

March 25, 2025

*RE: Small Business Majority's support for SB 25-157*

Dear Senators Amabile, Ball, Bridges, Daugherty, Exum, Michaelson Jenet and Sullivan:

As a representative of Colorado's small business community, Small Business Majority writes today to express our strong support for SB25-157, legislation that would modernize and strengthen Colorado's consumer protection laws to better safeguard individuals, families and small businesses from fraudulent, deceptive and predatory business practices.

Colorado currently has some of the weakest consumer protection laws in the country. As a result, our state lacks strong disincentives against dishonest business practices, and when deceptive practices do occur, consumers and small businesses face unnecessary hurdles when seeking justice. This not only harms individuals but also puts honest small businesses at a disadvantage, allowing bad actors—often larger companies that do not adhere to good business practices—to gain an unfair competitive edge. Over time, this erodes trust in the entire business community and damages Colorado's marketplace.

Additionally, small businesses are not just providers of goods and services; they are also consumers themselves. They rely on fair business practices when purchasing equipment, software, financial services and other critical resources. Unfortunately, deceptive trade practices can trap small business owners in predatory agreements, particularly when seeking access to capital. While many lenders operate fairly, some engage in misleading practices that obscure the true cost of borrowing, leaving entrepreneurs burdened with unaffordable debt and threatening the viability of their businesses.

SB25-157 would help protect both consumers and small businesses by:

- Clarifying that harmed consumers and businesses may bring legal action when a business violates Colorado's consumer protection laws or engages in conduct that has the capacity to harm others.
- Ensuring that businesses engaging in deceptive practices can be held accountable while maintaining safeguards against frivolous claims by explicitly stating that the law does not apply to routine breach of contract, negligence, or medical malpractice cases.
- Providing small businesses with stronger protections against unfair competition by allowing them to take legal action when harmed by deceptive business practices.
- Helping small businesses access safe and transparent capital by deterring predatory lending practices that target entrepreneurs.
- Bringing Colorado in line with consumer protection standards in other states, ensuring that corporations cannot exploit outdated laws to engage in predatory behavior.

Fair competition is key to a thriving business environment. Strengthening our consumer protection laws will help level the playing field, ensuring that honest businesses are not left vulnerable to exploitation and that consumers—including small business owners—have the tools they need to hold bad actors accountable. We urge you to support SB25-157 to help ensure that all Coloradans are protected from deceptive and predatory business practices. Thank you for your leadership on this critical issue; we welcome the opportunity to discuss this bill further and encourage your support for its passage.

Sincerely,

Hunter Nelson  
Colorado Director, Small Business Majority