INTRODUCED

SENATE BILL 20-193

SENATE SPONSORSHIP

Gonzales and Moreno,

HOUSE SPONSORSHIP

Coleman and Tipper,

A BILL FOR AN ACT

CONCERNING THE CREATION OF THE FINANCIAL EMPOWERMENT OFFICE IN THE DEPARTMENT OF LAW.

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 creates the financial empowerment office (office) and the director of the office (director) in the department of law to grow the financial resilience and well-being of Coloradans through specified community-derived goals and strategies. The director is appointed by the Colorado attorney general and may hire staff as necessary to perform the duties and functions of the office. The office also consists of a manager.
who is appointed by the director.

The office is authorized to partner with governmental bodies, community organizations, financial institutions, local service providers, and philanthropic organizations to achieve the purposes of the office. The office is also authorized to develop:

- Methods to increase access to safe and affordable financial products;
- Tools and resources that advance, increase, and improve Colorado residents' financial management; and
- Community-informed policies and systems that dismantle systemic barriers to building ownership and wealth for all, especially low-income communities and communities of color.

The financial empowerment office is required to:

- Support the organization of community coalitions to define and lead financial resilience strategies;
- Align, support, and build ties to build financial education and well-being in communities across the state;
- Establish a statewide coalition to assist the director in increasing access to safe and affordable banking products that help improve the financial stability of Colorado residents;
- Work with stakeholders to increase access to low-cost, credit-building loans and financial products;
- Work with state authorities and other stakeholders to expand access to safe and affordable banking products with low fees and easy account access;
- Develop technical assistance to launch or expand local financial coaching and counseling efforts;
- Raise money to support coaching, safe and affordable banking, and potential loan funds;
- Collaborate with the office of the state treasurer on the creation and management of a loan fund to support small credit-building loans; and
- Track community feedback on consumer financial abuses and coordinate with the enforcement teams at various state agencies, connect consumers with existing resources, and educate the public on their related consumer rights.

The office is also required to submit an annual report to the general assembly regarding the activities of the office and the state of affordable banking access in Colorado.

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1 Be it enacted by the General Assembly of the State of Colorado:
SECTION 1. In Colorado Revised Statutes, add part 9 to article 31 of title 24 as follows:

PART 9

FINANCIAL EMPOWERMENT FOR
COLORADO RESIDENTS

24-31-901. Financial empowerment office - creation - director.

(1) There is hereby created in the Department of Law the Financial Empowerment Office, the head of which is the Director of the Office. The Financial Empowerment Office and the Director of the Office shall exercise their powers and perform their duties and functions under the Department of Law as if transferred to the Department by a Type 2 Transfer, as such transfer is defined in the "Administrative Organization Act of 1968", article 1 of this title 24.

(2) The Director of the Financial Empowerment Office shall be appointed by the Colorado attorney general. The Director may hire staff as necessary to perform the duties and functions of the Office. The Office shall also consist of a Manager who shall be appointed by the Director.

24-31-902. Financial empowerment office - purpose - duties. (1) The purpose of the Financial Empowerment Office is to grow the financial resilience and well-being of Coloradans through community-derived goals and strategies, including but not limited to:

(a) Expanding access to safe and affordable banking;

(b) Increasing access to affordable credit;

(c) Expanding access to free individual financial
COUNSELING AND COACHING;
(d) EXPANDING COMMUNITY WEALTH-BUILDING STRATEGIES; AND
(e) DEVELOPING STRONG CONSUMER PROTECTIONS.

(2) THE FINANCIAL EMPOWERMENT OFFICE MAY PARTNER WITH
STATE AND FEDERAL AGENCIES, LOCAL GOVERNMENTS, TRIBAL NATIONS,
COMMUNITY ORGANIZATIONS, FINANCIAL INSTITUTIONS, LOCAL SERVICE
PROVIDERS, AND PHILANTHROPIC ORGANIZATIONS TO ACHIEVE THE
PURPOSES OF THE OFFICE. IN FURTHERANCE OF ACHIEVING THE PURPOSES
OF THE OFFICE, THE OFFICE MAY DEVELOP:

(a) METHODS, PROGRAMS, AND POLICIES TO INCREASE ACCESS TO
SAFE AND AFFORDABLE FINANCIAL PRODUCTS;

(b) TOOLS AND RESOURCES THAT ADVANCE, INCREASE, AND
IMPROVE COLORADO RESIDENTS' FINANCIAL MANAGEMENT, INCLUDING
STRATEGIES FOR DEBT MANAGEMENT AND REDUCTION, INCREASING
SAVINGS, AND CREATING AND RETAINING ASSETS THAT PROMOTE
PERSONAL FINANCIAL STABILITY; AND

(c) COMMUNITY-INFORMED POLICIES AND SYSTEMS THAT
DISMANTLE SYSTEMIC BARRIERS TO BUILDING OWNERSHIP AND WEALTH
FOR ALL, ESPECIALLY LOW-INCOME COMMUNITIES AND COMMUNITIES OF
COLOR.

(3) THE FINANCIAL EMPOWERMENT OFFICE SHALL:

(a) SUPPORT THE ORGANIZATION OF LOCAL COMMUNITY
COALITIONS TO DEFINE AND LEAD TAILORED FINANCIAL RESILIENCE
STRATEGIES BASED ON LOCAL CONTEXT, PRIORITIES, AND EXPERTISE FROM
THOSE SERVING THESE COMMUNITIES. LOCAL COALITIONS MAY INCLUDE
BUT ARE NOT LIMITED TO REPRESENTATIVES OF OLDER ADULTS, YOUNGER
ADULTS, COMMUNITIES OF COLOR, UNDERBANKED AND UNBANKED
COLORADANS, IMMIGRANTS, COLORADANS OF LOW INCOME, BANKS, CREDIT UNIONS, LOCAL SERVICE PROVIDERS, LOCAL GOVERNMENT AGENCIES, AND PHILANTHROPIC ORGANIZATIONS.

(b) ALIGN, SUPPORT, AND BUILD TIES AMONG THE NUMEROUS AND DIVERSE EFFORTS TO BUILD FINANCIAL EDUCATION AND WELL-BEING IN COMMUNITIES ACROSS COLORADO;

(c) ESTABLISH A STATEWIDE COALITION COMPRised OF FINANCIAL INSTITUTIONS, THE OFFICE OF THE STATE TREASURER, LOCAL AND STATE OFFICIALS, TRIBAL NATIONS, AND PHILANTHROPIC AND COMMUNITY ORGANIZATIONS TO ASSIST THE DIRECTOR IN DEFINING, IDENTIFYING, CREATING, EXPANDING, AND INCREASING ACCESS TO SAFE AND AFFORDABLE BANKING PRODUCTS THAT HELP IMPROVE THE FINANCIAL STABILITY OF UNBANKED AND UNDERBANKED INDIVIDUALS AND FAMILIES;

(d) WORK WITH STAKEHOLDERS TO INCREASE ACCESS TO LOW-COST, CREDIT-BUILDING LOANS AND FINANCIAL PRODUCTS;

(e) WORK WITH STATE AUTHORITIES AND OTHER STAKEHOLDERS TO EXPAND ACCESS TO SAFE AND AFFORDABLE BANKING PRODUCTS WITH LOW FEES AND EASY ACCOUNT ACCESS;

(f) DEVELOP TECHNICAL ASSISTANCE TO LAUNCH OR EXPAND FINANCIAL COACHING AND COUNSELING EFFORTS LOCALLY;

(g) RAISE FEDERAL, PHILANTHROPIC, AND PRIVATE MONEY TO SUPPORT COACHING, SAFE AND AFFORDABLE BANKING, AND POTENTIAL LOAN FUNDS;

(h) COLLABORATE WITH THE OFFICE OF THE STATE TREASURER ON THE CREATION AND MANAGEMENT OF A LOAN FUND TO SUPPORT SMALL CREDIT-BUILDING LOANS; AND

(i) TRACK COMMUNITY FEEDBACK ON CONSUMER FINANCIAL
ABUSES AND COORDINATE WITH THE ENFORCEMENT TEAMS AT THE
CONSUMER PROTECTION SECTION WITHIN THE DEPARTMENT OF LAW AND
THE DEPARTMENT OF REGULATORY AGENCIES, CONNECT CONSUMERS WITH
EXISTING RESOURCES, AND EDUCATE THE PUBLIC ON THEIR RELATED
CONSUMER RIGHTS.

(4) NOTWITHSTANDING THE PROVISIONS OF SECTION 24-1-136
(11), ON OR BEFORE AUGUST 1, 2021, AND ON OR BEFORE AUGUST 1 EACH
YEAR THEREAFTER, THE OFFICE SHALL SUBMIT AN ANNUAL REPORT TO THE
GENERAL ASSEMBLY REGARDING THE STATE OF AFFORDABLE BANKING
ACCESS IN COLORADO AND THE ACTIVITIES OF THE OFFICE OF FINANCIAL
EMPOWERMENT AND LOCAL PARTNERS IN IMPLEMENTING THE OBJECTIVES
OF THE OFFICE.

SECTION 2. In Colorado Revised Statutes, 24-1-113, add (3)(e)
as follows:

24-1-113. Department of law - creation. (3) The department of
law includes the following:

(e) THE FINANCIAL EMPOWERMENT OFFICE AND THE DIRECTOR OF
the office created in part 9 of article 31 of this title 24. The
financial empowerment office and the director of the office
exercise their powers and perform their duties under the
department of law as if transferred by a TYPE 2 TRANSFER.

SECTION 3. Effective date. This act takes effect July 1, 2020.

SECTION 4. Safety clause. The general assembly hereby finds,
determines, and declares that this act is necessary for the immediate
preservation of the public peace, health, or safety.