

## CHAPTER 463

---

**CONSUMER AND COMMERCIAL TRANSACTIONS**


---

**HOUSE BILL 24-1380**

BY REPRESENTATIVE(S) Mabrey, Boesenecker, Brown, Duran, Epps, Froelich, Garcia, Hamrick, Hernandez, Herod, Jodeh, Kipp, Lieder, Lindsay, Ortiz, Rutinel, Sirota, Story, Titone, Velasco, Vigil, Weissman, Willford, Amabile, Clifford, Ricks, Valdez; also SENATOR(S) Cutter and Jaquez Lewis, Coleman, Danielson, Exum, Gonzales, Hinrichsen, Kolker, Marchman, Michaelson Jenet, Priola, Roberts, Rodriguez, Winter F.

**AN ACT****CONCERNING MEASURES TO INCREASE CONSUMER PROTECTIONS IN TRANSACTIONS WITH DEBT-RELATED SERVICES.**

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

**SECTION 1.** In Colorado Revised Statutes, 5-16-111, **add** (1.5) as follows:

**5-16-111. Legal actions by collection agencies.** (1.5) A DEBT COLLECTOR OR COLLECTION AGENCY THAT IS NOT A CREDITOR OR DEBT BUYER SHALL NOT BE THE NAMED PLAINTIFF IN A LEGAL ACTION OR TAKE ANY LEGAL ACTION ON A DEBT AGAINST A CONSUMER UNLESS THE DEBT COLLECTOR OR COLLECTION AGENCY:

(a) ENSURES THAT THE NAME OF THE ORIGINAL CREDITOR OR ASSIGNOR AND THE NAME OF THE DEBT COLLECTOR OR COLLECTION AGENCY ARE INCLUDED IN THE CASE CAPTION OF THE COMPLAINT, IN THAT ORDER; AND

(b) HAS A COMPLETE AND EFFECTIVE ASSIGNMENT, INCLUDING COMPLETE SETTLEMENT AUTHORITY AND AUTHORITY TO RESOLVE THE LITIGATION.

**SECTION 2.** In Colorado Revised Statutes, 5-19-110, **add** (3), (4), (5), (6), and (7) as follows:

**5-19-110. Powers of administrator of the uniform consumer credit code and district attorney - subpoenas - hearings - notification - cease-and-desist orders - definitions.** (3) (a) CREDIT SERVICES ORGANIZATIONS SHALL FILE A NOTIFICATION WITH, AND PAY THE FEE PRESCRIBED IN SUBSECTION (4) OF THIS SECTION TO, THE ADMINISTRATOR WITHIN THIRTY DAYS AFTER COMMENCING BUSINESS IN THIS STATE

---

*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.*

AND, THEREAFTER, ON OR BEFORE JULY 1 OF EACH YEAR. THE NOTIFICATION MUST STATE:

(I) THE NAME OF THE CREDIT SERVICES ORGANIZATION;

(II) THE NAME IN WHICH BUSINESS IS TRANSACTED, IF THE NAME IS DIFFERENT FROM THE NAME PROVIDED PURSUANT TO SUBSECTION (3)(a)(I) OF THIS SECTION;

(III) THE ADDRESS OF THE CREDIT SERVICES ORGANIZATION'S PRINCIPAL OFFICE, WHICH MAY BE OUTSIDE OF THIS STATE; AND

(IV) OTHER INFORMATION THE ADMINISTRATOR MAY REQUIRE.

(b) IF INFORMATION IN A NOTIFICATION BECOMES INACCURATE AFTER FILING, NO FURTHER NOTIFICATION IS REQUIRED UNTIL THE FOLLOWING YEAR'S NOTIFICATION FILING IS DUE.

(4) A PERSON REQUIRED TO FILE THE NOTIFICATION DESCRIBED IN SUBSECTION (3) OF THIS SECTION SHALL PAY TO THE ADMINISTRATOR A NONREFUNDABLE ANNUAL NOTIFICATION FEE. THE ADMINISTRATOR MAY EXAMINE THE TRANSACTIONS, BUSINESS, AND RECORDS OF A PERSON THAT FILES A NOTIFICATION WITHOUT ISSUANCE OF A SUBPOENA.

(5) THE STATE TREASURER SHALL CREDIT ALL FEES COLLECTED UNDER THIS PART 1 TO THE CONSUMER CREDIT UNIT CASH FUND.

(6)(a) AFTER NOTICE AND HEARING, THE ADMINISTRATOR MAY ORDER A PERSON TO CEASE AND DESIST FROM ENGAGING IN VIOLATIONS OF THIS CODE OR ANY RULE OR ORDER LAWFULLY MADE PURSUANT TO THIS PART 1. THE ORDER ISSUED BY THE ADMINISTRATOR MAY REQUIRE THE PERSON TO PAY TO A BUYER A REFUND OF UNLAWFUL CHARGES UNDER THIS PART 1 CHARGED TO THE BUYER AND TO PAY AN ADMINISTRATIVE PENALTY OF UP TO ONE THOUSAND FIVE HUNDRED DOLLARS PER VIOLATION.

(b) THE STATE TREASURER SHALL CREDIT ALL RECEIPTS FROM THE IMPOSITION OF ADMINISTRATIVE PENALTIES UNDER THIS SECTION TO THE CONSUMER CREDIT UNIT CASH FUND.

(c) A RESPONDENT AGGRIEVED BY AN ORDER OF THE ADMINISTRATOR MAY SEEK JUDICIAL REVIEW OF THE ORDER IN THE COLORADO COURT OF APPEALS. THE ADMINISTRATOR MAY OBTAIN A COURT ORDER FOR ENFORCEMENT OF THE ADMINISTRATOR'S ORDER IN DISTRICT COURT UNDER SECTION 24-4-106. ALL PROCEEDINGS UNDER THIS SECTION ARE GOVERNED BY SECTIONS 24-4-105 AND 24-4-106.

(7) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "ADMINISTRATOR" MEANS THE ADMINISTRATOR OF THE UNIFORM CONSUMER CREDIT CODE.

(b) "CONSUMER CREDIT UNIT CASH FUND" MEANS THE CONSUMER CREDIT UNIT CASH FUND CREATED IN SECTION 5-2-302 (11).

**SECTION 3.** In Colorado Revised Statutes, 5-19-217, **amend** (b)(3)(A) and (c)(3) as follows:

**5-19-217. Prerequisites for providing debt-management services.** (b) A provider may not furnish or contract to furnish debt-management services unless the provider, through the services of a counselor or debt specialist:

(3) If the individual is to make regular, periodic payments:

(A) Has prepared a plan, AS DEFINED IN SECTION 5-19-202 (13), for the individual;

(c) Before an individual assents to an agreement to engage in a plan, a provider shall:

(3) With respect to all creditors identified by the individual or otherwise known by the provider to be creditors of the individual, provide the individual with a list of:

(A) Creditors that the provider expects to participate in the plan and grant concessions;

(B) Creditors that the provider expects to participate in the plan but not grant concessions; AND

(C) Creditors that the provider expects not to participate in the plan. ~~and~~

(D) ~~All other creditors.~~

**SECTION 4.** In Colorado Revised Statutes, 5-19-218, **amend** (b) as follows:

**5-19-218. Communication by electronic or other means - definitions.** (b) A provider may satisfy the requirements of section 5-19-217, 5-19-219, or 5-19-227 by means of the internet or other electronic means if the provider obtains a consumer's consent AT THE TIME OF SATISFYING THE REQUIREMENTS OF SECTION 5-19-217, 5-19-219, OR 5-19-227 in the manner provided by section 101 (c)(1) of the federal act.

**SECTION 5.** In Colorado Revised Statutes, 5-19-223, **amend** (d)(2)(A)(iii); **repeal** (d)(4) and (e); and **add** (d)(2)(C) as follows:

**5-19-223. Fees and other charges - rules.** (d) The following rules apply:

(2) If an individual assents to a plan that contemplates that creditors or debt collectors will settle debts for less than the principal amount of the debt:

(A) A provider may not request or receive payment of any fee or consideration until and unless:

~~(iii) The fee or consideration either: Bears the same proportional relationship to the total fee for settling the terms of the entire debt balance as the individual debt amount bears to the entire debt amount, in which case the individual debt amount and the entire debt amount are those owed at the time the debt was enrolled in the service; or is a percentage of the amount saved as a result of the settlement. The percentage charged cannot change from one individual debt to another. The amount saved is the difference between the amount owed at the time the debt was enrolled in the plan and the amount actually paid to satisfy the debt.~~ THE FEE OR OTHER CHARGE COMPLIES WITH RULES THAT THE ADMINISTRATOR ADOPTS PURSUANT TO SUBSECTION (d)(2)(C) OF THIS SECTION.

(C) THE ADMINISTRATOR MAY ADOPT RULES REGARDING THE FEE OR CHARGE AUTHORIZED PURSUANT TO SUBSECTION (d)(2)(A)(iii) OF THIS SECTION BY MARCH 1, 2025. THE RULES MUST NOT UNDULY LIMIT CONSUMER ACCESS TO DEBT MANAGEMENT SERVICES PROGRAMS BASED ON AVAILABLE STATE AND NATIONAL DATA.

~~(4) Except as otherwise provided in section 5-19-228 (d), if an individual does not assent to an agreement, a provider may receive for educational and counseling services it provides to the individual a fee not exceeding one hundred dollars or, with the approval of the administrator, a larger fee. The administrator may approve a fee larger than one hundred dollars if the nature and extent of the educational and counseling services warrant the larger fee.~~

~~(e) If, before the expiration of ninety days after the completion or termination of educational or counseling services, an individual assents to an agreement, the provider shall refund to the individual any fee paid pursuant to subsection (d)(4) of this section.~~

**SECTION 6. Act subject to petition - effective date.** (1) Except as specified in subsection (2) of this section, this act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; 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 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) Section 5-19-223 (d)(2)(A)(iii), (d)(4), and (e), Colorado Revised Statutes, as amended in section 5 of this act, takes effect March 1, 2025.

Approved: June 6, 2024