
**STATEMENT FOR THE RECORD BEFORE THE COLORADO HOUSE
JUDICIARY COMMITTEE ON HB25-1090: PROTECTIONS AGAINST
DECEPTIVE PRICING PRACTICES**

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Hunter Nelson, Colorado Director
Small Business Majority

Thank you, Chairman Mabrey and members of the Committee:

My name is Hunter Nelson and I'm the Colorado Director for Small Business Majority, a small business organization with a mission to empower America's diverse entrepreneurs to build a thriving and equitable economy. I'm pleased to provide testimony on House Bill 25-1090, legislation that would provide greater transparency in pricing of goods, services and property for both consumers and small businesses, including common area maintenance (CAM) fees for small businesses.

All too often, small businesses are charged with hidden and surprise fees when buying goods and services from larger companies. This bill requires greater transparency, allowing small business owners to make informed decisions when they are purchasing goods and services for their business. Many small businesses are happy to support policies that require transparency and honesty in their own business practices, and entrepreneurs—including some in our network—have expressed that they already practice price transparency for various fees that they may charge to support the cost of doing business. This bill does not prohibit those fees; it only requires transparency in fees and therefore does not harm entrepreneurs' bottom line.

We are also grateful that this bill's sponsors and champions met with small business owners to inform this legislation, and their work to ensure that the transparency requirements—including for restaurants—are not overly burdensome for small businesses. However, should this bill become law, we must prioritize awareness of these requirements during implementation so that small businesses can be compliant. Small business owners want to be compliant with rules and regulations, but we need to ensure that this information is reaching them.

Additionally, this legislation would provide some protection for small business owners regarding CAM fees, which appear in commercial leases for businesses that cover maintenance costs. However, oftentimes these fees are not made fully transparent to small business owners signing a commercial lease and they disproportionately impact small business owners of color who are already at risk of displacement.

Therefore, we support the ways in which this bill would require transparency and protection for small business owners from certain ramifications common with CAM fees by requiring commercial landlords to disclose the total price of the rent, which for commercial renters should not include the expense of CAM Fees. This means that commercial renters could not be evicted for paying rent but failing to pay CAM Fees. Additionally, to charge CAM fees—which are charged on top of rent—commercial landlords will need to indicate what charges are included in CAM fees and who is receiving payment for these services. Also, at the end of the year, if commercial landlords attempt to have a "reconciliation" where they ask for additional fees, they would have to disclose what these fees are for and who they go to.

Furthermore, this bill would give commercial tenants some recourse if they feel their rights have been violated. A small business could send a written demand letter to the landlord for reimbursement of any fees that were charged that were not itemized and/or fees that were charged for which the service was

not provided. The landlord would then have 14 days to reply, and if the tenant is not reimbursed or they do not receive a reply, they could take the landlord to court and receive three times the amount that has been challenged.

Passing HB 25-1090 would protect small businesses from hidden fees when purchasing goods and services, and small business commercial tenants would have more transparency and protection regarding CAM fees in their leases. These changes will make it easier for entrepreneurs to balance their budget and run their businesses while protecting them from potential displacement as rent prices continue to soar around the state. We urge you to pass this legislation so that Colorado's small business community and consumers can enjoy greater price transparency.

Sincerely,

Hunter Nelson
Colorado Director
Small Business Majority