

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

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.

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

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

10 (e) "STUDENT LOAN BORROWER" HAS THE SAME MEANING AS SET
11 FORTH IN SECTION 5-20-103 (7).

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

14 (2) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
15 CONTRARY, WITH REGARD TO A CURRENT OR FORMER STUDENT WHO OWES
16 A DEBT, A POSTSECONDARY INSTITUTION SHALL NOT:

17 (a) REFUSE TO PROVIDE A TRANSCRIPT OR DIPLOMA FOR THE
18 CURRENT OR FORMER STUDENT ON THE GROUNDS THAT THE STUDENT
19 OWES A DEBT;

20 (b) CONDITION THE PROVISION OF A TRANSCRIPT OR DIPLOMA ON
21 PAYMENT OF A DEBT;

22 (c) CHARGE A HIGHER FEE TO OBTAIN A TRANSCRIPT OR DIPLOMA
23 OR PROVIDE LESS FAVORABLE TREATMENT IN RESPONSE TO A TRANSCRIPT
24 OR DIPLOMA REQUEST BECAUSE THE REQUESTING CURRENT OR FORMER
25 STUDENT OWES A DEBT; OR

26 (d) OTHERWISE USE TRANSCRIPT OR DIPLOMA ISSUANCE AS A TOOL
27 FOR DEBT COLLECTION.

1 (3) (a) NOTWITHSTANDING THE PROHIBITION STATED IN
2 SUBSECTION (2)(a) OF THIS SECTION, A POSTSECONDARY INSTITUTION MAY
3 REFUSE TO PROVIDE A TRANSCRIPT OR DIPLOMA FOR A CURRENT OR
4 FORMER STUDENT ON THE GROUNDS THAT THE STUDENT OWES A DEBT FOR
5 TUITION, ROOM AND BOARD FEES, OR FINANCIAL AID FUNDS, UNLESS THE
6 STUDENT IS REQUESTING THE TRANSCRIPT OR DIPLOMA FOR ONE OF THE
7 FOLLOWING PURPOSES:

8 (I) A JOB APPLICATION;

9 (II) TRANSFERRING TO ANOTHER POSTSECONDARY INSTITUTION;

10 (III) APPLYING FOR STATE, FEDERAL, OR INSTITUTIONAL FINANCIAL
11 AID;

12 (IV) PURSUIT OF OPPORTUNITIES IN THE MILITARY OR NATIONAL
13 GUARD; OR

14 (V) PURSUIT OF OTHER POSTSECONDARY OPPORTUNITIES.

15 (b) (I) EACH POSTSECONDARY INSTITUTION SHALL ADOPT A POLICY
16 THAT OUTLINES THE PROCESS BY WHICH A STUDENT MAY OBTAIN A
17 TRANSCRIPT OR DIPLOMA AND THE CIRCUMSTANCES UNDER WHICH A
18 CURRENT OR FORMER STUDENT'S TRANSCRIPT OR DIPLOMA MAY BE
19 WITHHELD PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION. AT A
20 MINIMUM, THE POLICY MUST INCLUDE:

21 (A) THE ABILITY FOR THE STUDENT TO APPLY FOR A FINANCIAL
22 HARDSHIP WAIVER TO OBTAIN A TRANSCRIPT OR DIPLOMA;

23 (B) AN EXCEPTION TO WITHHOLDING THE TRANSCRIPT OR DIPLOMA
24 FOR A STUDENT WHO DEMONSTRATES THE TRANSCRIPT OR DIPLOMA IS
25 REQUESTED FOR A PURPOSE SPECIFIED IN SUBSECTION (3)(a) OF THIS
26 SECTION;

27 (C) AN OPPORTUNITY TO ESTABLISH A PAYMENT PLAN FOR THE

1 DEBT;

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

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

9 (II) THE POSTSECONDARY INSTITUTION SHALL POST THE POLICY
10 DESCRIBED IN SUBSECTION (3)(b)(I) OF THIS SECTION AND THE
11 PROCEDURES FOR FILING A COMPLAINT WITH THE STUDENT LOAN
12 OMBUDSPERSON ON THE POSTSECONDARY INSTITUTION'S WEBSITE AND
13 PROVIDE THE POLICY AND THE PROCEDURES TO STUDENTS AS PART OF THE
14 INFORMATION SHARED RELATING TO THE COST OF ATTENDANCE THAT
15 INCLUDES ANY ADDITIONAL FEES, FINANCIAL AID, SCHOLARSHIPS, OR
16 OTHER INFORMATION.

17 (4) (a) BEGINNING JULY 1, 2024, EACH POSTSECONDARY
18 INSTITUTION SHALL ANNUALLY REPORT TO THE DEPARTMENT OF HIGHER
19 EDUCATION CONCERNING TRANSCRIPT AND REGISTRATION HOLDS,
20 INCLUDING:

21 (I) THE POSTSECONDARY INSTITUTION'S POLICY DEVELOPED
22 PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION;

23 (II) THE NUMBER OF STUDENTS FOR WHOM THE POSTSECONDARY
24 INSTITUTION IS WITHHOLDING OFFICIAL TRANSCRIPTS, DIPLOMAS, AND
25 REGISTRATION PRIVILEGES; AND

26 (III) THE NUMBER OF PAST-DUE STUDENT ACCOUNTS ASSIGNED TO
27 THIRD-PARTY COLLECTION AGENCIES, INCLUDING THE NUMBER OF

1 STUDENTS WHO ARE ELIGIBLE FOR FEDERAL PELL GRANTS.

2 (b) BEGINNING JANUARY 2025, AND EACH JANUARY THEREAFTER,
3 THE DEPARTMENT OF HIGHER EDUCATION SHALL ANNUALLY REPORT ON
4 THE INFORMATION DESCRIBED IN SUBSECTION (4)(a) OF THIS SECTION AT
5 THE DEPARTMENT'S ANNUAL HEARING PURSUANT TO THE "STATE
6 MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT
7 (SMART) GOVERNMENT ACT", PART 2 OF ARTICLE 7 OF TITLE 2.

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

13 (b) BEGINNING JANUARY 2025, AND EACH JANUARY THEREAFTER,
14 THE ATTORNEY GENERAL'S OFFICE SHALL COMPILE DATA ON THE
15 COMPLAINTS RECEIVED BY THE STUDENT LOAN OMBUDSPERSON PURSUANT
16 TO SUBSECTION (5)(a) OF THIS SECTION AND ANNUALLY REPORT THE DATA
17 THROUGH THE ANNUAL HEARING FOR THE DEPARTMENT OF LAW HELD
18 PURSUANT TO THE "STATE MEASUREMENT FOR ACCOUNTABLE,
19 RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT", PART 2
20 OF ARTICLE 7 OF TITLE 2.

21 (6) THIS SECTION DOES NOT PROHIBIT A PERSON FROM PURSUING
22 ANY OTHER REMEDY PROVIDED BY LAW FOR A VIOLATION OF THIS
23 SECTION.

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