First Regular Session Seventy-fifth General Assembly STATE OF COLORADO

INTRODUCED

LLS NO. 25-0605.01 Alana Rosen x2606

SENATE BILL 25-004

SENATE SPONSORSHIP

Winter F. and Marchman,

HOUSE SPONSORSHIP

Willford and Garcia,

Senate Committees Business, Labor, & Technology **House Committees**

A BILL FOR AN ACT

101 CONCERNING REGULATING FEES LICENSED CHILD CARE CENTERS MAY

102 CHARGE FAMILIES.

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 <u>http://leg.colorado.gov</u>.)

The bill limits the amount a licensed child care center, family child care home, or substitute placement agency (child care center) may charge for a wait list fee or an application fee to \$25.

A child care center shall use a wait list fee or an application fee to cover only the administrative burdens of managing a wait list or processing an application. A child care center shall credit a deposit fee toward the family's first month of child care if the family secures a position with the child care center.

For transparency and accountability to families, a child care center shall create and publish a policy for establishing fees. Each child care center shall make the information available to families in a clear and understandable format before families apply to and enroll in the child care center. Each child care center shall display the information in a prominent and conspicuous location:

- On the child care center's website, if applicable;
- In the child care center's facility at all times during operational hours; and
- On the child care center's application.

During the department of early childhood's (department) periodic inspections, or if a complaint is filed regarding fees, the department shall review the information in the child care center's policy for establishing fees to confirm the child care center is complying with the law. If the department finds the child care center is not compliant, the child care center has 30 days after the date of inspection to comply. If the child care center does not comply within 30 days after the date of inspection, the department may take further disciplinary action.

Be it enacted by the General Assembly of the State of Colorado:
SECTION 1. In Colorado Revised Statutes, add 26.5-5-332 as
follows:
26.5-5-332. Regulation of child care center fees - complaints
- enforcement - definitions. (1) As used in this section, unless the
CONTEXT OTHERWISE REQUIRES:
(a) "CHILD CARE CENTER" MEANS A CHILD CARE CENTER, A FAMILY
CHILD CARE HOME, OR A SUBSTITUTE PLACEMENT AGENCY LICENSED
pursuant to this part 3.
(b) "CHILD CARE CENTER APPLICATION FEE" OR "APPLICATION FEE"
MEANS A SUM OF MONEY, HOWEVER DENOMINATED, THAT IS CHARGED OR
ACCEPTED BY A CHILD CARE CENTER FROM A PROSPECTIVE FAMILY IN
CONNECTION WITH THE PROSPECTIVE FAMILY'S SUBMISSION OF A CHILD

1 CARE CENTER APPLICATION.

2 (c) "CHILD CARE CENTER DEPOSIT FEE" OR "DEPOSIT FEE" MEANS
3 A SUM OF MONEY, HOWEVER DENOMINATED, THAT IS CHARGED OR
4 ACCEPTED BY A CHILD CARE CENTER FROM A FAMILY IN CONNECTION WITH
5 THE FAMILY SECURING A GUARANTEED CHILD CARE POSITION.

6 (d) "CHILD CARE CENTER WAIT LIST FEE" OR "WAIT LIST FEE"
7 MEANS A ONE-TIME FEE CHARGED OR ACCEPTED BY A CHILD CARE CENTER
8 FROM A PROSPECTIVE FAMILY IN CONNECTION WITH THE PROSPECTIVE
9 FAMILY JOINING A WAIT LIST FOR A POTENTIAL CHILD CARE POSITION THAT
10 IS NOT YET AVAILABLE.

(2) (a) A CHILD CARE CENTER MAY CHARGE A CHILD CARE CENTER
WAIT LIST FEE TO PROSPECTIVE FAMILIES SEEKING A POTENTIAL CHILD
CARE POSITION THAT IS NOT YET AVAILABLE. A CHILD CARE CENTER SHALL
NOT CHARGE MORE THAN TWENTY-FIVE DOLLARS PER WAIT LIST
TRANSACTION.

16 (b) THE WAIT LIST FEE MUST BE A SEPARATE FEE FROM THE OTHER
17 FEES A CHILD CARE CENTER MAY CHARGE. A CHILD CARE CENTER SHALL
18 USE A WAIT LIST FEE TO COVER ONLY THE ADMINISTRATIVE BURDENS OF
19 MANAGING A WAIT LIST.

20 (3) (a) A CHILD CARE CENTER MAY CHARGE A CHILD CARE CENTER
21 APPLICATION FEE TO PROSPECTIVE FAMILIES WHO SUBMIT AN APPLICATION
22 TO THE CHILD CARE CENTER SEEKING TO SECURE CHILD CARE SERVICES. A
23 CHILD CARE CENTER SHALL NOT CHARGE MORE THAN TWENTY-FIVE
24 DOLLARS PER APPLICATION.

(b) THE APPLICATION FEE MUST BE A SEPARATE FEE FROM THE
other fees a child care center may charge. A child care center
shall use an application fee to cover only the administrative

-3-

1 BURDENS OF PROCESSING AN APPLICATION.

2 (4) A CHILD CARE CENTER MAY CHARGE A CHILD CARE CENTER
3 DEPOSIT FEE TO A FAMILY TO SECURE A GUARANTEED CHILD CARE
4 POSITION. THE CHILD CARE CENTER SHALL CREDIT THE DEPOSIT FEE
5 TOWARD THE FAMILY'S FIRST MONTH OF CHILD CARE FOLLOWING THE
6 ACCEPTANCE OF CHILD CARE SERVICES.

7 (5) (a) FOR TRANSPARENCY AND ACCOUNTABILITY TO FAMILIES,
8 A CHILD CARE CENTER SHALL CREATE AND PUBLISH A POLICY FOR
9 ESTABLISHING FEES, WHICH MAY INCLUDE THE FOLLOWING:

- 10 (I) WAIT LIST FEES;
- 11 (II) APPLICATION FEES;
- 12 (III) DEPOSIT FEES;
- 13 (IV) TUITION FEES;
- 14 (V) LATE PICK-UP FEES;
- 15 (VI) ACTIVITY FEES;
- 16 (VII) FIELD TRIP FEES;
- 17 (VIII) UNIFORM FEES;
- 18 (IX) SUPPLY FEES;
- 19 (X) MEAL AND SNACK FEES;
- 20 (XI) REGISTRATION FEES;
- 21 (XII) LATE PAYMENT FEES; AND
- 22 (XIII) ANY OTHER FEES.
- 23 (b) (I) EACH CHILD CARE CENTER SHALL MAKE THE INFORMATION
- 24 DESCRIBED IN SUBSECTION (5)(a) OF THIS SECTION AVAILABLE TO FAMILIES
- 25 IN A CLEAR AND UNDERSTANDABLE FORMAT BEFORE FAMILIES APPLY TO

26 AND ENROLL IN THE CHILD CARE CENTER.

27 (II) EACH CHILD CARE CENTER SHALL DISPLAY THE INFORMATION

1 IN A PROMINENT AND CONSPICUOUS LOCATION:

(A) ON THE CHILD CARE CENTER'S WEBSITE, IF APPLICABLE;

3 (B) IN THE CHILD CARE CENTER'S FACILITY AT ALL TIMES DURING
4 OPERATIONAL HOURS; AND

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(C) ON THE CHILD CARE CENTER'S APPLICATION.

6 (6) (a) DURING AN INSPECTION CONDUCTED PURSUANT TO SECTION 7 26.5-5-316 (1), OR IF A COMPLAINT REGARDING FEES IS FILED WITH THE 8 DEPARTMENT THROUGH THE COMPLAINT PROCEDURES DESCRIBED IN 9 SECTION 26.5-5-316 (1)(b)(II) OR THE CHILD CARE RESOURCE AND 10 REFERRAL SYSTEM CREATED IN SECTION 26.5-5-324, THE DEPARTMENT 11 SHALL REVIEW THE INFORMATION DESCRIBED IN SUBSECTION (5)(a) OF 12 THIS SECTION TO DETERMINE WHETHER THE CHILD CARE CENTER IS 13 COMPLYING WITH THE REQUIREMENTS OF THIS SECTION.

(b) IF THE DEPARTMENT FINDS THE CHILD CARE CENTER IS NOT
COMPLIANT WITH THIS SECTION FOLLOWING THE INSPECTION DESCRIBED
IN SUBSECTION (6)(a) OF THIS SECTION, THE CHILD CARE CENTER HAS
THIRTY DAYS AFTER THE DATE OF INSPECTION TO COMPLY WITH THE
REQUIREMENTS OF THIS SECTION.

19 (c) IF THE CHILD CARE CENTER DOES NOT COMPLY WITH THE
20 REQUIREMENTS OF THIS SECTION WITHIN THIRTY DAYS AFTER THE DATE OF
21 INSPECTION DESCRIBED IN SUBSECTION (6)(a) OF THIS SECTION, THE
22 DEPARTMENT MAY TAKE FURTHER DISCIPLINARY ACTION PURSUANT TO
23 SECTION 26.5-5-317 (2).

(7) (a) THIS SECTION DOES NOT APPLY TO THE UNIVERSAL
PRESCHOOL PROGRAM ESTABLISHED IN PART 2 OF ARTICLE 4 OF THIS TITLE
26.5; THE COLORADO CHILD CARE ASSISTANCE PROGRAM CREATED IN
PART 1 OF ARTICLE 4 OF THIS TITLE 26.5; OR A HEAD START PROGRAM, AS

-5-

1 DEFINED IN SECTION 26.5-4-103.

2 (b) A CHILD CARE CENTER SHALL REIMBURSE A FAMILY FOR A WAIT 3 LIST FEE OR AN APPLICATION FEE IF IT IS LATER DETERMINED THAT THE 4 FAMILY QUALIFIED FOR THE COLORADO CHILD CARE ASSISTANCE 5 PROGRAM WHEN THE FAMILY PAID THE WAIT LIST FEE OR APPLICATION FEE. 6 **SECTION 2.** Act subject to petition - effective date. This act 7 takes effect January 1, 2026; except that, if a referendum petition is filed 8 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, 9 item, section, or part will not take effect unless approved by the people 10 11 at the general election to be held in November 2026 and, in such case, 12 will take effect on the date of the official declaration of the vote thereon 13 by the governor.