

*Colorado Legislative Council Staff Fiscal Note*

**STATE  
FISCAL IMPACT**

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<b>Drafting Number:</b> LLS 15-0511	<b>Date:</b> January 13, 2015
<b>Prime Sponsor(s):</b> Sen. Ulibarri Rep. Lebsack	<b>Bill Status:</b> Senate Business, Labor, & Technology <b>Fiscal Analyst:</b> Clare Pramuk (303-866-2677)

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**BILL TOPIC:** REDUCE FINANCE CHARGE LIMIT FOR CREDIT CARDS

<b>Fiscal Impact Summary</b>	<b>FY 2015-2016</b>	<b>FY 2016-2017</b>
<b>State Revenue</b>		
<b>State Expenditures</b>	Minimal workload increase.	
<b>FTE Position Change</b>		
<b>Appropriation Required:</b> None.		

**Summary of Legislation**

This bill limits the finance charge allowed on a credit card issued by a Colorado lender to 12.5 percent in the Colorado Uniform Consumer Credit Code (UCCC).

**Background**

Credit cards issued by a Colorado lender must comply with the Colorado UCCC which is administered by the Department of Law (department). Under current law, finance charges for consumer credit transactions are limited to 21 percent per year. There are currently three licensees offering credit cards in Colorado; these are non federally chartered banks or credit unions. The department does not receive a significant number of complaints on credit cards issued by these licensees.

**State Expenditures**

This bill may result in a minimal increase in inquiries to the department about the finance charge limitation, but given the small size of the market subject to the UCCC, this is not expected to require additional appropriations for administration, compliance, or enforcement.

**Effective Date**

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed. It applies to transactions that take place on or after the effective date.

**State and Local Government Contacts**

Law