



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated February 20, 2023)

Drafting Number: LLS 23-0042 Date: April 3, 2023
Prime Sponsors: Rep. Ricks; Weinberg Bill Status: Consideration of Amendments
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Bill Topic: CONSUMER REPORTS NOT INCLUDE MEDICAL DEBT INFORMATION

- Summary of Fiscal Impact:
[X] State Revenue [ ] TABOR Refund
[X] State Expenditure [ ] Local Government
[ ] State Transfer [ ] Statutory Public Entity

The bill modifies the prohibition on consumer reports to include medical debt and places disclosure requirements on debt collectors and collections agencies. The bill increases state expenditure on a one-time basis and minimally increases state workload on an ongoing basis.

Appropriation Summary: For FY 2023-24, the bill requires and includes an appropriation of \$200,000 to the Department of Revenue.

Fiscal Note Status: This revised fiscal note reflects the rerevised bill.

Table 1
State Fiscal Impacts Under HB 23-1126

Table with 4 columns: Category, Fund, Budget Year FY 2023-24, and Out Year FY 2024-25. Rows include Revenue, Expenditures (General Fund), Transfers, and Other Budget Impacts (General Fund Reserve).

## Summary of Legislation

Under current law, consumer reporting agencies are prohibited from making any consumer report containing any information on adverse items that predate the report by seven years. Reports used in connection to credit transactions or life insurance underwriting that involve amounts greater than \$150,000 are not subject to this prohibition.

The bill prohibits reports containing information on medical debt and changes the exemption from \$150,000 to the national conforming loan limit value for a one-unit property. Debt collectors and collections agencies are required to inform consumers of this prohibition and cannot make misleading statements to consumers that suggest medical debt will be included in a consumer report.

The bill also requires the Department of Revenue to conduct a study of the prohibition's effectiveness and appropriates \$200,000 to the department for that purpose

## State Revenue and Expenditures

The bill increases state expenditures in the Department of Revenue by \$200,000 in FY 2023-24, paid from the General Fund. The DOR will use this funding to contract with a vendor to conduct the required study.

The bill may minimally impact workload in the Consumer Protection section of the Department of Law to handle any additional complaints received, and for the trial courts in the Judicial Department to handle any additional cases of misleading representation that are filed. Any related revenue is also expected to be minimal.

## Technical Note

The bill states that any appropriation not spent prior to July 1, 2023 may be spent in subsequent years, through FY 2026-27. The fiscal note assumes that this was intended to be July 1, 2024.

## 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 that date.

## State Appropriations

For FY 2023-24, the bill requires and includes a General Fund appropriation of \$200,000 to the Department of Revenue. The department can spend this appropriation through FY 2026-27.

## State and Local Government Contacts

Counties	Information Technology	Judicial
Law	Revenue	

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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: [leg.colorado.gov/fiscalnotes](https://leg.colorado.gov/fiscalnotes).