



Legislative Council Staff

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Final Fiscal Note

Drafting Number: LLS 23-0204 **Date:** June 27, 2023
Prime Sponsors: Sen. Cutter **Bill Status:** Signed into Law
Rep. Jodeh; Bradfield **Fiscal Analyst:** Kristine McLaughlin | 303-866-4776
kristine.mclaughlin@coleg.gov

Bill Topic: **SOLICITATIONS RELATED TO SOS DOCUMENTS**

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

The bill requires organizations that charge a fee for filing documents with or retrieving public records from the Secretary of State’s Office to include certain information on their advertisements. The bill may minimally impact state and local workload and state revenue on an ongoing basis.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the enacted bill.

Summary of Legislation

Under the bill, advertisements by organizations that file documents with or retrieve public records from the Secretary of State’s office must:

- not mimic the appearance of a government-issued document;
- state that they are an advertisement;
- include the name and address of the person who would collect the fee; and
- direct the audience to where they can directly file and retrieve these documents.

The bill makes violation of these requirements a deceptive trade practice.

State Revenue

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.

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

The bill increases the workload for the Department of Law and Judicial Department, as discussed below.

Department of Law. Workload in the Department of Law will minimally increase to the extent that 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.

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 online marketplaces will abide by the law and that any violation of the legislation will result in minimal number of new cases; no change in appropriations is required.

Local Government

Similar to the state, to the extent district attorneys receive deceptive trade practice complaints related to the new deceptive trade practice under the bill, workload will increase to investigate complaints and seek relief when appropriate. It is assumed most such cases will be handled at the state level by the Attorney General.

Effective Date

The bill was signed into law by the Governor on April 11, 2023, and takes effect on August 7, 2023, assuming no referendum petition is filed.

State and Local Government Contacts

District Attorneys
Law

Information Technology
Secretary of State

Judicial