Department

Trial courts in the Judicial Department will experience a minimal workload increase to respond to civil case filings. No change in appropriations is required.

## 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 include employee insurance and supplemental employee retirement payments, are shown in the expenditure tables above.

## Local Government

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Similar to the state, local governments will likely experience an increase in legal and liability related costs. Impacts will vary by jurisdiction and have not been estimated.

## Effective Date

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The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## State Appropriations

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For FY 2025-26, the bill requires the following General Fund appropriations:

- \$335,687 to the Department of Personnel and Administration, all of which is reappropriated to the Department of Law with 1.4 FTE; and
- \$33,284 to the Department of Regulatory Agencies, and 0.4 FTE.

## State and Local Government Contacts

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Judicial

Personnel

Law

Regulatory Agencies

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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](#).