HB 26-1012

Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1012: CONSUMER PROTECTIONS TO PROMOTE FAIR MKT PRICING

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

Summary Information

Overview. The bill creates pricing restrictions for certain retailers if their customer cannot purchase a similar good or service nearby.

Types of impacts. The bill is projected to affect the following areas beginning in FY 2026-27:

- State Revenue
- Minimal State Workload
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	Indeterminate	Indeterminate
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

Under current law, delivery service platforms that deliver products to consumers from in-person stores must disclose certain fee information to the consumer. The bill requires these companies to display a comparison of the price for the good to be delivered and the in-store price.

The bill defines a "captive consumer" as a person in a location where the seller does not have a competitor for the good or service sold. These locations include:

- airports;
- hospitals or emergency rooms;
- event venues with capacity for 2,000 or more individuals;
- organized outdoor events for which more than 2,000 attendees are expected; and
- correctional facilities.

The bill creates a new deceptive trade practice if a good or service sold to a captive consumer is more than the average price of the same good or service sold elsewhere in the county. Retailers can rebut the presumption that they engaged in a deceptive trade practice if they demonstrate that the price of the good or service was not unreasonably excessive. The Attorney General may adopt rules to enforce these new requirements.

State Revenue

Agencies Vending to Captive Consumers

The bill may decrease revenue to state agencies and institutions that sell goods directly, or hire vendors to sell goods, to captive consumers. The fiscal note assumes that agencies use vendors in most instances covered by the bill. These vendors pay fees to state agencies to sell goods at events and facilities, and the vendor then keeps the proceeds of sales to cover the vendor fee, labor and supply costs, and to generate profits for the business. In some cases, vendors share a percentage of revenue with the state agency or institution. Concession vendor agreements are used for sales at the Colorado State Fair, sporting events at institutions of higher education, correctional facilities, and hospitals, among others.

For informational purposes, if concession vendor fee revenue decreased by 10 percent, that would equate to a revenue reduction of $900,000 at the University of Colorado, $250,000 at Colorado State University, $35,000 at the University of Northern Colorado and $120,000 at the Colorado State Fair. Because these revenue impacts will depend on vendor and consumer behavior, they have not been estimated and are indeterminate. Revenue to the state is subject to TABOR, while revenue to state enterprises is not.

Sales Tax Revenue

The bill will decrease state sales tax revenue by an indeterminate amount to the extent it reduces total gross sales by vendors in captive consumer locations. The limits set on pricing in captive consumer locations will increase the volume of sales subject to sales tax, while decreasing the amount of sales tax collected per sale. It is assumed that vendors price their goods and services sold to maximize profits from sales; therefore, the increase in volume of sales is expected to be more than offset by the decrease in prices of goods and services sold to captive consumers, leading to a decrease in both state and local sales tax revenue. Because sales tax impacts depend on vendor and consumer behavior, the state sales tax revenue reduction attributable to the bill has not been estimated. Sales tax revenue is credited to the General Fund and is subject to TABOR.

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. If the bill increases the number of deceptive trade practice complaints, state revenue may increase.

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

Department of Law

Workload in the Department of Law will minimally increase to perform any rulemaking or communication regarding the bill’s requirements. To the extent that additional 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. No change in appropriations is required.

Agencies Vending to Captive Consumers

Affected agencies will have an increase in workload to implement the bill’s requirements in vendor contracts. This workload impact is absorbable.

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 vendors 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.

Expenditures Reductions

To the extent that the bill reduces revenue to state agencies and institutions of higher education from vendor fees and revenue sharing, expenditures funded by this revenue will correspondingly decrease.

Local Government

Similar to the state impact described above, local governments may have reduced revenues at airports, outdoor festivals, and other venues where captive consumers sell goods and services. For example, the City and County of Denver operates Red Rocks Amphitheater; Denver, Colorado Springs, and Pitkin County are among the jurisdictions that operate an airport with concessions, and many jurisdictions operate outdoor festivals. Exact revenue impacts will vary by county and municipality and will depend on future vendor and consumer behavior.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed. It applies to conduct occurring on or after this date.

State and Local Government Contacts

Agriculture	Law
Corrections	Local Affairs
Counties	Municipalities
Higher Education	Public Health and Environment
Judicial	Regulatory Agencies