

## CHAPTER 374

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**CONSUMER AND COMMERCIAL TRANSACTIONS**

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**HOUSE BILL 23-1126**

BY REPRESENTATIVE(S) Ricks and Weinberg, Amabile, Bacon, Bird, Boesenecker, Brown, deGruy Kennedy, Dickson, Duran, English, Froelich, Garcia, Jodeh, Lindsay, Mabrey, McCormick, Michaelson Jenet, Sharbini, Sirota, Snyder, Titone, Valdez, Velasco, Weissman, Willford, Woodrow, McCluskie, Epps, Gonzales-Gutierrez, Hamrick, Herod, Joseph, Kipp, Lieder, McLachlan, Parenti, Story, Young;  
also SENATOR(S) Exum, Buckner, Coleman, Cutter, Danielson, Fields, Gonzales, Hinrichsen, Kolker, Marchman, Moreno, Mullica, Priola, Rodriguez, Sullivan.

**AN ACT**

**CONCERNING THE INCLUSION OF CERTAIN ITEMS OF INFORMATION IN CONSUMER REPORTS, AND, IN CONNECTION THEREWITH, PROHIBITING THE REPORTING OF MEDICAL DEBT INFORMATION BY CONSUMER REPORTING AGENCIES, PROHIBITING DEBT COLLECTORS AND COLLECTION AGENCIES FROM FALSELY REPRESENTING THAT MEDICAL DEBT INFORMATION WILL BE INCLUDED IN A CONSUMER REPORT OR FAILING TO TIMELY DISCLOSE THAT, WITH CERTAIN EXCEPTIONS, MEDICAL DEBT WILL NOT BE INCLUDED IN A CONSUMER REPORT, AND, MAKING AN APPROPRIATION.**

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

**SECTION 1.** In Colorado Revised Statutes, 5-18-103, **add** (11.5) as follows:

**5-18-103. Definitions.** As used in this article 18, unless the context otherwise requires:

(11.5) "MEDICAL DEBT" MEANS DEBT ARISING FROM HEALTH-CARE SERVICES, AS DEFINED IN SECTION 10-16-102 (33), OR HEALTH-CARE GOODS, INCLUDING PRODUCTS, DEVICES, DURABLE MEDICAL EQUIPMENT, AND PRESCRIPTION DRUGS. "MEDICAL DEBT" DOES NOT INCLUDE DEBT CHARGED TO A CREDIT CARD UNLESS THE CREDIT CARD IS ISSUED UNDER AN OPEN-END OR CLOSED-END CREDIT PLAN OFFERED SPECIFICALLY FOR THE PAYMENT OF HEALTH-CARE SERVICES OR HEALTH-CARE GOODS.

**SECTION 2.** In Colorado Revised Statutes, 5-18-109, **amend** (1) introductory portion, (1)(f), and (2); and **add** (1)(g) and (6) as follows:

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*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

**5-18-109. Reporting of information prohibited - exceptions - repeal.**

(1) Except as authorized under subsection (2) of this section, ~~no~~ a consumer reporting agency shall NOT make any consumer report containing any of the following items of information:

~~(f)(I) Any other adverse item of information that predates the report by more than seven years. THE CONSUMER REPORTING AGENCY KNOWS OR SHOULD KNOW CONCERNS MEDICAL DEBT.~~

(II) THIS SUBSECTION (1)(f) IS REPEALED, EFFECTIVE JULY 1, 2028.

~~(g) ANY OTHER ADVERSE ITEM OF INFORMATION THAT PREDATES THE REPORT BY MORE THAN SEVEN YEARS.~~

(2) The provisions of subsection (1) of this section do not apply to the case of any consumer report to be used in connection with A CREDIT TRANSACTION INVOLVING, OR THAT MAY REASONABLY BE EXPECTED TO INVOLVE, A PRINCIPAL AMOUNT THAT EXCEEDS THE NATIONAL CONFORMING LOAN LIMIT VALUE FOR A ONE-UNIT PROPERTY AS DETERMINED ANNUALLY BY THE FEDERAL HOUSING FINANCE AGENCY.

~~(a) A credit transaction involving, or that may reasonably be expected to involve, a principal amount of one hundred fifty thousand dollars or more; or~~

~~(b) The underwriting of life insurance involving, or that may reasonably be expected to involve, a face amount of one hundred fifty thousand dollars or more.~~

~~(c) (Deleted by amendment, L. 2022.)~~

(6) (a) THE DEPARTMENT OF REVENUE SHALL CONTRACT WITH ONE OR MORE ENTITIES TO CONDUCT A STUDY TO CONSIDER THE IMPACT OF SUBSECTION (1)(f) OF THIS SECTION ON CONSUMERS' CREDITWORTHINESS, ACCESS TO CREDIT, MEDICAL DEBT BURDEN, AND ECONOMIC STABILITY, INCLUDING CONSIDERATION OF THE IMPACTS OF SUBSECTION (1)(f) OF THIS SECTION ON PERSONS OF DIFFERENT RACIAL GROUPS AND INCOME LEVELS. ON OR BEFORE JANUARY 1, 2028, THE DEPARTMENT OF REVENUE SHALL DELIVER THE CONCLUSIONS OF THE STUDY TO THE BUSINESS AFFAIRS AND LABOR COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE OF THE SENATE, OR TO ANY SUCCESSOR COMMITTEES.

(b) THIS SUBSECTION (6) IS REPEALED, EFFECTIVE JULY 1, 2028.

**SECTION 3.** In Colorado Revised Statutes, 5-16-107, **amend** (1) introductory portion; and **add** (1)(r) as follows:

**5-16-107. False or misleading representations - repeal.** (1) A debt collector or collection agency shall not use any false, deceptive, or misleading representation or means in connection with the collection of any debt, including ~~but not limited to~~, the following conduct:

(r) (I) WHEN ATTEMPTING TO COLLECT DEBT THAT THE DEBT COLLECTOR OR COLLECTION AGENCY KNOWS IS MEDICAL DEBT, AS DEFINED IN SECTION 5-18-103

(11.5), OR TO OBTAIN INFORMATION ABOUT A CONSUMER IN RELATION TO AN ATTEMPT TO COLLECT MEDICAL DEBT, MAKE A FALSE, DECEPTIVE, OR MISLEADING REPRESENTATION THAT THE MEDICAL DEBT WILL BE INCLUDED IN A CONSUMER REPORT, AS DEFINED IN SECTION 5-18-103 (3), OR FACTORED INTO A CONSUMER'S CREDIT SCORE, AS DEFINED IN SECTION 5-18-107 (4), UNLESS THE CONSUMER REPORT IS TO BE USED IN CONNECTION WITH A CREDIT TRANSACTION THAT INVOLVES, OR THAT MAY REASONABLY BE EXPECTED TO INVOLVE, A PRINCIPAL AMOUNT THAT EXCEEDS THE NATIONAL CONFORMING LOAN LIMIT VALUE FOR A ONE-UNIT PROPERTY AS DETERMINED BY THE FEDERAL HOUSING FINANCE AUTHORITY.

(II) THIS SUBSECTION (1)(r) IS REPEALED, EFFECTIVE JULY 1, 2028.

**SECTION 4.** In Colorado Revised Statutes, 5-16-105, **add** (3)(e) as follows:

**5-16-105. Communication in connection with debt collection - definition - repeal.** (3)(e)(I) IN ITS INITIAL WRITTEN COMMUNICATION TO A CONSUMER, A DEBT COLLECTOR OR COLLECTION AGENCY SHALL INCLUDE THE FOLLOWING STATEMENT: "COLORADO LAW PROHIBITS CREDIT BUREAUS FROM REPORTING MEDICAL DEBT OR FACTORING MEDICAL DEBT INTO A CREDIT SCORE UNLESS THE CONSUMER REPORT IS TO BE USED IN CONNECTION WITH A CREDIT TRANSACTION THAT INVOLVES, OR THAT MAY REASONABLY BE EXPECTED TO INVOLVE, A PRINCIPAL AMOUNT THAT EXCEEDS THE NATIONAL CONFORMING LOAN LIMIT VALUE FOR A ONE-UNIT PROPERTY AS DETERMINED BY THE FEDERAL HOUSING FINANCE AUTHORITY."

(II) THIS SUBSECTION (3)(e) IS REPEALED, EFFECTIVE JULY 1, 2028.

**SECTION 5. Appropriation.** For the 2023-24 state fiscal year, \$200,000 is appropriated to the department of revenue for use by the executive director's office. This appropriation is from the general fund. To implement this act, the office may use this appropriation for personal services. Any money appropriated in this section not expended prior to July 1, 2023, is further appropriated to the office until fully expended or the 2026-27 state fiscal year for the same purpose.

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

(2) This act applies to conduct occurring on or after the applicable effective date of this act.

Approved: June 5, 2023