



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 25-086: PROTECTIONS FOR USERS OF SOCIAL MEDIA

Prime Sponsors:

Sen. Frizell; Daugherty
Rep. Boesenecker; Hartsook

Fiscal Analyst:

Matt Bishop, 303-866-4796
matt.bishop@coleg.gov

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

Summary Information

Overview. The bill requires social media companies to publish information about their policies and enforcement activities to protect users from certain content.

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

- State Revenue
- Minimal State Workload
- Local Government

Appropriations. No appropriation is required.

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

The bill requires social media companies to follow certain protocols relating to their policies, reports, and engagement with law enforcement.

Policies

Social media companies must publish up-to-date policies, including the process for a user to report policy violations, a description of the enforcement and resolution process, and a description of how the company restricts certain prohibited or illegal behavior (subject uses). Upon discovering activity related to subject uses, a social media company must determine if the activity violates its policies and take action as appropriate.

The bill specifies “subject uses” of social media as selling or advertising illicit substances, illegal firearm sales, sex trafficking a minor, or handling sexually exploitative material.

Reporting

Social media companies must submit annual reports beginning in FY 2025-26, including two reports to the Department of Law on the following:

- reports of illegal activity, the kinds of illegal activity reported, and enforcement actions taken; and
- the number of Colorado-based users on the platform and information about subject uses stemming from Colorado-based accounts.

Social media companies must also publish annual reports on how many minors use the platform, how often and how long they use it, and how much they interact with content that violates the company’s policies.

Enforcement

Social media companies must maintain a staffed hotline for communicating with state law enforcement agencies related to search warrants. Any violation of the bill’s provisions by a social media company is a deceptive trade practice under the Colorado Consumer Protection Act.

State Revenue

Beginning in FY 2025-26, the bill may increase state revenue from civil penalties or filing fees, as outlined below.

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

Beginning in FY 2025-26, the bill minimally increases workload and may increase costs in the Department of Law and 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. In addition, the Department of Law will be required to receive the required reports from social media companies, which will minimally increase staff time to review the reports and respond to any questions or provide guidance to companies regarding the reports.

Judicial Department

The 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 social media companies 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.

State and Local Government Contacts

District Attorneys

Judicial

Information Technology

Law

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](#).