



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 25-016: UPDATING ESCROW DISBURSEMENT PRACTICES

Prime Sponsors:

Sen. Snyder
Rep. Boesenecker; Weinberg

Fiscal Analyst:

Brendan Fung, 303-866-4781
brendan.fung@coleg.gov

Bill Outcome: Signed into Law
Drafting number: LLS 25-0366

Version: Final Fiscal Note
Date: May 28, 2025

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

Summary Information

Overview. The bill modifies the types of funds that are available for immediate withdrawal in real estate transactions.

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

- Minimal State Workload
- State Revenue

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 modifies the types of funds that are available for immediate withdrawal in real estate transactions by:

- limiting wire transfers to only those funds that are made through a funds-transfer service operated by the Federal Reserve or a clearing house; and
- permitting the use of funds credited to an escrow account.

The bill makes noncompliance with these provisions a deceptive trade practice.

State Revenue

Starting in FY 2025-26, the bill may increase state revenue from civil penalties and court filing fees by a minimal amount.

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 may increase workload in the Department of Law and the Judicial Department beginning in FY 2025-26, as described below.

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

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 real estate professionals and banking institutions will abide by the law and that any violation of the legislation will result in a 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.

Effective Date

The bill was signed into law by the Governor on March 26, 2025, and takes effect on August 6, 2025, assuming no referendum petition is filed.

State and Local Government Contacts

Judicial

Regulatory Agencies

Law