



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number:	LLS 24-0451	Date:	June 10, 2024
Prime Sponsors:	Rep. Woodrow; Mabrey Sen. Gonzales; Hinrichsen	Bill Status:	Deemed Lost
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Bill Topic: PROHIBIT ALGORITHMIC DEVICES USED FOR RENT SETTING

Summary of Fiscal Impact:	<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill would have prohibited landlords from using algorithmic devices to determine rental prices. Starting in FY 2024-25, the bill would have minimally increased state and local workload and revenue.

Appropriation Summary: No appropriation was required.

Fiscal Note Status: The final fiscal note reflects the introduced bill. The bill was deemed lost in the Senate on May 1, 2024; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

The bill prohibits landlords from using an algorithmic device to set the amount of rent charged to a tenant for occupancy of a residential premises, or to determine any change in rent for the renewed occupancy of a residential premises. Violations of this prohibition are an unfair or deceptive trade practice and are subject to all penalties and remedies described in the Colorado Consumer Protection Act.

Background

Under current law, the Attorney General or a district attorney may bring a civil action on behalf of the state to seek the imposition of civil penalties against a person who violates the Colorado Consumer Protection Act, in addition to private parties. Civil penalties paid to the state vary by type of violation and are paid to the General Fund.

State Revenue and Expenditures

The bill may minimally increase state revenue and expenditures as detailed below.

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.

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 landlords will abide by the law and that any violation of the legislation will result in minimal number of new cases, and no new appropriations for the trial courts are required. Additionally, the bill may increase revenue to the Judicial Department from filing fees if additional civil cases are filed. Revenue from filing fees is subject to TABOR.

Department of Law. Workload in the Department of Law will minimally increase if 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.

Local Government

Similar to the state, if district attorneys receive deceptive trade practice complaints related to the new deceptive trade practice, 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 takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, and applies to rental agreements executed on or after that date.

State and Local Government Contacts

District Attorneys
Local Affairs

Judicial
Regulatory Agencies

Law

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 the [General Assembly website](#).