

**Please Support HB 19-1289**  
**Enhancing Colorado Consumer Protection Act (CCPA)**

**Problem – Colorado has one of the weakest Consumer Protection Acts in the country**

- **Colorado is 1 of only 3 states** that require knowledge of deceptive practice – 47 other states allow remedy where deceptive practice was knowing or reckless
- **Colorado is 1 of only 5 states** without a general prohibition on deceptive practices – because the CCPA only lists specific deceptive acts, our law leaves “leav[es] the field open for creative fraud artists”<sup>1</sup>
- **Colorado is 1 of only 7 states** that require proof of public harm/impact – thus deceptive behavior harmful to consumers is nearly guaranteed to be able to continue until many consumers have already been injured. This is contrary to the aim of consumer protection laws to protect the public **before** harm is done.
- **Colorado is in the bottom tier among all 50 states** in terms of civil monetary penalties for commission of deceptive acts against consumers. The base civil penalty was set at \$2000 per violation in 1987 and has not changed in 32 years.<sup>2</sup> But \$1.00 in 1987 = \$0.44 in 2019.<sup>3</sup>
- **Colorado’s per-capita fraud report rate is higher than the national average** – Colorado is the 21<sup>st</sup> most populous state, but 12<sup>th</sup> highest in fraud reporting, per the FTC<sup>4</sup>
- **“Colorado, Oregon, and South Dakota have the weakest substantive prohibitions in the nation.”** – National Consumer Law Center<sup>5</sup>

**Solution – bring our consumer protection statutes into line with other states**

- Hold bad actors accountable for **knowing or reckless** anti-consumer behavior (§ 1)
- **Broadly prohibit deceptive anti-consumer acts** without leaving loopholes (§ 1)
- Stop anti-consumer behavior **before significant public harm has happened** (§ 1)
- **Update monetary penalties for first time in decades** to deter deceptive behavior (§ 2)
- Prohibit certain unfair terms in form contracts where **consumers or employees** do not have bargaining power to negotiate contract details – **without reaching business-to-business arrangements** (§ 4)

**Brief history of consumer protection statutes**

- 1914 – Congress passes Fair Trade Commission Act
- 1969 – Colorado enacts Consumer Protection Act
- 1998 – Colorado Supreme Court limits CCPA with “significant[] impact” rule<sup>6</sup>

<sup>1</sup> <http://www.nclc.org/images/pdf/udap/udap-report.pdf> at 13

<sup>2</sup> HB87-1300

<sup>3</sup> [https://www.bls.gov/data/inflation\\_calculator.htm](https://www.bls.gov/data/inflation_calculator.htm)

<sup>4</sup> [https://www.ftc.gov/system/files/documents/reports/consumer-sentinel-network-data-book-2018/consumer\\_sentinel\\_network\\_data\\_book\\_2018\\_0.pdf](https://www.ftc.gov/system/files/documents/reports/consumer-sentinel-network-data-book-2018/consumer_sentinel_network_data_book_2018_0.pdf) at 20

<sup>5</sup> <http://www.nclc.org/images/pdf/udap/udap-report.pdf> at 13

<sup>6</sup> *Hall v. Walter*, 959 P.2d 224 (Colo. 1998)