



## Fiscal Note

### Legislative Council Staff

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## HB 25-1010: PROHIBITING PRICE GOUGING IN SALES OF NECESSITIES

**Prime Sponsors:**

Rep. Zokaie; Brown

Sen. Weissman

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**Published for:** Senate Business, Labor, & Tech.

**Drafting number:** LLS 25-0501

**Version:** First Revised Note

**Date:** March 14, 2025

**Fiscal note status:** This revised fiscal reflects the reengrossed bill.

### Summary Information

**Overview.** The bill creates a new basis for the unfair and unconscionable act of price gouging due to market disruptions during a declared disaster emergency.

**Types of impacts.** The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Workload
- State Revenue
- Local Government

**Appropriations.** No appropriation is required.

**Table 1**  
**State Fiscal Impacts**

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

## **Summary of Legislation**

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The bill allows the Governor to declare a disaster emergency due to a market disruption, including a trade disruption, and clarifies what may constitute price gouging during such a declared disaster emergency. Price gouging is an unfair or unconscionable act under Colorado's consumer protection laws.

## **State Revenue**

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The bill may increase state revenue from civil penalties or filings fees, as outlined below.

### **Civil Penalties**

Under the Colorado Consumer Protection Act, a person engaging in an unfair and unconscionable act 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**

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The bill increases workload and potentially costs in multiple state agencies.

### **Department of Law**

Initially, workload in the Department of Law will increase to adopt rules to enforce the bill. To the extent that complaints are filed or violations discovered, workload and potentially costs will increase for the Department of Law to investigate and pursue legal action. The fiscal note assumes that the department will review complaints under the bill, which can only occur during a declared disaster emergency, and prioritize investigations as necessary within the overall number of consumer complaints received 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 unfair and unconscionable act. It is assumed that persons selling necessities will abide by the law and that any violation of the legislation will result in minimal number of new cases. The fiscal note assumes that this work can be accomplished within existing resources and that no change in appropriations is required.

## Local Government

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Similar to the state, to the extent district attorneys receive complaints related to the new prohibitions 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

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The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, and applies to conduct occurring on or after that date.

## State and Local Government Contacts

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Law