

CHAPTER 25

EARLY CHILDHOOD PROGRAMS AND SERVICES

SENATE BILL 25-004

BY SENATOR(S) Winter F. and Marchman, Amabile, Bridges, Cutter, Exum, Hinrichsen, Jodeh, Kolker, Michaelson Jenet, Coleman;
 also REPRESENTATIVE(S) Willford and Garcia, Boesenecker, Brown, Camacho, Duran, Froelich, Gilchrist, Hamrick, Lieder, Lindsay, Rutinel, Story, Titone, Valdez, Woodrow.

AN ACT**CONCERNING REGULATING FEES LICENSED CHILD CARE PROGRAMS MAY CHARGE FAMILIES.**

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 program fees - complaints - enforcement - definitions. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "CHILD CARE PROGRAM" MEANS A CHILD CARE CENTER, FAMILY CHILD CARE HOME, OR NEIGHBORHOOD YOUTH ORGANIZATION.

(b) "CHILD CARE PROGRAM APPLICATION FEE" OR "APPLICATION FEE" MEANS A SUM OF MONEY, HOWEVER DENOMINATED, THAT IS CHARGED OR ACCEPTED BY A CHILD CARE PROGRAM FROM A PROSPECTIVE FAMILY IN CONNECTION WITH THE PROSPECTIVE FAMILY'S SUBMISSION OF A CHILD CARE PROGRAM APPLICATION.

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

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

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.

(2) (a) If a prospective family pays a child care program a child care program application fee, deposit fee, or wait list fee and is not enrolled in the child care program after six months of paying the fee, the fee is refundable. A child care program may retain a reasonable administrative fee from a refundable fee before issuing a refund to the prospective family. The department shall determine the amount of a reasonable administrative fee in consultation with stakeholders, including families who use child care programs and licensed child care program providers. Refunds may be issued only after the deduction of the reasonable administrative fee. The prospective family must submit a written request to the child care program to receive a refund.

(b) Upon receiving the written request from the prospective family as described in subsection (2)(a) of this section, the child care program shall refund the fees to the prospective family as described in subsection (2)(a) of this section and may remove the prospective family from the wait list.

(c) Prospective families who are offered a child care slot with a child care program and who refuse the child care slot shall not receive a refund as described in subsections (2)(a) and (2)(b) of this section.

(3) (a) If a family enrolls in a child care program and signs a contract with the child care program provider, the terms of the contract, including fees outlined in the contract, are not subject to this section.

(b) A fee to hold a child care slot that has been offered to a family is not subject to this section.

(4) A child care program may charge a child care program deposit fee to a family to secure a guaranteed child care position. The child care program shall credit the deposit fee toward the family's tuition of child care following the acceptance of child care services.

(5) (a) For transparency and accountability to prospective families, a child care program shall provide a fee schedule and the process on fee refunds described in subsection (2) of this section to a prospective family upon:

- (I) Joining a wait list;
- (II) Registration; and
- (III) Request of the family.

(b) For transparency and accountability to an enrolled family, a child care program shall provide a fee schedule and the process on fee refunds described in subsection (2) of this section to an enrolled family upon:

- (I) Enrollment;

(II) AMENDMENTS TO THE FEE SCHEDULE; AND

(III) AMENDMENTS TO THE PROCESS ON FEE REFUNDS.

(c) A CHILD CARE PROGRAM MAY PUBLISH THE FEE SCHEDULE DESCRIBED IN SUBSECTIONS (5)(a) AND (5)(b) OF THIS SECTION DIGITALLY ON THE CHILD CARE PROGRAM'S WEBSITE.

(6) (a) DURING AN INSPECTION CONDUCTED PURSUANT TO SECTION 26.5-5-316 (1), OR IF A COMPLAINT REGARDING FEES IS FILED WITH THE DEPARTMENT THROUGH THE COMPLAINT PROCEDURES DESCRIBED IN SECTION 26.5-5-316 (1)(b)(II), THE DEPARTMENT SHALL DETERMINE WHETHER THE CHILD CARE PROGRAM IS COMPLYING WITH THE REQUIREMENTS OF THIS SECTION.

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

(c) IF THE CHILD CARE PROGRAM DOES NOT COMPLY WITH THE REQUIREMENTS OF THIS SECTION WITHIN THIRTY DAYS AFTER THE DATE OF INSPECTION DESCRIBED IN SUBSECTION (6)(a) OF THIS SECTION, THE DEPARTMENT MAY TAKE FURTHER DISCIPLINARY ACTION PURSUANT TO SECTION 26.5-5-317 (2). THE DEPARTMENT SHALL NOT TAKE DISCIPLINARY ACTION AGAINST A CHILD CARE PROGRAM THAT MAKES A GOOD FAITH ADMINISTRATIVE ERROR OR IS NOT IN COMPLIANCE FOR THE FIRST TIME. THE DEPARTMENT'S ENFORCEMENT SHALL FOCUS ON DELIBERATE VIOLATIONS OF THIS SECTION.

(7) THIS SECTION DOES NOT RESTRICT OR AFFECT THE POWERS, DUTIES, OR FUNCTIONS OF THE DEPARTMENT AS AUTHORIZED PURSUANT TO THIS TITLE 26.5.

SECTION 2. Act subject to petition - effective date. This act takes effect January 1, 2026; 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 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: March 26, 2025