

**First Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO**

**ENGROSSED**

*This Version Includes All Amendments Adopted  
on Second Reading in the House of Introduction*

LLS NO. 21-0699.01 Megan Waples x4348

**SENATE BILL 21-002**

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**SENATE SPONSORSHIP**

**Winter and Gonzales,**

**HOUSE SPONSORSHIP**

**Herod,**

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**Senate Committees**

Finance  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING MODIFICATION OF THE LIMITATIONS ON CERTAIN DEBT**  
102 **COLLECTION ACTIONS ENACTED IN SENATE BILL 20-211.**

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**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>.)*

The bill extends the time in which debtors experiencing financial hardship due to the COVID-19 emergency may have extraordinary debt collection actions suspended. Currently, the law requires a judgment creditor (creditor) to provide a notice to a judgment debtor (debtor) before instituting an extraordinary debt collection action, which includes an action in the nature of a garnishment, attachment, levy, or execution to

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

SENATE  
Amended 2nd Reading  
January 13, 2021

collect or enforce a judgment. The debtor may suspend the collection action by notifying the creditor that the debtor is experiencing financial hardship due to COVID-19. The obligation to provide notice and the suspension of the collection action are effective through February 1, 2021. The bill extends the effective period for the notice and the suspension to June 1, 2021. If a collection action has already been suspended by the debtor, the creditor is required to notify the debtor that the suspension is now effective through June 1, 2021.

In addition, under current law, up to \$4,000 cumulative in a depository account or accounts in a debtor's name is exempt from levy and sale under a writ of attachment or execution through February 1, 2021. The bill extends that date to June 1, 2021.

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

2           **SECTION 1.** In Colorado Revised Statutes, 24-33.5-704.3,  
3 **amend** (2), (4), (5)(a)(I), and (5)(b); **repeal** (3); and **add** (5)(c) as  
4 follows:

5           **24-33.5-704.3. Temporary prohibition on extraordinary**  
6 **collection actions - definitions - repeal.** (2) In order to protect Colorado  
7 residents during the public health crisis caused by COVID-19, for the  
8 time period beginning on the effective date of this section and ending on  
9 ~~November 1, 2020~~, JUNE 1, 2021, a judgment creditor shall not initiate or  
10 maintain a new extraordinary collection action except in accordance with  
11 the requirements of this section. A court of record shall deny without  
12 prejudice any request for issuance of a writ or legal process to effect an  
13 extraordinary collection action if the court finds that the action does not  
14 comply with the requirements of this section. During the time period  
15 described in this subsection (2), ~~and as it may be extended under~~  
16 ~~subsection (3) of this section~~, the use of an extraordinary collection action  
17 NOT IN ACCORDANCE WITH THIS SECTION constitutes an unfair and  
18 unconscionable means of collecting a debt under section 5-16-108.

19           (3) ~~The administrator of the "Uniform Consumer Credit Code", as~~

1 ~~defined in section 5-16-103 (1), may issue an order extending the~~  
2 ~~prohibition set forth in subsection (2) of this section through February 1,~~  
3 ~~2021, if the administrator finds that such an extension is necessary to~~  
4 ~~preserve and prioritize the resources of state and local agencies or to~~  
5 ~~protect Colorado residents from economic hardship as a result of the~~  
6 ~~disaster emergency caused by COVID-19.~~

7 (4) For the duration of the period established in subsection (2) of  
8 this section, ~~and as it may be extended under subsection (3) of this~~  
9 ~~section,~~ prior to the execution or service of a writ or legal process  
10 intended to effect an extraordinary collection action, the judgment  
11 creditor shall provide a written notice to the judgment debtor. The notice  
12 must be sent to the judgment debtor at least ten days, but not more than  
13 sixty days, prior to the execution or service of a writ or legal process  
14 intended to effect the extraordinary collection action during the duration  
15 of the period established in accordance with subsection (2) of this section.  
16 ~~and as it may be extended under subsection (3) of this section.~~

17 (5) (a) (I) The notice required by subsection (4) of this section  
18 must be in at least sixteen point type face, and must include the following:  
19 **"YOU HAVE THE RIGHT TO TEMPORARILY SUSPEND THIS**  
20 **COLLECTION ACTION IF YOU ARE FACING FINANCIAL**  
21 **HARDSHIP DUE TO THE COVID-19 EMERGENCY.**

22 Judgment Creditor Name:

23 Judgment Creditor Address:

24 Case Number:

25 Phone:

26 The above judgment creditor intends on executing a collection action  
27 against you. If you have experienced financial hardship due to the

1 COVID-19 emergency, directly or indirectly, you have the right to  
2 suspend temporarily this extraordinary collection action. The suspension  
3 is effective until ~~November 1, 2020, or February 1, 2021, if the state of~~  
4 ~~Colorado extends the period of suspension~~ JUNE 1, 2021.

5 **To exercise this right**, you must notify the judgment creditor that you are  
6 experiencing financial hardship due to the COVID-19 emergency. You  
7 can provide this notice by phone call or by writing to the creditor at the  
8 address shown in this notice. Your notification to the judgment creditor  
9 must include your full name (first and last), the case number identified  
10 above and at least one (1) additional piece of the following information:  
11 your date of birth, social security number, physical and mailing addresses,  
12 or the judgment creditor's internal account number or identifier, if  
13 different from the case number designated above. You are not required  
14 to provide documentation to support your request.

15 NOTE: Requesting the temporary suspension of this extraordinary debt  
16 collection action is not a waiver of the obligation to pay or debt  
17 forgiveness. Interest may continue to accrue on the judgment debt even  
18 while extraordinary collection actions are suspended.

19 You may enter into a voluntary repayment plan with the judgment  
20 creditor, but you are not required to do so."

21 (b) The notice requirements under this section terminate once the  
22 period proscribed in subsection (2) of this section ~~and as it may be~~  
23 ~~extended under subsection (3) of this section~~, expires. The notice must be  
24 sent to a judgment debtor at the debtor's last known address to the  
25 judgment creditor. An additional copy of the notice must also be served  
26 with the writ of garnishment. In the case of a writ of continuing  
27 garnishment for wages, the notice must accompany the writ served upon

1 the garnishee. The failure of the garnishee or its agent to provide the  
2 notice to the judgment debtor required by this subsection (5) does not  
3 create a cause of action or remedy against a judgment creditor.

4 (c) IF, BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION (5)(c), A  
5 JUDGMENT CREDITOR PROVIDED A NOTICE TO A JUDGMENT DEBTOR  
6 STATING THAT THE PERIOD OF SUSPENSION IS EFFECTIVE UNTIL NOVEMBER  
7 1, 2020, OR FEBRUARY 1, 2021:

8 (I) IF THE JUDGMENT DEBTOR NOTIFIED THE JUDGMENT CREDITOR  
9 THAT THE JUDGMENT DEBTOR WAS EXPERIENCING FINANCIAL HARDSHIP IN  
10 ACCORDANCE WITH THE REQUIREMENTS OF THE NOTICE, THE PERIOD OF  
11 SUSPENSION IS EXTENDED TO JUNE 1, 2021. ==

12 (II) IF THE JUDGMENT DEBTOR DID NOT RESPOND TO THE NOTICE  
13 AND THE JUDGMENT CREDITOR DID NOT EXECUTE OR SERVE A WRIT OR  
14 LEGAL PROCESS INTENDED TO EFFECT THE EXTRAORDINARY COLLECTION  
15 ACTION BEFORE THE EFFECTIVE DATE OF THIS SUBSECTION (5)(c), THE  
16 JUDGMENT CREDITOR SHALL PROVIDE A NEW NOTICE PRIOR TO THE  
17 EXECUTION OR SERVICE OF A WRIT OR LEGAL PROCESS IN ACCORDANCE  
18 WITH SUBSECTIONS (4) AND (5)(a)(I) OF THIS SECTION.

19 **SECTION 2.** In Colorado Revised Statutes, 13-54-102, **amend**  
20 (1)(w)(I) as follows:

21 **13-54-102. Property exempt - definitions - repeal.** (1) The  
22 following property is exempt from levy and sale under writ of attachment  
23 or writ of execution:

24 (w) (I) Through ~~February 1, 2021~~, JUNE 1, 2021, up to four  
25 thousand dollars cumulative in a depository account or accounts in the  
26 name of the debtor.

27 **SECTION 3. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, or safety.