

CHAPTER 345

PROFESSIONS AND OCCUPATIONS

SENATE BILL 26-174

BY SENATOR(S) Roberts, Ball, Benavidez, Bridges, Cutter, Daugherty, Exum, Kipp, Rodriguez, Snyder, Wallace, Coleman;
also REPRESENTATIVE(S) Carter and Soper, Garcia, Clifford, Hamrick, Lindsay, Mabrey, Nguyen, Phillips, Rutinel.

AN ACT**CONCERNING THE PROHIBITION OF LEAD GENERATION MARKETING FOR LEGAL SERVICES.**

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, 6-1-105, **add** (1)(ttt) as follows:

6-1-105. Unfair or deceptive trade practices - definitions.

(1) A person engages in a deceptive trade practice when, in the course of the person's business, vocation, or occupation, the person:

(ttt) VIOLATES SECTION 6-1-741.

SECTION 2. In Colorado Revised Statutes, **add** 6-1-741 as follows:

6-1-741. Lead generation legal marketing - deceptive trade practice - enforcement - penalties - rules - definitions - legislative declaration.

(1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(a) CONSISTENT WITH RULES ADOPTED BY THE COLORADO SUPREME COURT REGARDING THE PRACTICE OF LAW BY ATTORNEYS AND LICENSED LEGAL PARAPROFESSIONALS, TRADITIONAL LEGAL MARKETING ALLOWS ATTORNEYS AND LAW FIRMS TO ADVERTISE THEIR SERVICES WHILE CLEARLY IDENTIFYING THEMSELVES AND ALLOWING CONSUMERS TO MAKE INFORMED DECISIONS REGARDING THEIR LEGAL REPRESENTATION;

(b) LEAD GENERATION LEGAL MARKETING FOR LEGAL SERVICES INVOLVES THIRD PARTIES THAT SOLICIT CONSUMERS WHO MAY NEED LEGAL SERVICES BY OBTAINING

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

THE CONSUMER'S PERSONAL INFORMATION AND INFORMATION ABOUT THE CONSUMER'S LEGAL ISSUE AND THEN SELLING THAT INFORMATION TO ATTORNEYS OR LAW FIRMS;

(c) LEAD GENERATION LEGAL MARKETING FOR LEGAL SERVICES IS INHERENTLY MISLEADING TO CONSUMERS BECAUSE THE PERSON CONDUCTING THE LEAD GENERATION LEGAL MARKETING PURPORTS TO BE AN ATTORNEY OR REPRESENTATIVE FROM A LAW FIRM BUT IS ACTUALLY NOT AN ATTORNEY OR LAW-FIRM REPRESENTATIVE;

(d) LEAD GENERATION LEGAL MARKETING FIRMS TYPICALLY USE "BAIT-AND-SWITCH" TACTICS, "LOOK-ALIKE" ADVERTISING, IMPERSONATION, FRAUD, AND OTHER DECEPTIVE ADVERTISING PRACTICES TO TARGET INJURED OR VULNERABLE CONSUMERS WHO ARE IN NEED OF LEGAL REPRESENTATION;

(e) LEAD GENERATION LEGAL MARKETING ALSO MISLEADS THE ATTORNEYS OR LAW FIRMS THAT PURCHASE THE CONSUMER INFORMATION FROM THE LEAD GENERATION LEGAL MARKETING ORGANIZATION BECAUSE THE CONSUMER INFORMATION IS OFTEN SOLD TO MULTIPLE FIRMS, THE INFORMATION IS ERRONEOUS, OR THE INFORMATION DOES NOT REPRESENT A VIABLE LEGAL CASE;

(f) BECAUSE OF THE HARM THAT LEAD GENERATION LEGAL MARKETING CAN HAVE ON CONSUMERS, ATTORNEYS, AND THE LEGAL PROFESSION, IT IS IMPERATIVE THAT THIS PRACTICE BE PROHIBITED IN THE STATE AND ENFORCED THROUGH CIVIL AND CRIMINAL PENALTIES;

(g) CIVIL AND CRIMINAL VIOLATIONS RELATED TO THE PRACTICE OF LEAD GENERATION LEGAL MARKETING ARE CAPABLE OF BEING ENFORCED BY THE ATTORNEY GENERAL AND THE STATE'S DISTRICT ATTORNEYS UNDER THE "COLORADO CONSUMER PROTECTION ACT", ARTICLE 1 OF TITLE 6, AND THE COLORADO CRIMINAL CODE, INCLUDING, BUT NOT LIMITED TO, CRIMINAL IMPERSONATION, FRAUD, AND RACKETEERING; AND

(h) THEREFORE, IT IS IN THE BEST INTEREST OF COLORADANS TO PROHIBIT PERSONS THAT CONDUCT LEAD GENERATION LEGAL MARKETING FOR LEGAL SERVICES FROM DOING BUSINESS IN THE STATE.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a)(I) "LEAD GENERATION LEGAL MARKETING" MEANS ANY FORM OF MARKETING IN WHICH AN ATTORNEY, LAW FIRM, OR LICENSED LEGAL PARAPROFESSIONAL PAYS MONEY OR OTHER COMPENSATION TO A THIRD PARTY TO RECEIVE INFORMATION ABOUT A POTENTIAL CLIENT OR CASE, WHICH INFORMATION MAY INCLUDE THE POTENTIAL CLIENT'S CONTACT INFORMATION OR INFORMATION ABOUT THE POTENTIAL CLIENT'S LEGAL ISSUE.

(II) "LEAD GENERATION LEGAL MARKETING" INCLUDES MARKETING IN WHICH COMPENSATION IS PROVIDED TO A THIRD PARTY DIRECTLY, INDIRECTLY, ON A PER-LEAD OR PER-CASE BASIS, OR AS A SUBSCRIPTION MODEL AND INCLUDES COMPENSATION MADE THROUGH INTERMEDIARIES, AFFILIATES, OR OTHER ENTITIES.

(III) "LEAD GENERATION LEGAL MARKETING" DOES NOT INCLUDE THE SHARING OF FEES BETWEEN LICENSED ATTORNEYS, LAW FIRMS, OR LICENSED LEGAL PARAPROFESSIONALS SO LONG AS THE FEES ARE SHARED IN COMPLIANCE WITH STATE LAW AND RULES ADOPTED BY THE COLORADO SUPREME COURT.

(b) (I) "TRADITIONAL LEGAL MARKETING" MEANS MARKETING DONE BY AN ATTORNEY, LAW FIRM, OR LICENSED LEGAL PARAPROFESSIONAL, OR BY A THIRD PARTY ON BEHALF OF AN ATTORNEY, LAW FIRM, OR LICENSED LEGAL PARAPROFESSIONAL, DURING WHICH MARKETING THE ATTORNEY, LAW FIRM, OR LICENSED LEGAL PARAPROFESSIONAL THAT IS ADVERTISING THEIR SERVICES IS CLEARLY IDENTIFIED TO THE CONSUMER.

(II) "TRADITIONAL LEGAL MARKETING" INCLUDES, BUT IS NOT LIMITED TO, SEARCH ENGINE OPTIMIZATION, PAY-PER-CLICK INTERNET ADVERTISING, RADIO ADVERTISING, TELEVISION ADVERTISING, STREAMING ADVERTISING, BILLBOARD ADVERTISING, AND LISTING IN LEGAL DIRECTORIES IN WHICH THE NAME OR IDENTITY OF THE ATTORNEY, LAW FIRM, OR LICENSED LEGAL PARAPROFESSIONAL IS CLEARLY DISCLOSED.

(3) CONSISTENT WITH RULES ADOPTED BY THE COLORADO SUPREME COURT REGARDING THE PRACTICE OF LAW BY ATTORNEYS AND LICENSED LEGAL PARAPROFESSIONALS, AND UNLESS A PERSON MEETS THE CRITERIA DESCRIBED IN SUBSECTION (4) OF THIS SECTION, A PERSON SHALL NOT:

(a) PAY MONEY OR OTHER COMPENSATION FOR LEAD GENERATION LEGAL MARKETING SERVICES IN THE STATE;

(b) ENGAGE IN THE PRACTICE OF LEAD GENERATION LEGAL MARKETING IN THE STATE; OR

(c) SELL LEADS TO AN ATTORNEY, LAW FIRM, OR LICENSED LEGAL PARAPROFESSIONAL IN THE STATE.

(4) A PERSON MAY SOLICIT A POTENTIAL CLIENT OR MARKET FOR LEGAL SERVICES IN THE STATE IF THE PERSON IS:

(a) AUTHORIZED BY THE COLORADO SUPREME COURT TO PRACTICE LAW IN THE STATE;

(b) WORKING ON BEHALF OF A PERSON AUTHORIZED BY THE COLORADO SUPREME COURT TO PRACTICE LAW IN THE STATE, AND THE PERSON WHO IS AUTHORIZED TO PRACTICE LAW IN THE STATE OR THE LAW FIRM OR BUSINESS FOR WHICH THE PERSON WORKS IS CLEARLY IDENTIFIED IN ANY ADVERTISEMENT, MARKETING MATERIAL, INFORMATION, OR RESOURCES; OR

(c) A NONPROFIT ORGANIZATION THAT ENGAGES IN LEGAL SERVICES IN THE STATE.

(5) THIS SECTION DOES NOT PROHIBIT A PERSON FROM ENGAGING IN THE PRACTICE OF TRADITIONAL LEGAL MARKETING.

(6) (a) A COURT MAY ORDER INJUNCTIVE RELIEF IN A CIVIL ACTION BROUGHT PURSUANT TO THIS SECTION.

(b) AN ATTORNEY, LAW FIRM, OR LICENSED LEGAL PARAPROFESSIONAL OR ANY CONSUMER WHO HAS BEEN AFFECTED BY LEAD GENERATION LEGAL MARKETING MAY BRING A CIVIL ACTION TO ENFORCE THIS SECTION.

(c) IF A PERSON IS HELD TO BE IN VIOLATION OF THIS SECTION AS A RESULT OF A CIVIL ACTION, THE CLAIMANT IS ENTITLED TO DAMAGES IN THE AMOUNT OF TEN THOUSAND DOLLARS PER VIOLATION, PLUS REASONABLE ATTORNEY FEES AND COSTS.

(7) THE ATTORNEY GENERAL OR A DISTRICT ATTORNEY MAY BRING A CRIMINAL ACTION AGAINST A PERSON THAT ENGAGES IN THE PRACTICE OF LEAD GENERATION LEGAL MARKETING IF THE ATTORNEY GENERAL OR DISTRICT ATTORNEY DETERMINES THAT THE PERSON'S ACTIONS CONSTITUTE A CRIME PURSUANT TO THE COLORADO CRIMINAL CODE, INCLUDING:

(a) CRIMINAL IMPERSONATION, AS DESCRIBED IN SECTION 18-5-113;

(b) OFFENSES INVOLVING FRAUD, AS DESCRIBED IN ARTICLE 5 OF TITLE 18;

(c) RACKETEERING ACTIVITY, AS DEFINED IN SECTION 18-17-103 (5); OR

(d) ANY OTHER CRIME UNDER COLORADO LAW.

(8) THE ATTORNEY GENERAL MAY ADOPT ANY RULES NECESSARY TO ENFORCE THIS SECTION.

(9) THIS SECTION DOES NOT LIMIT THE COLORADO SUPREME COURT'S RULE-MAKING AUTHORITY, DECISION-MAKING AUTHORITY, OR ENFORCEMENT AUTHORITY RELATED TO THE PRACTICE OF LAW IN THE STATE, INCLUDING THE UNAUTHORIZED PRACTICE OF LAW.

SECTION 3. Act subject to petition - effective date - applicability. (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to conduct occurring on or after the applicable effective date of this act.

Approved: June 3, 2026