

HB1145_L.001

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Finance.HB19-1145 be amended as follows:

1 Amend printed bill, page 2, strike lines 2 through 21 and substitute:

2 **"SECTION 1. Legislative declaration.** (1) The general
3 assembly hereby finds and declares that:

4 (a) Colorado residents continue to face higher-than-average
5 medical costs. According to a recent study by the Network for Regional
6 Healthcare Improvement, Colorado's total costs for services were
7 seventeen percent higher than in other states studied. The higher costs
8 were driven by both increased use and higher prices. The Colorado
9 commission on affordable health care reported that spending on health
10 care is growing faster than the economy as a whole.

11 (b) The 2017 Colorado health access survey found that seven
12 hundred fifty thousand Coloradans reported difficulty paying medical
13 bills. Forty-five thousand declared bankruptcy because of medical debt.

14 (c) The use of courts to collect debt has increased substantially in
15 the last twenty years, a trend that is likely to continue with the increase to
16 the statutory limit on county court collection cases. Medical debt
17 comprises a significant proportion of debt collection cases.

18 (d) Once obtained, a county court judgment is valid for a
19 minimum of six years and may be revived indefinitely. Similarly, a
20 district court judgment is valid for twenty years, and may also be revived
21 indefinitely. The judgment creditor may record a transcript of a judgment
22 from either county or district court, and that judgment becomes a lien on
23 all presently owned or after-acquired real property in that county.

24 (e) The creation of a lien against real property impairs the
25 judgment debtor's ability to buy, sell, and refinance real property.
26 Additionally, the lien may be foreclosed in the same manner as any other
27 judgment, and the judgment debtor's real property may be taken in
28 satisfaction of the judgment.

29 (2) The general assembly further finds and declares that providing
30 protections to Coloradans facing liens against their homes arising from
31 the collection of medical debt is necessary to the stability and welfare of
32 Coloradans and their families.

33 **SECTION 2.** In Colorado Revised Statutes, 38-41-201, **amend**
34 (1); and **add** (2)(c), (2)(d), and (2)(e) as follows:

35 **38-41-201. Homestead exemption - definitions.** (1) Every
36 homestead in the state of Colorado shall be exempt from execution and
37 attachment arising from any debt, contract, or civil obligation not
38 exceeding in actual cash value in excess of any liens or encumbrances on
39 the homesteaded property in existence at the time of any levy of execution

1 thereon:

2 (a) FOR MEDICAL DEBT, THE SUM OF THREE HUNDRED AND FIFTY
3 THOUSAND DOLLARS IF THE HOMESTEAD IS OCCUPIED AS A HOME BY AN
4 OWNER THEREOF OR AN OWNER'S FAMILY; AND

5 (b) FOR ALL OTHER DEBT, CONTRACT, OR CIVIL OBLIGATION:

6 (a) (I) The sum of seventy-five thousand dollars if the homestead
7 is occupied as a home by an owner thereof or an owner's family; or

8 (b) (II) The sum of one hundred five thousand dollars if the
9 homestead is occupied as a home by an elderly or disabled owner, an
10 elderly or disabled spouse of an owner, or an elderly or disabled
11 dependent of an owner.

12 (2) As used in this section, unless the context otherwise requires:

13 (c) "HEALTH CARE SERVICES" HAS THE SAME MEANING AS
14 SPECIFIED IN SECTION 10-16-102 (33).

15 (d) "MEDICAL DEBT" MEANS A JUDGMENT FOR MONEY ORIGINALLY
16 OWED TO A PROVIDER FOR HEALTH CARE SERVICES.

17 (e) "PROVIDER" HAS THE SAME MEANING AS SPECIFIED IN SECTION
18 10-16-102 (56).

19 **SECTION 3.** In Colorado Revised Statutes, 38-41-206, **amend**
20 (1)(a) introductory portion, (1)(a)(III), and (4)(b) as follows:

21 **38-41-206. Levy on homestead - excess - costs.** (1) Before any
22 creditor of the owner of the homesteaded property may proceed against
23 said property, such creditor shall file with the county clerk and recorder
24 of the proper county and the sheriff or other proper officer authorized to
25 levy on said property:

26 (a) ~~His~~ THE CREDITOR'S affidavit showing:

27 (III) That the fair market value of said property less any prior liens
28 or encumbrances thereon exceeds the amount of the homestead exemption
29 fixed in section 38-41-201 for which the claimant qualifies FOR THE TYPE
30 OF DEBT OWED TO THE CREDITOR; and

31 (4) If a sale is made, the proceeds thereof shall be applied in the
32 following order:

33 (b) Second, to the homestead claimant in the amount of the
34 homestead exemption for which ~~he~~ THE CLAIMANT qualifies FOR THE TYPE
35 OF DEBT OWED TO THE CREDITOR;".

36 Renumber succeeding sections accordingly.

37 Page 3, strike lines 1 through 13.

38 Page 3, strike line 15 and substitute "(1) as follows:".

39 Page 4, line 27, strike "FOR THE" and substitute "FOR MEDICAL DEBT AS

1 DEFINED IN SECTION 38-41-201 (2)(d).".

2 Page 5, strike lines 1 through 11.

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