



# Fiscal Note

## Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

### SB 25-016: UPDATING ESCROW DISBURSEMENT PRACTICES

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**Prime Sponsors:**

Sen. Snyder  
Rep. Boesenecker

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**Version:** Initial Fiscal Note  
**Date:** January 13, 2025

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

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### Summary Information

**Overview.** The bill modifies the types of funds that are available for immediate withdrawal in real estate transactions.

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

- State Expenditures
- Minimal State Workload
- State Revenue

**Appropriations.** No appropriation is required.

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**Table 1  
State Fiscal Impacts**

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

## Summary of Legislation

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The bill modifies the types of funds that are available for immediate withdrawal in real estate transactions by:

- limiting wire transfers to only those funds that are made through a funds-transfer service operated by the Federal Reserve; and
- permitting the use of funds credited to an escrow account if the financial institution holding the account confirms that there has been final settlement of the credited funds.

The bill makes noncompliance with these provisions a deceptive trade practice.

## 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

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

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The bill may increase workload in the Department of Law and the Judicial Department beginning in FY 2025-26, 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 real estate professionals and banking institutions will abide by the law and that any violation of the legislation will result in a 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.

## **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, and applies to real estate transactions occurring on or after the effective date.

## **State and Local Government Contacts**

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Judicial

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](#).