



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Initiative 170

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# Fiscal Impact Statement

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**Date:** March 28, 2024

**Fiscal Analyst:** Aaron Carpenter (303-866-4918)

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## **LCS TITLE: LIMIT ON CONTINGENCY FEES**

**Disclaimer.** This initial fiscal impact statement has been prepared for an initiative approved for petition circulation by the Secretary of State. If the initiative is placed on the ballot, Legislative Council Staff may revise this estimate for the ballot information booklet (Blue Book) if new information becomes available.

## **Summary of Measure**

In legal representation involving personal injury or wrongful death where compensation is based on a contingent fee, the measure limits the amount of total compensation an attorney can receive to 25 percent of the total amount awarded to the client.

## **Background**

Contingent fees are payments made to an attorney when a case is won. Usually, the fee is a percentage of the amount a client receives from a judgment or settlement.

## **State Revenue**

If the measure reduces the number of civil cases filed with the trial courts, state revenue will have a correlating impact. Any impact is expected to be minimal.

## **State Expenditures**

The measure may minimally impact workload in the trial courts in the Judicial Department if it changes the incentives for plaintiffs to file civil cases or for attorneys to represent them. Overall, the measure is expected to have a minimal impact on the number of cases filed and workload in the courts.

## **Effective Date**

If approved by voters at the 2024 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed. It applies to agreements for legal representation entered into on or after July 1, 2025.

## **State and Local Government Contacts**

Judicial