

HB 25-1264: PROHIBIT SURVEILLANCE DATA PRICES AND WAGES

Prime Sponsors:

Rep. Mabrey; Garcia Sen. Jodeh; Weissman

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Fiscal note status: The fiscal note reflects the introduced bill.

Fiscal Analyst:

Colin Gaiser, 303-866-2677 colin.gaiser@coleg.gov

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Summary Information

Overview. The bill prohibits surveillance-based price and wage discrimination and makes a violation a deceptive trade practice.

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

State Revenue

Local Government

State Expenditures

Appropriations. No appropriation is required.

Table 1 State Fiscal Impacts

	Budget Year	Out Year
Type of Impact	FY 2025-26	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

The bill prohibits surveillance-based price and wage discrimination, which the bill defines as using an automated decision system to inform individualized prices or wages based on surveillance data about a consumer or worker. Any entity that uses an automated decision system to assist decision-making related to wages or prices must develop and publish reasonable procedures to ensure accuracy and transparency of all data.

Violations are considered a deceptive trade practice, and a person aggrieved by a violation may file a civil action. The Department of Law must adopt rules as necessary to implement the bill and may bring a civil action on behalf of the state for a violation.

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. Additionally, when the Attorney General or a district attorney brings a civil action on behalf of the state, and the person is found to have committed a violation, the civil penalty is \$10,000 per violation.

Revenue for civil penalties is deposited into the General Fund. It 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

Department of Law

Rulemaking

The bill increases workload for the Department of Law to conduct rulemaking to establish parameters for automated decision-making procedures. The fiscal note assumes that this one-time work can be absorbed with existing resources.

Deceptive Trade Practice Complaints

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 most individuals 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 can be accomplished within existing resources and that 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 takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

District Attorneys	Law
Judicial	Regulatory Agencies
Labor	