

March 24, 2025

RE: Small Business Majority's support for HB 25-1090

Dear President Coleman, Majority Leader Rodriguez, Minority Leader Lundeen and Members of the Senate:

As a representative of Colorado's small business community, Small Business Majority writes today to urge you to pass 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, consumers—both individuals and small businesses—are charged with hidden and surprise fees when buying goods and services from larger companies. This bill requires greater transparency, allowing consumers to make informed decisions when they are purchasing goods and services. 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 lines.

Additionally, this legislation would provide some protection for small business owners regarding CAM fees, which can appear in commercial leases for businesses that cover maintenance costs. Often 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. This would be significant because it would mean that commercial renters could not be evicted for paying rent but failing to pay CAM fees. To charge CAM fees—which are included on top of rent—commercial landlords would 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" in which they ask for additional fees, they would have to disclose what these fees are for and whom they go to.

Although this proposed legislation is largely positive, it would better serve both consumers and small businesses if it included a private right of action so that renters would have the ability to recoup their money. Demand letters would be a crucial form of recourse to protect tenants from predatory CAM fees. It could help tenants—both commercial and residential—obtain reimbursement for fees charged that were not itemized and/or fees that were charged for which the service was not provided. If the landlord does not reply or provide a reimbursement for the fees, the tenant could seek damages in court.

By requiring upfront disclosure and limiting unfair charges, the bill promotes a level playing field with clear guidelines that foster consumer trust. It would also protect tenants from deceptive CAM fees. We urge you to pass this legislation so that Colorado's consumers and small businesses can enjoy greater transparency when purchasing goods and services, or when renting property.

Sincerely,

Hunter Nelson Colorado Director, Small Business Majority