



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1013: RATIO UTILITY BILLING SYSTEMS

Prime Sponsors:

Rep. Sirota; Mabrey
Sen. Cutter; Weissman

Fiscal Analyst:

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

Summary Information

Overview. The bill clarifies that landlords may use a ratio utility billing system for their tenants as long as certain requirements are met.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis starting in FY 2026-27:

- Minimal State Workload
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
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 authorizes landlords to implement a ratio utility billing system for their tenants if landlords meet the following requirements:

- the total amount billed to all tenants cannot exceed the total amount charged by the utility provider;
- the landlord may not charge a fee or surcharge in excess of the actual utility charges;
- the utility costs for common areas or shared facilities must be excluded from tenant charges; and,
- the landlord must clearly communicate the method of allocation as part of the rental agreement.

Background

[House Bill 25-1090](#) placed restrictions on landlords regarding certain fees charged to tenants. Violations are subject to the Colorado Consumer Protection Act (CCPA), which is enforced by the Department of Law. The bill clarifies that ratio utility billing systems are permitted if certain requirements are met.

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. If the bill increases the number of deceptive trade practice complaints, state revenue may increase.

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 additional 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.

Department of Local Affairs

The Office of Rental Assistance (ORA) with the Department of Local Affairs currently operates voucher programs that assist tenants with rent payments, which can include utility payments. The bill may adjust the amount of these vouchers. ORA may experience additional workload to communicate and document the changes in voucher payments; this additional workload and any nominal changes to voucher amounts can be accomplished within existing 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 landlords 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

To the extent district attorneys receive complaints related to ratio utility billing systems, 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 Department of Law.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Judicial
Law

Local Affairs
Regulatory Agencies

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).