

CHAPTER 226

CONSUMER AND COMMERCIAL TRANSACTIONS

HOUSE BILL 24-1251

BY REPRESENTATIVE(S) Snyder and Mabrey, Bacon, Garcia, Velasco, Weissman, Woodrow, Brown, Froelich, Hernandez, Jodeh, Lindsay;
also SENATOR(S) Gonzales, Cutter, Exum, Fields, Priola, Rodriguez, Winter F.

AN ACT

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

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

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

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

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

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

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

(b) THIS SUBSECTION (36) IS REPEALED, EFFECTIVE SEPTEMBER 1, 2037.

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.

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

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 This part 2 is repealed, effective September 1, 2024.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

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

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

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

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

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

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

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

5-19-232. Powers of administrator - rules. (e) The administrator ~~by rule,~~ shall ADMINISTRATIVELY establish reasonable fees to be paid by providers for the expense of administering this part 2. The fees may vary by the type of debt-management service provided.

SECTION 6. Act subject to petition - effective date. 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.

Approved: May 22, 2024