



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1197: SALE OF ELECTRICAL ASSISTED BICYCLES REQUIREMENTS

Prime Sponsors:

Rep. Smith; Taggart
Sen. Amabile; Ball

Fiscal Analyst:

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Bill Outcome: Signed into Law

Drafting number: LLS 25-0775

Version: Final Fiscal Note

Date: June 26, 2025

Fiscal note status: The final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill creates disclosure and labeling requirements for sellers, manufacturers, and distributors of electrical assisted bicycles.

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

- Minimal State Revenue
- Minimal State Workload
- 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

The bill creates new requirements for manufacturers, distributors, and sellers of electrical assisted bicycles.

Multiple Mode Electrical Assisted Bicycles

The bill defines a “multiple mode electrical assisted bicycle” as an electrical assisted bicycle equipped with switchable or programmable modes that allow the bicycle to be operated as two or more of a class 1, class 2, or class 3 electric bicycle. Beginning July 1, 2027, required labels for these bicycles must identify the highest class or each of the classes in which the bicycle is capable of operation.

Labeling and Disclosure Requirements

The bill requires that sellers of electrical assisted bicycles make certain disclosures to buyers, including:

- the maximum speed and continuous rated power of the bicycle;
- whether the bicycle is a class 1, class 2, class 3, or multiple mode bicycle;
- whether the bicycle is designed for the purpose of transporting passengers and the location of any seating or attachment points; and,
- if applicable, a statement that is unlawful for individuals under 16 years of age to ride a class 3 bicycle, except as a passenger.

The bill prohibits an individual from selling a vehicle that is not an electrical assisted bicycle if it is falsely labeled as an electrical assisted bicycle. If the seller uses the words “electrical assisted bicycle,” “electric bike,” or “e-bike” when selling such a vehicle, it must provide the disclosure included in the bill. A person who violates this section commits a deceptive trade practice under the Colorado Consumer Protection Act.

Lithium-ion Batteries

The bill prohibits a person from manufacturing, distributing, or selling a lithium-ion battery or a second-use lithium-ion battery as part of or intended for use in an electric bicycle unless the battery has been certified by an accredited testing laboratory.

Definition of Electrical Assisted Bicycle

The bill amends the definition of “electrical assisted bicycle” to specify that this definition does not include vehicles modified, manufactured, or intended to no longer meet the requirements for any class of electrical assisted bicycle, whether by a mechanical switch or button, by changing a setting in software controlling the drive system, by use of an online application, or through other means intended by the manufacturer or seller.

Background

Under current law, all electric bicycles in Colorado are required to conform to one of three classifications and have a label showing the bicycle's classification, top assisted speed, and motor wattage. Any modification to an electric bicycle that changes the speed capability or motor wattage requires an updated label.

- **Class 1.** An electric bicycle that only provides assistance when the rider is pedaling; the motor ceases at 20 miles per hour (mph).
- **Class 2.** An electric bicycle that provides assistance regardless of whether the rider is pedaling; the motor ceases at 20 mph.
- **Class 3.** An electric bicycle that only provides assistance when the rider is pedaling; the motor ceases at 28 mph. Class 3 electric bicycles must have a speedometer.

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

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 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 marketplaces 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, if district attorneys receive complaints related to the new requirements under the bill, workload will increase to investigate complaints and seek relief when appropriate. It is assumed most cases will be handled at the state level by the Attorney General.

Effective Date

The bill was signed into law by the Governor on May 28, 2025, and takes effect on August 6, 2025, assuming no referendum petition is filed.

State and Local Government Contacts

Judicial
Law

Regulatory Agencies