

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 25-0090.01 Chelsea Princell x4335

HOUSE BILL 25-1011

HOUSE SPONSORSHIP

Garcia and Sirota,

SENATE SPONSORSHIP

Kipp,

House Committees
Health & Human Services

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING REQUIREMENTS FOR CHILD CARE CENTERS OWNED BY AN**
102 **INSTITUTIONAL INVESTMENT ENTITY.**

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 requires a child care center owned by an institutional investment entity to meet the following requirements in order to receive state funding:

- The child care center may only charge a wait list fee of no more than \$25; and
- The child care center shall post and update accurate child

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

care pricing on the child care center's website.

The bill requires an institutional investment entity to meet the following requirements in order to receive state funding:

- Allow a child care center to maintain ownership of the property used to operate the child care center; and
- Upon acquisition of a child care center, provide at least a 60-day notice to all child care center employees and families with children enrolled at the child care center if the institutional investment entity intends to lay off child care center employees or change enrollment or eligibility requirements for the child care center.

The requirements of the bill apply only to institutional investment entities that own 5 or more child care centers and to child care centers that are owned by an institutional investment entity that owns 5 or more child care centers.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 26.5-1-118 as
3 follows:

4 **26.5-1-118. Private equity acquisition of child care centers -**
5 **applicability - definition.** (1) AS USED IN THIS SECTION, UNLESS THE
6 CONTEXT OTHERWISE REQUIRES, "INSTITUTIONAL INVESTMENT ENTITY"
7 MEANS A PERSON OR COMPANY THAT WOULD BE CONSIDERED AN
8 INVESTMENT COMPANY UNDER THE FEDERAL "INVESTMENT COMPANY
9 ACT OF 1940", 15 U.S.C. SEC. 80a-3, EXCEPT FOR THE APPLICATION OF
10 SUBSECTION (c)(1) OR (c)(7); OR CONSIDERED A VENTURE CAPITAL FUND,
11 AS DEFINED IN 17 CFR 275.203(I)-1; AND THAT HAS OWNERSHIP OF AT
12 LEAST TWENTY PERCENT OF A CHILD CARE CENTER OR COMPANY THAT
13 OPERATES OR FRANCHISES CHILD CARE CENTERS. "INSTITUTIONAL
14 INVESTMENT ENTITY" INCLUDES AN ENTITY THAT HOLDS AT LEAST A
15 TWENTY PERCENT SHARE OF A COMPANY THAT OPERATES OR FRANCHISES
16 CHILD CARE CENTERS AND THAT IS PUBLICLY TRADED ON A STOCK
17 EXCHANGE, AND ALSO INCLUDES AN ENTITY THAT IS THE BENEFICIAL

1 OWNER OF A FRANCHISED CHILD CARE CENTER REGARDLESS OF WHETHER
2 THE FRANCHISE IS INDEPENDENTLY OPERATED. ANY CENTER OR COMPANY
3 THAT IS AT LEAST TWENTY PERCENT OWNED BY, OR HAS TWENTY PERCENT
4 OF ITS PUBLIC SHARES OWNED BY, AN INSTITUTIONAL INVESTMENT ENTITY
5 IS AN INSTITUTIONAL INVESTMENT ENTITY FOR PURPOSES OF THIS SECTION.

6 (2) IN ORDER TO RECEIVE STATE FUNDING PURSUANT TO THIS TITLE
7 26.5, A CHILD CARE CENTER OWNED BY AN INSTITUTIONAL INVESTMENT
8 ENTITY:

9 (a) MAY ONLY CHARGE A WAIT LIST FEE OF NO MORE THAN
10 TWENTY-FIVE DOLLARS IF THE CHILD CARE CENTER CHARGES A WAIT LIST
11 FEE; AND

12 (b) SHALL POST AND UPDATE CHILD CARE PRICING ON THE CHILD
13 CARE CENTER'S WEBSITE.

14 (3) IN ORDER FOR A CHILD CARE CENTER THAT IS OWNED BY AN
15 INSTITUTIONAL INVESTMENT ENTITY TO RECEIVE STATE FUNDING
16 PURSUANT TO THIS TITLE 26.5, THE INSTITUTIONAL INVESTMENT ENTITY
17 MUST:

18 (a) ALLOW THE CHILD CARE CENTER TO MAINTAIN OWNERSHIP OF
19 THE PROPERTY USED TO OPERATE THE CHILD CARE CENTER; AND

20 (b) UPON ACQUISITION OF A CHILD CARE CENTER, PROVIDE AT
21 LEAST A SIXTY-DAY NOTICE TO CHILD CARE CENTER EMPLOYEES AND
22 FAMILIES WHO HAVE CHILDREN ENROLLED AT THE CHILD CARE CENTER IF
23 THE INSTITUTIONAL INVESTMENT ENTITY INTENDS TO LAY OFF CHILD CARE
24 CENTER EMPLOYEES OR CHANGE ENROLLMENT OR ELIGIBILITY
25 REQUIREMENTS FOR THE CHILD CARE CENTER AS A RESULT OF THE
26 INSTITUTIONAL INVESTMENT ENTITY'S ACQUISITION.

27 (4) (a) THE REQUIREMENTS DESCRIBED IN SUBSECTION (2) OF THIS

1 SECTION APPLY ONLY TO A CHILD CARE CENTER THAT IS OWNED BY AN
2 INSTITUTIONAL INVESTMENT ENTITY THAT OWNS FIVE OR MORE CHILD
3 CARE CENTERS.

4 (b) THE REQUIREMENTS DESCRIBED IN SUBSECTION (3) OF THIS
5 SECTION APPLY ONLY TO AN INSTITUTIONAL INVESTMENT ENTITY THAT
6 OWNS FIVE OR MORE CHILD CARE CENTERS.

7 **SECTION 2. Safety clause.** The general assembly finds,
8 determines, and declares that this act is necessary for the immediate
9 preservation of the public peace, health, or safety or for appropriations for
10 the support and maintenance of the departments of the state and state
11 institutions.