

HB 25-1117: VEHICLE IMMOBILIZATION COMPANY REGULATION

Prime Sponsors:

Rep. Joseph; Boesenecker Sen. Gonzales J.; Weissman

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Fiscal Analyst:

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

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

Summary Information

Overview. The bill establishes new requirements for companies that immobilize or boot vehicles.

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

State Revenue

Local Government

Minimal State Workload

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 establishes new regulations and requirements for companies that boot or immobilize vehicles.

Vehicle Immobilization Company Permits

The bill allows the Public Utilities Commission (PUC) in the Department of Regulatory Affairs (DORA) to deny, suspend, revoke, or refuse to renew a permit of a vehicle immobilization company if it determines it is not in the public interest for the vehicle immobilization company to possess a permit.

Vehicle Immobilization Company Requirements

The bill establishes new requirements for vehicle immobilization companies. Under the bill, these companies:

- must document a vehicle's condition and the reason for immobilization before they immobilize a vehicle;
- must display the name of the company, the permit number, and a phone number of the company on each company vehicle used for immobilization;
- cannot immobilize a vehicle if it has already been immobilized by another company. If a
 company applies more than one immobilization device to a vehicle, the company cannot
 charge more than once for the removal of the devices;
- cannot immobilize a vehicle on private property unless given permission by certain persons or a court;
- cannot immobilize a vehicle in a parking space or common parking area until it places a
 detailed written notice on the windshield of a vehicle at least 24 hours before immobilizing
 the vehicle;
- cannot immobilize a vehicle unless there is adequate signage posted by the owner of the property where the vehicle is located; and,
- cannot patrol or monitor property to enforce parking restrictions on behalf of a property owner.

The bill makes any violation of these regulations by vehicle mobilization companies a deceptive trade practice, subject to enforcement by the Attorney General or a district attorney.

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. 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

The bill increases workload for various departments.

Public Utilities Commission

Under the bill, the PUC may choose to conduct additional investigation into certain vehicle immobilization companies to determine if it is in the public interest for these companies to have a vehicle immobilization permit. The PUC currently regulates no more than 20 of these companies and any impact is expected to be minimal.

Department of Law

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 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 upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Judicial Regulatory Agencies

Law Transportation

Public Safety Treasury