

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 24-0563.01 Yelana Love x2295

HOUSE BILL 24-1251

HOUSE SPONSORSHIP

Snyder and Mabrey, Bacon, Garcia, Velasco, Weissman, Woodrow, Brown, Froelich, Hernandez, Jodeh, Lindsay

SENATE SPONSORSHIP

Gonzales, Cutter, Exum, Fields, Priola, Rodriguez, Winter F.

House Committees

Judiciary
Appropriations

Senate Committees

Judiciary
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE CONTINUATION OF FUNCTIONS RELATED TO THE**
102 **REGULATION OF DEBT-MANAGEMENT SERVICE PROVIDERS, AND,**
103 **IN CONNECTION THEREWITH, IMPLEMENTING THE**
104 **RECOMMENDATIONS IN THE 2023 SUNSET REPORT BY THE**
105 **DEPARTMENT OF REGULATORY AGENCIES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Sunset Process - House Judiciary Committee. The bill implements the recommendations in the 2023 sunset report by the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

SENATE
3rd Reading Unamended
April 17, 2024

SENATE
2nd Reading Unamended
April 16, 2024

HOUSE
3rd Reading Unamended
March 11, 2024

HOUSE
2nd Reading Unamended
March 8, 2024

department of regulatory agencies by:

- Continuing the regulation of debt-management service providers for 11 years, to 2035 (**sections 1 and 2 of the bill**);
- Requiring a debt-management service provider to maintain records of the education provided to an individual (**section 3**);
- Requiring settlement agreements between a consumer and creditor to be in writing (**section 4**); and
- Requiring fees paid by debt-management service providers to be set administratively instead of through the rule-making process (**section 5**).

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-34-104, **repeal**
3 (25)(a)(XIV); and **add** (36) as follows:

4 **24-34-104. General assembly review of regulatory agencies**
5 **and functions for repeal, continuation, or reestablishment - legislative**
6 **declaration - repeal.** (25) (a) The following agencies, functions, or both,
7 are scheduled for repeal on September 1, 2024:

8 ~~(XIV) The functions specified in part 2 of article 19 of title 5 of~~
9 ~~the administrator designated pursuant to section 5-6-103 and the~~
10 ~~registration of debt-management service providers;~~

11 (36) (a) THE FOLLOWING AGENCIES, FUNCTIONS, OR BOTH, ARE
12 SCHEDULED FOR REPEAL ON SEPTEMBER 1, 2035:

13 (I) THE FUNCTIONS SPECIFIED IN PART 2 OF ARTICLE 19 OF TITLE 5
14 OF THE ADMINISTRATOR DESIGNATED PURSUANT TO SECTION 5-6-103 AND
15 THE REGISTRATION OF DEBT-MANAGEMENT SERVICE PROVIDERS;

16 (b) THIS SUBSECTION (36) IS REPEALED, EFFECTIVE SEPTEMBER 1,
17 2037.

18 **SECTION 2.** In Colorado Revised Statutes, **amend** 5-19-242 as
19 follows:

1 **5-19-242. Repeal of part.** This part 2 is repealed, effective
2 September 1, ~~2024. Prior to~~ 2035. BEFORE THE repeal, the department of
3 regulatory agencies shall review the functions of the administrator
4 pursuant to this part 2 and the registration of providers as provided for in
5 section 24-34-104.

6 **SECTION 3.** In Colorado Revised Statutes, 5-19-217, **amend**
7 (b)(1) as follows:

8 **5-19-217. Prerequisites for providing debt-management**
9 **services.** (b) A provider may not furnish or contract to furnish
10 debt-management services unless the provider, through the services of a
11 counselor or debt specialist:

12 (1) Provides the individual with reasonable education about the
13 management of personal finance. THE PROVIDER SHALL MAINTAIN
14 RECORDS OF THE EDUCATION PROVIDED TO AN INDIVIDUAL PURSUANT TO
15 THIS SUBSECTION (b)(1).

16 **SECTION 4.** In Colorado Revised Statutes, 5-19-228, **amend**
17 (a)(2) as follows:

18 **5-19-228. Prohibited acts and practices.** (a) A provider may
19 not, directly or indirectly:

20 (2) Settle a debt on behalf of an individual without the individual's
21 agreement to the settlement terms pursuant to a WRITTEN settlement
22 agreement or other valid WRITTEN contractual agreement executed by the
23 individual;

24 **SECTION 5.** In Colorado Revised Statutes, 5-19-232, **amend** (e)
25 as follows:

26 **5-19-232. Powers of administrator - rules.** (e) The
27 administrator ~~by rule~~, shall ADMINISTRATIVELY establish reasonable fees

1 to be paid by providers for the expense of administering this part 2. The
2 fees may vary by the type of debt-management service provided.

3 **SECTION 6. Act subject to petition - effective date.** This act
4 takes effect at 12:01 a.m. on the day following the expiration of the
5 ninety-day period after final adjournment of the general assembly; except
6 that, if a referendum petition is filed pursuant to section 1 (3) of article V
7 of the state constitution against this act or an item, section, or part of this
8 act within such period, then the act, item, section, or part will not take
9 effect unless approved by the people at the general election to be held in
10 November 2024 and, in such case, will take effect on the date of the
11 official declaration of the vote thereon by the governor.