

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 21-0578.01 Ed DeCecco x4216

SENATE BILL 21-148

SENATE SPONSORSHIP

Gonzales,

HOUSE SPONSORSHIP

Esgar and Tipper,

Senate Committees

Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE FINANCIAL EMPOWERMENT**
102 **OFFICE IN THE DEPARTMENT OF LAW.**

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 creates the financial empowerment office (office) and the director of the office (director) in the department of law to grow the financial resilience and well-being of Coloradans through specified community-derived goals and strategies. The director is appointed by the attorney general and may hire staff as necessary to perform the duties and functions of the office. The office also consists of a manager who is

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

appointed by the director.

The office is authorized to partner with governmental bodies, community organizations, financial institutions, local service providers, philanthropic organizations, and other organizations as necessary to achieve the purposes of the office. The office is also authorized to develop or promote new or existing:

- Methods to increase access to safe and affordable financial products;
- Tools and resources that advance, increase, and improve Colorado residents' financial management;
- Community-informed strategies that dismantle systemic barriers to building ownership and wealth for all, especially low-income communities and communities of color; and
- Tools that promote financial stability such as those that assist with service navigation, eviction avoidance, or connections to income supports.

The financial empowerment office is required to:

- Support the organization of community efforts to define and lead financial resilience strategies;
- Align, support, and build ties to build financial education and well-being in communities across the state;
- Establish a council to assist the director in increasing access to ownership, financial well-being, and safe and affordable banking and financial services that help improve the financial stability of Colorado residents and in identifying products and practices that may undermine financial stability;
- Work with stakeholders to increase access to safe and affordable credit-building loans and financial products;
- Work with state authorities and other stakeholders to expand access to safe and affordable banking products with low fees and easy account access, as well as safe and affordable credit-building loans offered by financial service providers licensed in Colorado at costs that do not exceed the finance charges permitted by Colorado law;
- Work with stakeholders to identify products and practices that may undermine financial stability;
- Develop technical assistance to launch or expand local financial coaching and counseling efforts;
- Raise money to support coaching, safe and affordable banking, and potential loan funds; and
- Track community feedback on consumer financial abuses and coordinate with various state agencies, connect consumers with existing resources, and educate the public on their related consumer rights.

The office is also required to submit an annual report to the general assembly regarding the activities of the office, the state of affordable banking access in Colorado, and other specified information.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 10 to article
3 31 of title 24 as follows:

4 **PART 10**
5 **FINANCIAL EMPOWERMENT FOR**
6 **COLORADO RESIDENTS**

7 **24-31-1001. Financial empowerment office - creation -**
8 **director.** (1) THERE IS HEREBY CREATED IN THE DEPARTMENT OF LAW
9 THE FINANCIAL EMPOWERMENT OFFICE, THE HEAD OF WHICH IS THE
10 DIRECTOR OF THE OFFICE. THE FINANCIAL EMPOWERMENT OFFICE AND THE
11 DIRECTOR OF THE OFFICE SHALL EXERCISE THEIR POWERS AND PERFORM
12 THEIR DUTIES AND FUNCTIONS UNDER THE DEPARTMENT OF LAW AS IF
13 TRANSFERRED TO THE DEPARTMENT BY A **TYPE 2** TRANSFER, AS SUCH
14 TRANSFER IS DEFINED IN THE "ADMINISTRATIVE ORGANIZATION ACT OF
15 1968", ARTICLE 1 OF THIS TITLE 24.

16 (2) THE DIRECTOR OF THE FINANCIAL EMPOWERMENT OFFICE
17 SHALL BE APPOINTED BY THE ATTORNEY GENERAL. THE DIRECTOR MAY
18 HIRE STAFF AS NECESSARY TO PERFORM THE DUTIES AND FUNCTIONS OF
19 THE OFFICE. THE OFFICE SHALL ALSO CONSIST OF A MANAGER WHO SHALL
20 BE APPOINTED BY THE DIRECTOR.

21 **24-31-1002. Financial empowerment office - purpose - duties.**
22 (1) THE PURPOSE OF THE FINANCIAL EMPOWERMENT OFFICE IS TO GROW
23 THE FINANCIAL RESILIENCE AND WELL-BEING OF COLORADANS THROUGH
24 COMMUNITY-DERIVED GOALS AND STRATEGIES, INCLUDING BUT NOT

1 LIMITED TO:

- 2 (a) EXPANDING ACCESS TO SAFE AND AFFORDABLE BANKING;
- 3 (b) INCREASING ACCESS TO SAFE, AFFORDABLE, LOW-COST CREDIT
4 OFFERED AT COSTS THAT DO NOT EXCEED THE FINANCE CHARGES
5 PERMITTED BY COLORADO LAW;
- 6 (c) EXPANDING ACCESS TO FREE INDIVIDUAL FINANCIAL
7 COUNSELING AND COACHING;
- 8 (d) EXPANDING COMMUNITY WEALTH-BUILDING STRATEGIES; AND
- 9 (e) IDENTIFYING BARRIERS TO FINANCIAL EMPOWERMENT AND
10 FINANCIAL STABILITY.

11 (2) THE FINANCIAL EMPOWERMENT OFFICE MAY PARTNER WITH
12 STATE AND FEDERAL AGENCIES, LOCAL GOVERNMENTS, TRIBAL NATIONS,
13 COMMUNITY ORGANIZATIONS, FINANCIAL INSTITUTIONS, LOCAL SERVICE
14 PROVIDERS, PHILANTHROPIC ORGANIZATIONS, AND OTHER ORGANIZATIONS
15 AS NECESSARY TO ACHIEVE THE PURPOSES OF THE OFFICE. IN
16 FURTHERANCE OF ACHIEVING THE PURPOSES OF THE OFFICE, SUBJECT TO
17 AVAILABLE APPROPRIATIONS, THE OFFICE MAY DEVELOP OR PROMOTE NEW
18 OR EXISTING:

- 19 (a) METHODS, PROGRAMS, AND POLICIES TO INCREASE ACCESS TO
20 SAFE AND AFFORDABLE FINANCIAL PRODUCTS;
- 21 (b) TOOLS AND RESOURCES THAT ADVANCE, INCREASE, AND
22 IMPROVE COLORADO RESIDENTS' FINANCIAL MANAGEMENT, INCLUDING
23 STRATEGIES FOR DEBT MANAGEMENT AND REDUCTION, INCREASING
24 SAVINGS, AND CREATING AND RETAINING ASSETS THAT PROMOTE
25 PERSONAL FINANCIAL STABILITY;
- 26 (c) COMMUNITY-INFORMED STRATEGIES THAT DISMANTLE
27 SYSTEMIC BARRIERS TO BUILDING OWNERSHIP AND WEALTH FOR ALL,

1 ESPECIALLY LOW-INCOME COMMUNITIES AND COMMUNITIES OF COLOR;
2 AND

3 (d) TOOLS THAT PROMOTE FINANCIAL STABILITY SUCH AS THOSE
4 THAT ASSIST WITH SERVICE NAVIGATION, EVICTION AVOIDANCE, OR
5 CONNECTIONS TO INCOME SUPPORTS.

6 (3) THE FINANCIAL EMPOWERMENT OFFICE SHALL, SUBJECT TO
7 AVAILABLE APPROPRIATIONS:

8 (a) SUPPORT THE ORGANIZATION OF LOCAL COMMUNITY EFFORTS
9 TO DEFINE AND LEAD TAILORED FINANCIAL RESILIENCE STRATEGIES BASED
10 ON LOCAL CONTEXT, PRIORITIES, AND EXPERTISE FROM THOSE SERVING
11 THESE COMMUNITIES. STAKEHOLDERS MAY INCLUDE BUT ARE NOT
12 LIMITED TO REPRESENTATIVES OF OLDER ADULTS, YOUNGER ADULTS,
13 COMMUNITIES OF COLOR, UNDERBANKED AND UNBANKED COLORADANS,
14 IMMIGRANTS, COLORADANS OF LOW INCOME, BANKS, CREDIT UNIONS,
15 LOCAL SERVICE PROVIDERS, LOCAL GOVERNMENT AGENCIES, AND
16 PHILANTHROPIC ORGANIZATIONS.

17 (b) ALIGN, SUPPORT, AND BUILD TIES AMONG THE NUMEROUS AND
18 DIVERSE EFFORTS TO BUILD FINANCIAL EDUCATION AND WELL-BEING IN
19 COMMUNITIES ACROSS COLORADO;

20 (c) ESTABLISH A COUNCIL COMPRISED OF FINANCIAL INSTITUTIONS,
21 THE OFFICE OF THE STATE TREASURER, LOCAL AND STATE OFFICIALS,
22 TRIBAL NATIONS, PHILANTHROPIC AND COMMUNITY ORGANIZATIONS, AND
23 OTHER ORGANIZATIONS OR PERSONS DETERMINED BY THE DIRECTOR TO
24 ASSIST THE DIRECTOR IN DEFINING, IDENTIFYING, CREATING, EXPANDING,
25 AND INCREASING ACCESS TO OWNERSHIP, FINANCIAL WELL-BEING, AND
26 SAFE AND AFFORDABLE BANKING AND FINANCIAL SERVICES THAT HELP
27 IMPROVE THE FINANCIAL STABILITY OF UNBANKED AND UNDERBANKED

1 INDIVIDUALS AND FAMILIES AND TO ASSIST THE DIRECTOR IN IDENTIFYING
2 PRODUCTS AND PRACTICES THAT MAY UNDERMINE FINANCIAL STABILITY.
3 AT NO POINT SHALL THE MAJORITY OF COUNCIL MEMBERS BE
4 REPRESENTATIVE OF OR HAVE TIES TO THE FINANCIAL SERVICES INDUSTRY
5 AND EVERY EFFORT SHALL BE MADE TO INCLUDE REPRESENTATIVES OF
6 UNDER-REPRESENTED COMMUNITIES;

7 (d) WORK WITH STAKEHOLDERS TO INCREASE ACCESS TO SAFE AND
8 AFFORDABLE CREDIT-BUILDING LOANS AND FINANCIAL PRODUCTS;

9 (e) WORK WITH STATE AUTHORITIES AND OTHER STAKEHOLDERS
10 TO EXPAND ACCESS TO SAFE AND AFFORDABLE BANKING PRODUCTS WITH
11 LOW FEES AND EASY ACCOUNT ACCESS, AS WELL AS SAFE AND
12 AFFORDABLE CREDIT-BUILDING LOANS OFFERED BY FINANCIAL SERVICE
13 PROVIDERS LICENSED IN COLORADO AT COSTS THAT DO NOT EXCEED THE
14 FINANCE CHARGES PERMITTED BY COLORADO LAW;

15 (f) WORK WITH STAKEHOLDERS TO IDENTIFY PRODUCTS AND
16 PRACTICES THAT MAY UNDERMINE FINANCIAL STABILITY;

17 (g) DEVELOP TECHNICAL ASSISTANCE TO LAUNCH OR EXPAND
18 FINANCIAL COACHING AND COUNSELING EFFORTS LOCALLY;

19 ==
20 (h) TRACK COMMUNITY FEEDBACK ON CONSUMER FINANCIAL
21 ABUSES PERMITTING THE ACCUSED BUSINESS THIRTY DAYS TO RESPOND
22 PRIOR TO ANY PUBLIC DISCLOSURE, AND COORDINATE WITH THE
23 CONSUMER PROTECTION DIVISION WITHIN THE DEPARTMENT OF LAW AND
24 THE DEPARTMENT OF REGULATORY AGENCIES TO CONNECT CONSUMERS
25 WITH EXISTING RESOURCES AND EDUCATE THE PUBLIC ON THEIR RELATED
26 CONSUMER RIGHTS.

27 ==

1 (4) THE FINANCIAL EMPOWERMENT OFFICE HAS NO INDEPENDENT
2 EXAMINATION OR REGULATORY AUTHORITY, BUT NOTHING IN THIS PART
3 10 SHALL BE CONSTRUED TO LIMIT THE AUTHORITIES OF THE ATTORNEY
4 GENERAL, THE ADMINISTRATOR DESIGNATED IN SECTION 5-6-103, OR THE
5 DEPARTMENT OF REGULATORY AGENCIES.

6 (5) THE DEPARTMENT OF LAW SHALL ANNUALLY REPORT ON THE
7 STATE OF AFFORDABLE BANKING ACCESS IN COLORADO, THE ACTIVITIES
8 OF THE OFFICE OF FINANCIAL EMPOWERMENT, AND LOCAL PARTNERSHIPS
9 IN IMPLEMENTING THE OBJECTIVES OF THE OFFICE AS A PART OF ITS
10 PRESENTATION TO ITS COMMITTEE OF REFERENCE AT A HEARING HELD
11 PURSUANT TO SECTION 2-7-203 (2)(a) OF THE "STATE MEASUREMENT FOR
12 ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART)
13 GOVERNMENT ACT". THE REPORT SHALL ADDRESS ACCESS TO SECURE,
14 SAFE, AND AFFORDABLE FINANCIAL PRODUCTS, INCLUDING:

- 15 (a) GEOGRAPHIC AND RACIAL EQUITY CONSIDERATIONS;
- 16 (b) AN EXAMINATION OF EXISTING FINANCIAL PRODUCTS
17 REGULATED BY THE STATE OF COLORADO AND OTHER FINANCIAL
18 PRODUCTS THAT ARE BEING OFFERED WITHIN COLORADO;
- 19 (c) RECOMMENDATIONS FOR REFORMS THAT WOULD ENCOURAGE
20 GREATER ACCESS TO SECURE, SAFE, AND AFFORDABLE FINANCIAL
21 PRODUCTS OR WOULD PROVIDE BETTER PROTECTIONS TO CONSUMERS; AND
- 22 (d) AN EXAMINATION OF LOCAL FINANCIAL EMPOWERMENT WORK
23 AND THE IMPACT ON ECONOMIC SECURITY AND MOBILITY OF RESIDENTS.

24 **SECTION 2.** In Colorado Revised Statutes, 24-31-102, **amend**
25 (1)(g) and (1)(h); and **add** (1)(i) as follows:

26 **24-31-102. Offices, boards, and divisions.** (1) The department
27 of law, the chief executive officer of which is the attorney general,

1 includes the following:

2 (g) The peace officers standards and training board, created in
3 section 24-31-302; and

4 (h) ~~Notwithstanding section 24-1-107, any other division, office,~~
5 ~~or unit established by the attorney general or by law~~ THE FINANCIAL
6 EMPOWERMENT OFFICE, CREATED IN PART 10 OF THIS ARTICLE 31; AND

7 (i) NOTWITHSTANDING SECTION 24-1-107, ANY OTHER DIVISION,
8 OFFICE, OR UNIT ESTABLISHED BY THE ATTORNEY GENERAL OR BY LAW.

9 **SECTION 3. Effective date.** This act takes effect July 1, 2021.

10 **SECTION 4. Safety clause.** The general assembly hereby finds,
11 determines, and declares that this act is necessary for the immediate
12 preservation of the public peace, health, or safety.