

Second 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. 22-0259.01 Shelby Ross x4510

HOUSE BILL 22-1049

HOUSE SPONSORSHIP

Bacon and Ricks,

SENATE SPONSORSHIP

Pettersen,

House Committees
Education

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING PROHIBITING A POSTSECONDARY INSTITUTION FROM**
102 **MAKING PAYMENT OF AN OUTSTANDING BALANCE ON A**
103 **STUDENT'S ACCOUNT A CONDITION OF ISSUING THE STUDENT'S**
104 **DOCUMENTS.**

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 prohibits a postsecondary institution from:

- Refusing to provide a transcript or diploma for a current or former student on the grounds that the student owes a debt;

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.

HOUSE
Amended 2nd Reading
February 24, 2022

- Conditioning the provision of a transcript or diploma on the payment of a debt, other than a fee charged to provide the transcript or diploma;
- Charging a higher fee to obtain a transcript or diploma or providing less favorable treatment in response to a transcript or diploma request because a current or former student owes a debt; or
- Using transcript or diploma issuance as a tool for debt collection.

The bill provides a civil right of action to a current or former student whose transcript or diploma is withheld for any of the prohibited reasons and entitles the person to injunctive relief, a civil penalty of up to \$500 for each violation, and reasonable attorney fees and costs.

The bill authorizes the administrator of the "Uniform Consumer Credit Code" to enjoin the practice of withholding a transcript or diploma and assess a postsecondary institution a penalty of \$500 for each violation.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add 23-5-113.5** as
 3 follows:

4 **23-5-113.5. Prohibition on withholding transcripts and**
 5 **diplomas - postsecondary institution - remedy - definitions.** (1) As
 6 USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 (a) "DEBT" MEANS ANY MONEY, OBLIGATION, CLAIM, OR SUM, DUE
 8 OR OWING, OR ALLEGED TO BE DUE OR OWING, FROM A CURRENT OR
 9 FORMER STUDENT, BUT DOES NOT INCLUDE A FEE CHARGED TO A CURRENT
 10 OR FORMER STUDENT FOR THE ACTUAL COST OF PROVIDING A TRANSCRIPT
 11 OR DIPLOMA.

12 (b) "FINANCIAL AID FUNDS" MEANS FINANCIAL AID FUNDS THAT A
 13 CURRENT OR FORMER STUDENT OWES TO A POSTSECONDARY INSTITUTION
 14 UNDER TITLE IV, OR TO THE STATE, DUE TO MISCALCULATION,
 15 WITHDRAWAL, MISINFORMATION, OR ANY OTHER REASON, NOT INCLUDING
 16 THE STANDARD REPAYMENT OF STUDENT LOANS.

1 (c) "FOREIGN STUDENT" HAS THE SAME MEANING AS SET FORTH IN
2 SECTION 23-1-113.5 (4)(c).

3 (d) "POSTSECONDARY INSTITUTION" MEANS A PUBLIC INSTITUTION
4 OF HIGHER EDUCATION, AS DEFINED IN SECTION 23-4.5-102 (7); A PRIVATE
5 INSTITUTION OF HIGHER EDUCATION, AS DEFINED IN SECTION 23-18-102
6 (9); OR A PRIVATE OCCUPATIONAL SCHOOL, AS DEFINED IN SECTION
7 23-2-102 (13).

8 (e) "ROOM AND BOARD FEES" MEANS ANY MONEY, OBLIGATION,
9 CLAIM, OR SUM, DUE OR OWING, OR ALLEGED TO BE DUE OR OWING, FROM
10 A CURRENT OR FORMER STUDENT FOR THE PROVISION OF CONTRACTUALLY
11 AGREED UPON ON-CAMPUS HOUSING OR MEAL SERVICES PLANS.

12 (f) "STUDENT LOAN OMBUDSPERSON" MEANS THE STUDENT LOAN
13 OMBUDSPERSON DESIGNATED IN SECTION 5-20-104.

14 (2) (a) A POSTSECONDARY INSTITUTION MAY REFUSE TO PROVIDE
15 A TRANSCRIPT OR DIPLOMA TO A CURRENT OR FORMER STUDENT, EXCEPT
16 A FOREIGN STUDENT, ON THE GROUNDS THAT THE STUDENT OWES A DEBT
17 FOR TUITION, ROOM AND BOARD FEES, OR FINANCIAL AID FUNDS, UNLESS
18 THE STUDENT IS REQUESTING AND CAN DEMONSTRATE THAT THE
19 TRANSCRIPT OR DIPLOMA IS NEEDED FOR ONE OF THE FOLLOWING
20 PURPOSES:

21 (I) A JOB APPLICATION;

22 (II) TRANSFERRING TO ANOTHER POSTSECONDARY INSTITUTION;

23 (III) APPLYING FOR STATE, FEDERAL, OR INSTITUTIONAL FINANCIAL
24 AID;

25 (IV) PURSUIT OF OPPORTUNITIES IN THE MILITARY OR NATIONAL
26 GUARD; OR

27 (V) PURSUIT OF OTHER POSTSECONDARY OPPORTUNITIES.

1 (3) IF A POSTSECONDARY INSTITUTION PROVIDES A CURRENT OR
2 FORMER STUDENT A TRANSCRIPT OR DIPLOMA PURSUANT TO SUBSECTION
3 (2) OF THIS SECTION, OR PROVIDES A TRANSCRIPT OR DIPLOMA TO A
4 FOREIGN STUDENT WHO OWES A DEBT, THE POSTSECONDARY INSTITUTION
5 SHALL NOT:

6 (a) CONDITION PROVISION OF THE TRANSCRIPT OR DIPLOMA ON
7 PAYMENT OF A DEBT;

8 (b) CHARGE A HIGHER FEE TO OBTAIN THE TRANSCRIPT OR
9 DIPLOMA OR PROVIDE LESS FAVORABLE TREATMENT IN RESPONSE TO THE
10 TRANSCRIPT OR DIPLOMA REQUEST BECAUSE THE REQUESTING CURRENT
11 OR FORMER STUDENT OWES A DEBT; OR

12 (c) OTHERWISE USE TRANSCRIPT OR DIPLOMA ISSUANCE AS A TOOL
13 FOR DEBT COLLECTION.

14 (4) (a) EACH POSTSECONDARY INSTITUTION SHALL ADOPT A
15 POLICY THAT OUTLINES THE PROCESS BY WHICH A STUDENT MAY OBTAIN
16 A TRANSCRIPT OR DIPLOMA AND THE CIRCUMSTANCES UNDER WHICH A
17 TRANSCRIPT OR DIPLOMA MAY BE WITHHELD PURSUANT TO SUBSECTION
18 (2) OF THIS SECTION FROM A CURRENT OR FORMER STUDENT, OTHER THAN
19 A FOREIGN STUDENT, WHO OWES A DEBT. AT A MINIMUM, THE POLICY
20 MUST INCLUDE:

21 (I) A REASONABLE PROCESS FOR VERIFICATION OF CONDITIONS A
22 CURRENT OR FORMER STUDENT MAY DEMONSTRATE TO RECEIVE AN
23 EXEMPTION PURSUANT TO SUBSECTION (2) OF THIS SECTION;

24 (II) AN OPPORTUNITY TO ESTABLISH A PAYMENT PLAN FOR THE
25 DEBT;

26 (III) IDENTIFICATION OF THE POINT AT WHICH A STUDENT WILL NO
27 LONGER BE ABLE TO REGISTER FOR CLASSES DUE TO THE DEBT OWED; AND

1 (IV) IDENTIFICATION OF THE POINT AT WHICH A STUDENT MAY BE
2 SUBJECT TO A TRANSCRIPT, DIPLOMA, OR REGISTRATION HOLD, INCLUDING
3 THE TIME FRAMES AND AMOUNTS FOR WHICH THE HOLDS ARE TO BE USED
4 AND THE LOWEST AMOUNT OF DEBT AT WHICH THE INSTITUTION WILL
5 ASSIGN THE DEBT TO A THIRD-PARTY COLLECTION AGENCY.

6 (b) THE POSTSECONDARY INSTITUTION SHALL POST THE POLICY
7 DESCRIBED IN SUBSECTION (4)(a) OF THIS SECTION AND THE PROCEDURES
8 FOR FILING A COMPLAINT WITH THE STUDENT LOAN OMBUDSPERSON ON
9 THE POSTSECONDARY INSTITUTION'S WEBSITE AND PROVIDE THE POLICY
10 AND THE PROCEDURES TO STUDENTS AS PART OF THE INFORMATION
11 SHARED RELATING TO THE COST OF ATTENDANCE THAT INCLUDES ANY
12 ADDITIONAL FEES, FINANCIAL AID, SCHOLARSHIPS, OR OTHER
13 INFORMATION.

14 (5) (a) BEGINNING JULY 1, 2024, EACH POSTSECONDARY
15 INSTITUTION SHALL ANNUALLY REPORT TO THE DEPARTMENT OF HIGHER
16 EDUCATION CONCERNING TRANSCRIPT AND REGISTRATION HOLDS,
17 INCLUDING:

18 (I) THE POSTSECONDARY INSTITUTION'S POLICY DEVELOPED
19 PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION;

20 (II) THE NUMBER OF STUDENTS FOR WHOM THE POSTSECONDARY
21 INSTITUTION IS WITHHOLDING OFFICIAL TRANSCRIPTS, DIPLOMAS, AND
22 REGISTRATION PRIVILEGES; AND

23 (III) THE NUMBER OF PAST-DUE STUDENT ACCOUNTS ASSIGNED TO
24 THIRD-PARTY COLLECTION AGENCIES, INCLUDING THE NUMBER OF
25 STUDENTS WHO ARE ELIGIBLE FOR FEDERAL PELL GRANTS.

26 (b) BEGINNING JANUARY 2025, AND EACH JANUARY THEREAFTER,
27 THE DEPARTMENT OF HIGHER EDUCATION SHALL ANNUALLY REPORT ON

1 THE INFORMATION DESCRIBED IN SUBSECTION (5)(a) OF THIS SECTION AT
2 THE DEPARTMENT'S ANNUAL HEARING PURSUANT TO THE "STATE
3 MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT
4 (SMART) GOVERNMENT ACT", PART 2 OF ARTICLE 7 OF TITLE 2.

5 (6) (a) THE STUDENT LOAN OMBUDSPERSON MAY PROVIDE
6 INFORMATION TO THE PUBLIC REGARDING THE LIMITS DESCRIBED IN THIS
7 SECTION ON WITHHOLDING A TRANSCRIPT OR DIPLOMA AND MAY RECEIVE
8 COMPLAINTS FROM CURRENT OR FORMER STUDENTS WHO HAVE HAD A
9 TRANSCRIPT WITHHELD.

10 (b) BEGINNING JANUARY 2025, AND EACH JANUARY THEREAFTER,
11 THE ATTORNEY GENERAL'S OFFICE SHALL COMPILE DATA ON THE
12 COMPLAINTS RECEIVED BY THE STUDENT LOAN OMBUDSPERSON PURSUANT
13 TO SUBSECTION (6)(a) OF THIS SECTION AND ANNUALLY REPORT THE DATA
14 THROUGH THE ANNUAL HEARING FOR THE DEPARTMENT OF LAW HELD
15 PURSUANT TO THE "STATE MEASUREMENT FOR ACCOUNTABLE,
16 RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT", PART 2
17 OF ARTICLE 7 OF TITLE 2.

18 **SECTION 2. Safety clause.** The general assembly hereby finds,
19 determines, and declares that this act is necessary for the immediate
20 preservation of the public peace, health, or safety.