

Colorado Legislative Council Staff Fiscal Note

STATE

CONDITIONAL FISCAL IMPACT

Drafting Number: LLS 11-0021
Prime Sponsor(s): Sen. Carroll
 Rep. Solano

Date: January 27, 2011
Bill Status: Senate Judiciary
Fiscal Analyst: Harry Zeid (303-866-4753)

TITLE: CONCERNING AN INCREASE IN CONSUMER PROTECTION UNDER THE "COLORADO CONSUMER PROTECTION ACT".

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
State Expenditures		
FTE Position Change		
Effective Date: July 1, 2011, and applies to causes of action filed on or after that date.		
Appropriation Summary for FY 2011-2012: None required.		
Local Government Impact: None.		

Summary of Legislation

This bill states that a person shall not engage in a deceptive or unfair trade practice. The Attorney General, acting by rule, is given additional authority to identify acts, practices, or methods that constitute deceptive and unfair trade practices beyond those specified in current law. The bill also creates a rebuttable presumption that a significant public impact has occurred when a plaintiff offers evidence that a defendant engaged in a deceptive trade practice.

State Expenditures

The bill may create fiscal impact on the Department of Law and the Judicial Branch if additional deceptive trade practices are identified by the Attorney General.

Department of Law. The bill is permissive in authorizing the Attorney General discretionary authority to identify acts, practices, or methods as a deceptive and unfair trade practice. Additional expenditures for the department will depend on the number of enforcement actions that might be brought in the future for newly identified deceptive trade practices. New rule making authority could also drive additional state costs. These costs have not been identified at this time.

Judicial Branch. The bill could lead to additional court filings. The decreased burden of proof for a complainant to show public harm may also increase case load to the courts. Alternatively, it is likely that the bill will lead to an increase in dismissals from judicial rulings stating that no public harm was caused.

On average, the Attorney General's office brings about 10 consumer protection act cases to the state courts annually. Several hundred more are filed by private parties. It is estimated that an additional 100 cases per year could be filed as a result of the bill. However, many of these cases have the potential to be dismissed by pre-trial dispositive motions as they relate to public harm. On balance, any change in caseload to the courts is expected to be at levels that can be absorbed within existing appropriations.

Departments Contacted

Law

Judicial