

DEPARTMENT OF LAW

2026 Legislative Priorities



Executive Summary

As an administration gains experience with its legal duties and responsibilities, there is a critical opportunity to make targeted improvements and resolve outstanding issues over time. This allows the State to capture lessons learned from years of implementation and experience, rather than leaving unresolved challenges for the next administration to learn, diagnose, and correct anew. Thoughtful updates to statutes, procedures, and governance structures can provide continuity, reduce uncertainty, and prevent avoidable disruptions during the transition period. By clarifying authority, modernizing processes, and streamlining operations in advance, outgoing leadership helps set subsequent administrations up for success — allowing new officials to focus on policy priorities and effective governance rather than inherited inefficiencies. This approach strengthens institutional knowledge, improves government functioning, and reinforces a commitment to responsible stewardship that benefits both the public and future leadership.

This report presents a comprehensive package of recommendations to refine and improve matters within the Department of Law's purview, strengthen consumer protection and enforcement frameworks, preserve strong public safeguards, and support a fair, competitive business environment. The recommendations reflect that emerging business practices and enforcement fact patterns are increasingly testing the outer bounds of existing statutory frameworks, particularly in technology-enabled and data-driven markets. Collectively, the recommendations emphasize coordination, clarity, and transparency. They call for improved interagency data sharing; closing enforcement gaps related to unlicensed and unregulated activity; regular review of Department of Law rules to prevent outdated or unnecessary requirements; and clearer, more consistent investigative and discovery authorities. The report also addresses cost control and accountability through aligned attorney fee caps and targeted litigation fiscal notes, ensuring that enforcement and legislative decisions are informed by real-world budgetary and litigation risks.

In addition, the recommendations promote responsible regulatory restraint and market transparency by subjecting title-protection provisions to review, consolidating overlapping consumer protection violations, clarifying the scope of medical debt interest caps, codifying national real estate settlement principles, and strengthening disclosures in developer contracts. Operational improvements — such as updating the Substance Use and Response Task Force and establishing advisory councils within the Department — are designed to reduce administrative burden, encourage stakeholder engagement, and foster continuous improvement. Together, these proposals aim to ensure that Colorado's consumer protection laws remain effective, adaptable, and focused on meaningful public benefit, while avoiding unnecessary complexity, litigation-driven incentives, and unintended impacts on businesses, affordability, and innovation.

Through legislative action, the General Assembly can codify the recommendations contained in this report to help the Department achieve their mission and statutory responsibilities.

Recommendation 1 - Improve Interagency Coordination Between the Department of Law and Other State Agencies

In a system where multiple government agencies share responsibility for enforcement, allowing for data sharing between these agencies can improve both efficiency and outcomes. When enforcement authorities can share information — such as complaint records, investigation findings, compliance histories, or enforcement actions — they can coordinate efforts in a way that avoids duplication of efforts. Rather than each agency launching overlapping investigations, shared data allows for a unified, prioritized approach. This not only reduces the burden on businesses but also makes the regulatory environment more predictable, helping entities plan and operate with greater certainty about compliance expectations.

At the same time, data sharing allows agencies to make better use of limited resources. Instead of building separate databases, seeking out existing information, or staffing resources to monitor similar issues, agencies can leverage shared datasets to identify systemic problems or compliance patterns. A consolidated view supports more strategic use of enforcement power: agencies can target emerging risks and track patterns of behavior. In doing so, enforcement becomes not only more cost-effective, but also more impactful — maximizing the benefit to consumers.

For individuals seeking help or guidance, shared data translates into a smoother, more responsive experience. People often don't know which agency handles their particular concern — and bouncing between offices can be confusing, discouraging, and unproductive. When agencies share information, a consumer's case can be transferred or referred seamlessly, without the need to re-submit paperwork or repeat their story. This unified approach helps ensure that complaints are addressed more quickly, follow-up is coordinated, and resolutions don't fall through cracks just because oversight was fragmented. In the end, data sharing builds a government system that is more transparent, approachable, and trustworthy for the people it aims to protect.

In 2022, to improve consumer protection efforts, the General Assembly enacted legislation establishing the Fair Housing Unit with the Department of Law. This unit shares enforcement authority with the Department of Local Affairs (DOLA) for the Mobile Home Park Act and the Mobile Home Park Act Dispute Resolution and Enforcement Program and various housing laws. Effective coordination between these agencies is crucial, as issues in mobile home communities often span legal, financial, and housing stability concerns. At the same time, housing-related complaints frequently intersect with civil rights matters overseen by the Civil Rights Division within the Department of Regulatory Agencies (DORA). Discrimination, retaliation, and fair-housing violations cannot be addressed in isolation; they require visibility across agencies to identify patterns and ensure that residents receive comprehensive protections. Without structured data sharing, each agency sees only a slice of the problem, leading to fragmented responses. When information can flow between the Department and DOLA or the Department and DORA, agencies can respond more holistically, prevent enforcement gaps, and better protect those who rely on government systems to act cohesively and consistently on their behalf.

Removing restrictions that prevent the Department from entering into meaningful agreements with other state agencies through a memorandum of understanding will allow for a better experience for consumers and businesses. It will also provide state agencies the flexibility to define this relationship as the underlying laws change over time.

Therefore, it's recommended that the General Assembly improve the Department's ability to enter into interagency agreements with state agencies to allow for improved data sharing and coordination.

Recommendation 2 - Consumer Protections for Unregulated Activity

The Department of Law should have clear authority to investigate individuals or businesses that fail to register, obtain required state licenses, or secure any other necessary certifications. Some regulatory programs lack jurisdiction over unlicensed actors, leaving consumers unprotected and allowing bad actors to evade oversight. Granting this authority will close critical enforcement gaps, protect the public, and ensure fair competition for businesses that invest in compliance.

Legitimate businesses invest significant time and resources in compliance — paying licensing fees, completing training, and undergoing inspections. When competitors skip these steps without consequence, they gain an unfair cost advantage and distort the marketplace. This undermines businesses that follow the law and weakens the integrity of Colorado's regulatory environment.

When a bad actor intentionally avoids the licensing or certification process, they also evade the oversight mechanisms designed to ensure public safety, ethical conduct, and compliance with state standards. This creates a gap in which no agency has clear jurisdiction to intervene, leaving consumers vulnerable and enabling misconduct to continue unchecked.

Improving the Colorado Consumer Protection Act (CCPA) to address these unfair, deceptive, and abusive acts will address a meaningful regulatory gap without increased costs to legitimate businesses. It will also give a consumer the ability to address any harms they experienced because regulations were not being followed. This is a meaningful consumer protection that will also give Colorado businesses a fairer marketplace in which to operate.

Therefore, it's recommended that the General Assembly enact legislation amending the CCPA to better address enforcement gaps around unapproved activities in the State to protect businesses and consumers.

Recommendation 3 - Require Department Rules to be Regularly Reviewed

Legislation has granted the Department rulemaking authority in existing and new authorities under the CCPA. This is a new responsibility that requires diligence and long-term planning. It is important these rules are reviewed by the Department to evaluate whether they align with statutes and their legislative intent, assess their economic and compliance impacts, determine benefits to workers and consumers,

and review the effectiveness of stakeholder engagement processes in rulemaking. The review should also identify opportunities for performance improvements and evaluate the staffing needed to support effective oversight.

This will help establish a culture of modern, streamlined regulatory framework that eliminates unnecessary barriers while upholding consumer and worker protections. The alignment between rules, statutory purpose, and statewide regulatory goals can improve overall outcomes for impacted people and businesses. Regulations that reflect Colorado's current economic landscape make compliance clearer and enforcement more effective. It also prevents outdated rules that no longer provide meaningful value for compliance purposes or consumers from adding to business operating costs or hindering innovation. By reviewing rulemaking outreach processes, the review ensures that stakeholders — businesses, workers, consumers, and advocates — are meaningfully engaged.

Rule reviews will also allow the Department to keep pace with other state laws and regulations. Improving interoperability across state lines or aligning with any rules created to address emerging harms in other states can keep Colorado at the forefront. Regular rule evaluation also ensures that government oversight keeps pace with evolving business models, emerging risks, and changing consumer expectations. This is especially important in sectors where new technologies or service models can quickly outgrow existing regulatory frameworks. Additionally, regular review allows the Department to assess whether evolving practices — such as automated systems, digital interfaces, or novel pricing and contracting models — are adequately addressed under current rules and statutes.

Therefore, it's recommended that the General Assembly enact legislation to improve the way the Department reviews its rules to update or repeal outdated and/or unnecessary rules, follow trends and market behavior, and maintain interoperability with other state requirements.

Recommendation 4 - Civil Investigation Demands for Pattern and Practice Investigations

In 2020, the General Assembly enacted Senate Bill 20-217, the Law Enforcement Integrity Act, to improve policing practices and law enforcement oversight. This included new authority for the Department to investigate government authorities for depriving persons of their legal rights.

Since its enactment, the Department has conducted several investigations into government authorities under this law. Informed by these investigations, the Department evaluated the current statute for potential improvements to better carry out this important work. While subpoena authority is provided for in statute, the language is broad and should be clarified to ensure proper use and expectations for parties involved.

For example, in the CCPA, the Attorney General similarly can serve subpoenas for documents and testimony. However, the Colorado Supreme Court has determined these subpoenas are not self-executing (*American Banco*, 570 P. 2d at 829); instead, the Attorney General must apply to enforce the subpoenas through a specific process. In that application, the Attorney General must establish that

there are reasonable grounds to believe that the subpoenas are necessary to investigate a deceptive trade practice and that they are sufficiently specific that the target knows what it is supposed to produce and the breadth is not overly burdensome.

The Department's pattern and practice investigations should operate under the same principles. Aligning them with established and frequently used authorities will allow for existing caselaw to provide insight into how this will operate in practice. This approach will also enable the Department to carry out its statutory duties with more certainty in its ability to obtain the necessary information to investigate while balancing local governments' interest in narrow and reasonable requests to avoid undue burdens throughout an investigation. Therefore, it's recommended that the General Assembly amend section 24-21-117, C.R.S. to clarify that the pattern and practice subpoena authority and mirror the CCPA to maintain consistency in the Department's subpoena authority.

Recommendation 5 - Align Attorney Fee Caps for Legal Services to Promote Cost-Effective CCPA Enforcement and Protect Consumers

Contracting for legal services can be necessary to enforce laws that require specific knowledge and experience. However, when fee arrangements are not bound by clear and reasonable caps, the resulting incentives can inadvertently encourage unnecessary or protracted litigation that works against the public interest. In the context of consumer protection, unchecked attorney fees can absorb the majority of any recovery, leaving individual consumers and the public with little relief from the harms while increasing litigation costs.

Colorado's statutory framework already recognizes the need to restrain legal costs in certain contexts through fee caps that limit attorney compensation. These caps serve a public purpose: they help ensure that enforcement actions are driven by consumer impact and evidentiary merit, not promises of outsized fee awards. It also keeps costs down so taxpayer dollars are not wasted. This is not intended to impact the enforcement of any local consumer protection laws or any other civil action a district attorney may take. Local control should not be impacted but, when it comes to the application of state law, there should be more consistency.

Aligning district attorney fee caps when enforcing state consumer protection laws with these established state fee limitations will promote accountability and fairness in consumer protection enforcement. It will also strengthen Colorado's broader regulatory ecosystem by centering legal action on substantive consumer harm, ensuring that public interest litigation serves the people of Colorado — not private incentives.

Therefore, it's recommended that the General Assembly enact legislation extending existing state fee caps to the district attorneys when enforcing the CCPA through a third party.

Recommendation 6 - Fiscal Notes Information on Litigation-related and New Legal Claims-related Costs

The Department defends hundreds of civil claims against state agencies each year. These claims require substantive legal resources in the form of attorney state employees, expert witnesses, and other associated legal costs. Some lawsuits against the State in the past, if successful, could have cost the State tens or hundreds of millions of dollars. Others presently pending against the State could also result in multi-million-dollar judgments.

When legislative measures are brought that create new categories of legal claims against the State or changes that involve tax policy can have a meaningful monetary cost to the State budget. While well intentioned, these new laws still pose costs that the State must be able to anticipate and budget for. Until recently, the Joint Budget Committee (JBC) was briefed in executive session on pending litigation that can impact the State budget. Such cases, if receiving an unfavorable court ruling, could result in large impacts to the State budget, limiting the JBC's and General Assembly's ability to craft the annual budget and fully fund essential programs and services.

Presently, such costs are routinely unaccounted for in legislative fiscal notes, often marked as "indeterminate". This approach fails to capture the potential significant expenditures the State may later assume which, in turn, hampers the General Assembly's ability to reliably account for such future costs while developing the budget.

Therefore, it's recommended that the General Assembly enact legislation to allow the Department to communicate confidentially with the JBC through the fiscal note process, or some other means, for up to a certain number of bills per session. This would result in a brief statement on a bill's impacts to litigation-related information and potential expenditures borne by the State, if any. Such statements would be only at the request of JBC or legislative leadership when deemed necessary.

Recommendation 7 - Sunset Review of Title Protection in the Consumer Protection Act

Current law identifies certain deceptive trade practices tied to the use of professional titles and credentials, including academic degrees, dietitians, opticians, and sign-language interpreters, and makes misrepresentation of those titles an unfair practice under the CCPA. Unlike most occupational or professional licensing programs subject to periodic review by the Colorado Office of Policy, Research and Regulatory Reform (COPRRR) — which assesses regulatory necessity, economic impact, public welfare considerations, and opportunities to reduce unnecessary burdens — these specific CCPA provisions and the associated professional requirements do not undergo the same structured evaluation process designed to balance consumer protection with regulatory restraint.

Colorado's regulatory framework should be grounded in the principle that government oversight must protect public health, safety, and welfare while avoiding unnecessary or overly restrictive requirements that impede business growth and competition and serve no public benefit. A systematic review process — like the reviews performed by COPRRR — can help ensure that CCPA-related professional standards remain targeted, efficient, and aligned with contemporary market conditions, fostering both robust consumer protection and a business environment that encourages innovation and fair competition.

Therefore, it's recommended that the General Assembly enact legislation to provide for COPRRR reviews to add these title and degree protections to their regular review process.

Recommendation 8 - Clarifying the Discovery Process for Litigants and State Agencies

When the Attorney General brings an enforcement action under the CCPA, the Attorney General acts pursuant to independent statutory authority, not in the role of legal counsel for other state agencies. This distinction is fundamental to the structure of CCPA enforcement. The Attorney General's decision to bring a claim does not implicate, bind, or otherwise involve state agencies that are not parties to the action, nor does it convert those agencies into participants in the litigation by virtue of the Attorney General's separate and distinct role as the State's chief legal officer.

To promote procedural clarity and meet expectations, enforcement actions should expressly recognize that state agencies are not parties to CCPA cases brought by the Attorney General. If a defendant believes that a non-party state agency possesses information relevant to the claims or defenses at issue, existing civil procedure rules already provide an appropriate and sufficient mechanism: third-party discovery. This approach preserves access to relevant information while respecting agency independence, avoiding unnecessary entanglement of uninvolved agencies in litigation, and preventing discovery disputes from expanding beyond the scope of the enforcement action itself.

This change reflects recent litigation outcomes and approaches adopted in other states. Importantly, this clarification would not limit discovery of relevant evidence or shield agencies from lawful requests; rather, it would define the proper pathway for discovery. Clarifying this boundary strengthens consumer protection enforcement by improving efficiency, reducing unnecessary litigation complexity, and ensuring that CCPA actions remain focused on the conduct at issue rather than collateral procedural disputes.

Therefore, it's recommended that the General Assembly clarify in statute the process to obtain information from state agencies through discovery when the Attorney General brings an action under their authority.

Recommendation 9 - Codify the Principles of the National Realtor Settlement to Maintain Transparency when Buying a Home

In March 2024, the National Association of Realtors (NAR) agreed to settle extensive class-action litigation alleging anticompetitive practices in the real estate brokerage industry, including rules that contributed to artificially high commission costs and reduced transparency for home buyers and sellers. As part of the settlement, real estate agents who participate in Multiple Listing Services (MLSs) are now required to secure written agreements with buyers that disclose agent compensation upfront, and MLSs may no longer display offers of compensation to buyer agents directly within listings, creating space for buyers and sellers to negotiate compensation based on transparent terms rather than default industry norms.

Colorado is affected profoundly by the cost and accessibility of homeownership, especially for first-time homebuyers. Elevated transaction costs can be passed through to buyers and sellers and may contribute to higher overall housing prices, reduced mobility, and diminished affordability. To maintain and advance the goals of the NAR settlement, Colorado should codify key transparency and negotiation principles into state law, ensuring that all real estate brokerage compensation arrangements are disclosed clearly and negotiated voluntarily by informed parties rather than implicitly embedded in industry practice. This would affirm consumer choice, support competitive dynamics among brokers, and help prevent practices that can artificially inflate the cost of buying and selling a home, while preserving reasonable professional compensation in a transparent market.

Therefore, it's recommended that the General Assembly codify the settlement provisions to keep these practices from re-emerging and harming consumers and affordability.

Recommendation 10 - Establish Advisory Councils within the Department of Law to Strengthen Access, Engagement, and Institutional Learning

To promote effective enforcement, public confidence, and continuous improvement, the Department should establish standing advisory councils composed of diverse stakeholders with direct experience and expertise relevant to the Department's work. These councils would serve as structured forums for dialogue, allowing the Department to engage in regular, meaningful communication with affected communities, regulated entities, consumer advocates, and subject matter experts.

Advisory councils can improve access to the Department by creating clear, predictable channels through which stakeholders can raise concerns, share emerging issues, and provide feedback on enforcement priorities and practices. This two-way engagement helps the Department better understand how its policies and actions operate in practice, identify unintended consequences, and respond proactively to changing market conditions and consumer needs. These councils may also help identify emerging trends or practices affecting consumers and markets that are not yet clearly addressed in statute, allowing for early discussion and informed policy development. Importantly, advisory councils would not direct enforcement decisions or compromise prosecutorial independence; rather, they would support informed decision-making by offering perspectives that may not otherwise be visible within traditional case-driven processes.

By institutionalizing stakeholder engagement, advisory councils can also help the Department improve internal practices, including guidance development, outreach strategies, and compliance assistance efforts. Regular input from varied interest groups supports transparency, fosters trust, and reinforces the Department's role as both an enforcer of the law and a steward of fair, effective, and accountable government. Establishing advisory councils aligns with best practices in public administration and reflects a commitment to governance that is responsive, inclusive, and grounded in real-world experience.

Therefore, it's recommended that the General Assembly establish advisory councils related to the Department, and its work related to the CCPA, debt collection practices, and data privacy and technology.

Recommendation 11 - Clarify the Scope of Colorado's 3% Medical Debt Interest Cap to Apply Only to Direct Medical Costs

In 2023, the General Assembly enacted Senate Bill 23-093, which caps the maximum allowable interest on medical debt at three percent per annum, strengthening protections for consumers burdened by health care-related balances. Under the statute, "medical debt" is defined with reference to debt arising from the receipt of health care services or medical products or devices, and the cap replaces higher historical interest rates that could compound consumer hardship.

To ensure the law operates as intended, and to avoid unintended consequences for Colorado's broader credit and lending markets, the statute should be clarified to reflect that the 3% cap applies only to interest on direct medical costs — i.e., charges for health care services, products, and related billing as defined in statute — and is not intended to impose a 3% interest ceiling on unrelated consumer loans or financing products that may be used to pay medical bills (such as personal loans, credit card balances, or health care financing arrangements that extend beyond direct cost recovery).

This clarification aligns with the original consumer protection purpose of SB 23-093 — to reduce financial hardship from unavoidable medical expenses — without inadvertently constraining credit markets in ways that could limit access to necessary financing for consumers or impose undue burdens on lenders. By expressly delineating the scope of the cap, Colorado can maintain robust medical debt protections while promoting clarity, fairness, and economic predictability for both consumers and businesses.

Therefore, it's recommended that the General Assembly clarify that the interest rate cap for medical debt applies to direct expenses.

Recommendation 12 - Consolidate Overlapping Consumer Protection Violations to Preserve Broad Coverage and Effective Enforcement

Over the past seven years, the General Assembly has enacted approximately thirty new consumer protection provisions, many of which address narrow or highly specific conduct that is already covered by existing provisions of the CCPA, essentially duplicating violations. In several instances, these newer violations operate as more detailed versions of long-standing requirements related to price disclosure, advertising practices, labeling, or transparency. While these additions reflect a continued commitment to consumer protection, the accumulation of increasingly specific statutory provisions can unintentionally fragment enforcement and create technical barriers to holding harmful conduct accountable. Over time, reliance on increasingly specific statutory provisions may limit the ability of broadly applicable standards to address new or unforeseen forms of consumer harm.

Overly prescriptive violations risk narrowing enforcement authority by conditioning liability on compliance with detailed elements that may not capture evolving business practices or novel forms of consumer harm. In contrast, broader, purpose-driven provisions allow enforcement agencies to address deceptive or unfair conduct more effectively, even as markets, technologies, and commercial activities change. Consolidating violations that share a common consumer protection purpose would simplify enforcement, reduce unnecessary complexity, and improve legal clarity for businesses, without weakening substantive protections for consumers.

Therefore, it's recommended that the General Assembly consolidate and combine current unfair deceptive acts or practices that are duplicative without reducing the Department's existing enforcement authority or reducing the scope of protections.

Recommendation 13 - Update and Streamline Substance Use and Response Task Force Procedures to Strengthen Focus and Reduce Administrative Burden

The Substance Use and Response Task Force, housed within the Department, plays an important role in supporting coordinated, informed responses to opioid and other substance use challenges. As the task force has matured, however, experience has revealed opportunities to refine its procedures to better align with its core mission and current policy landscape. Updating these procedures will allow the task force to apply lessons learned, reduce unnecessary administrative burdens, and focus resources on high-impact work.

Specifically, the General Assembly should address recurring reporting requirements, which have created ongoing administrative obligations without clear corresponding benefits, and instead allow the task force to share findings and recommendations through more flexible and targeted mechanisms. The report was originally excluded from the existing repeal requirement in statute. This report is no longer necessary, but there is no mechanism to repeal it. In addition, the environmental expert seat on the task force should be removed, as it has never been filled due to a lack of applicants. Finally, the requirement that the task force review legislation introduced by the Opioid and Other Substance Use Disorders Study Committee should be eliminated, as that committee no longer exists. These updates would modernize the task force's statutory framework, clarify expectations, and ensure that its time and expertise are directed toward advancing effective substance use prevention, treatment, and response strategies rather than maintaining outdated procedural requirements.

Therefore, it's recommended that the General Assembly update the task force as described above to improve overall operations.

Recommendation 14 - Strengthen Disclosure Requirements for Developer Contract Cancellation Clauses to Support Informed Consumer Decision-Making

Real estate purchase contracts, particularly those involving new development, often contain complex provisions that can significantly affect a buyer's rights and expectations. Among the most consequential are clauses that allow a developer to cancel a contract unilaterally, including provisions that permit

cancellation for any reason and at any time. When these terms are not clearly disclosed or are embedded in lengthy contracts without meaningful notice, buyers may unknowingly assume risks that undermine transaction certainty and financial planning.

To promote transparency and informed decision-making, Colorado should codify the Division of Real Estate's existing rule requiring that buyers be advised to consult with an attorney prior to entering into a developer contract. Formalizing this requirement in statute reinforces the importance of independent legal review in transactions where power and information asymmetries are common. In addition, any contract provision granting a developer the unilateral right to cancel a contract for any reason and at any time should be subject to heightened disclosure standards, including bolding, separate acknowledgment, or affirmative consent by the buyer. These measures ensure that critical terms are not overlooked and that buyers fully understand the nature and scope of the risks they are assuming.

Clear, conspicuous disclosure of cancellation rights benefits both consumers and the market. Buyers are better equipped to make informed choices, compare alternatives, and negotiate terms, while developers benefit from clearer expectations and reduced disputes. By strengthening disclosure requirements without prohibiting contractual flexibility, Colorado can protect consumers, enhance trust in real estate transactions, and support a fair and transparent housing market.

Therefore, it's recommended that the General Assembly codify existing Division of Real Estate rules and require additional disclosure requirements for certain provisions within developer contracts to promote transparency and informed decisions.

Recommendation 15 - Non-Substantive and Technical Updates to Improve Statutory Clarity and Administration within Department of Law Organic Statutes

Over time, statutes can accumulate outdated references, inconsistent terminology, obsolete cross-citations, and provisions that no longer reflect current administrative practices or technologies. While these issues do not alter the substantive intent of the law, they can create confusion, complicate implementation, and increase the risk of inconsistent interpretation by agencies, regulated entities, and the public. Left unaddressed, technical shortcomings can undermine the effectiveness of otherwise sound policy.

Making periodic technical and modernization improvements supports good governance by reducing administrative friction, lowering compliance costs, and improving transparency for the public. It also helps agencies implement the law more consistently and prepares statutes to operate effectively in a changing regulatory and technological environment. By proactively addressing these issues, the General Assembly can strengthen statutory frameworks without reopening substantive policy debates, ensuring the law functions as intended for both current and future administrations.

Therefore, to promote clarity, efficiency, and effective administration, it's recommended that the General Assembly should make targeted, non-substantive statutory updates that modernize language,

correct technical errors, and align provisions related to the Department, including updates to section 24-31-102 to ensure state law and the Department's organization are consistent.

Recommendation 16 - Clarifying Civil Penalties and Enforcement Funding Under the Medicaid False Claims Act

The Attorney General is responsible for enforcing the Colorado Medicaid False Claims Act. It is designed to protect the integrity of Colorado's Medicaid program by imposing liability on persons or entities that knowingly submit false or fraudulent claims for payment under Medicaid, enabling the State to recover misspent funds and deter fraud, waste, and abuse. It also allows whistleblowers to bring qui tam actions on the State's behalf and share in recoveries, incentivizing reporting and enforcement. By empowering civil enforcement and recovery of damages and penalties, the Act helps ensure Medicaid resources are used appropriately so the program can serve eligible Coloradans effectively.

This program has a consistently high return on investment for the General Assembly. There is a federal match and the program has always returned more to the General Fund than it costs to operate. Amending statute to expressly authorize the Department to recover and retain its civil litigation costs and attorney fees in Medicaid false-claims actions, and to direct those recoveries to support ongoing fraud, waste, and abuse enforcement can enable the program to do even more.

Current law provides that entities found liable for Medicaid false claims are responsible for the State's "costs of a civil action," but it does not clearly specify whether or how the Department may retain recovered costs and fees. This ambiguity discourages use of civil enforcement tools, and creates administrative and fiscal uncertainty.

Clarifying that the Department may recover and retain reasonable investigative costs and attorney fees — consistent with practices in other states — would strengthen enforcement capacity without increasing penalties or appropriations. Allowing enforcement costs to be borne by violators, rather than taxpayers, ensures that limited Medicaid dollars are spent on patient care rather than lost to fraud. Reducing fraud, waste, and abuse is essential to preserving the integrity of the Medicaid program and ensuring it can serve as many eligible Coloradans as possible.

Therefore, the General Assembly should create clear statutory authority to recover and reinvest enforcement costs to promote accountability, maximize available program resources, and support sustained, effective oversight of Medicaid funds.

Recommendation 19 - Establishing an Improved Procurement Framework for the Attorney General's Office

The Attorney General is responsible for enforcing consumer protection laws and providing legal services to the various state agencies. This often requires procurement for a wide range of professional and specialized services to carry out these responsibilities effectively. Given the breadth and complexity of

the Attorney General's responsibilities, internal resources alone are not always sufficient to meet all investigative and litigation demands in a timely and effective manner.

Existing procurement requirements were not designed with the Department's unique responsibilities in mind and do not always account for the confidentiality, urgency, and subject-matter expertise required to provide legal services. The absence of a tailored procurement framework can delay enforcement, limit flexibility, and create uncertainty regarding permissible contracting practices, even where additional expertise is necessary to carry out existing statutory duties. This extends to the management of grant dollars that become available through enforcement work.

To address these challenges, the General Assembly should establish an improved procurement framework applicable to the Attorney General's functions that expressly authorizes the Attorney General to procure professional and specialized services necessary to support client work, investigations, and enforcement actions, and that permits flexible contracting structures. It should also improve the ability to meet court orders following damage awards to address consumer harms through the existing statutory mechanisms.

Therefore, the General Assembly should establish a framework that would modernize procurement practices to reflect the realities of enforcement work, reduce unnecessary procedural barriers, and provide clearer guidance to the Attorney General's Office and vendors.