

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0259.01 Shelby Ross x4510

HOUSE BILL 22-1049

HOUSE SPONSORSHIP

Bacon and Ricks,

SENATE SPONSORSHIP

Pettersen,

House Committees
Education

Senate Committees

A BILL FOR AN ACT

101 CONCERNING PROHIBITING A POSTSECONDARY INSTITUTION FROM
102 MAKING PAYMENT OF AN OUTSTANDING BALANCE ON A
103 STUDENT'S ACCOUNT A CONDITION OF ISSUING THE STUDENT'S
104 DOCUMENTS.

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 prohibits a postsecondary institution from:

- Refusing to provide a transcript or diploma for a current or former student on the grounds that the student owes a debt;

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.

- Conditioning the provision of a transcript or diploma on the payment of a debt, other than a fee charged to provide the transcript or diploma;
- Charging a higher fee to obtain a transcript or diploma or providing less favorable treatment in response to a transcript or diploma request because a current or former student owes a debt; or
- Using transcript or diploma issuance as a tool for debt collection.

The bill provides a civil right of action to a current or former student whose transcript or diploma is withheld for any of the prohibited reasons and entitles the person to injunctive relief, a civil penalty of up to \$500 for each violation, and reasonable attorney fees and costs.

The bill authorizes the administrator of the "Uniform Consumer Credit Code" to enjoin the practice of withholding a transcript or diploma and assess a postsecondary institution a penalty of \$500 for each violation.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 23-5-113.5 as
3 follows:

4 **23-5-113.5. Prohibition on withholding transcripts and**
5 **diplomas - postsecondary institution - remedy - definitions.** (1) As
6 USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

7 (a) "ADMINISTRATOR" MEANS AN ADMINISTRATOR OF THE
8 "UNIFORM CONSUMER CREDIT CODE" DESIGNATED PURSUANT TO SECTION
9 5-6-103.

10 (b) "DEBT" MEANS ANY MONEY, OBLIGATION, CLAIM, OR SUM, DUE
11 OR OWING, OR ALLEGED TO BE DUE OR OWING, FROM A CURRENT OR
12 FORMER STUDENT, BUT DOES NOT INCLUDE A FEE CHARGED TO A CURRENT
13 OR FORMER STUDENT FOR THE ACTUAL COST OF PROVIDING A TRANSCRIPT
14 OR DIPLOMA.

15 (c) "POSTSECONDARY INSTITUTION" MEANS A PUBLIC INSTITUTION
16 OF HIGHER EDUCATION, AS DEFINED IN SECTION 23-4.5-102 (7), A PRIVATE

1 INSTITUTION OF HIGHER EDUCATION, AS DEFINED IN SECTION 23-18-102
2 (9), OR A PRIVATE OCCUPATIONAL SCHOOL, AS DEFINED IN SECTION
3 23-2-102 (13).

4 (2) NOTWITHSTANDING ANY PROVISION OF LAW TO THE
5 CONTRARY, WITH REGARD TO A CURRENT OR FORMER STUDENT WHO OWES
6 A DEBT, A POSTSECONDARY INSTITUTION SHALL NOT:

7 (a) REFUSE TO PROVIDE A TRANSCRIPT OR DIPLOMA FOR THE
8 CURRENT OR FORMER STUDENT ON THE GROUNDS THAT THE STUDENT
9 OWES A DEBT;

10 (b) CONDITION THE PROVISION OF A TRANSCRIPT OR DIPLOMA ON
11 PAYMENT OF A DEBT, OTHER THAN A FEE NORMALLY CHARGED TO PROVIDE
12 A TRANSCRIPT OR DIPLOMA;

13 (c) CHARGE A HIGHER FEE TO OBTAIN A TRANSCRIPT OR DIPLOMA
14 OR PROVIDE LESS FAVORABLE TREATMENT IN RESPONSE TO A TRANSCRIPT
15 OR DIPLOMA REQUEST BECAUSE THE REQUESTING CURRENT OR FORMER
16 STUDENT OWES A DEBT; OR

17 (d) OTHERWISE USE TRANSCRIPT OR DIPLOMA ISSUANCE AS A TOOL
18 FOR DEBT COLLECTION.

19 (3) A CURRENT OR FORMER STUDENT WHO IS DENIED A TRANSCRIPT
20 OR DIPLOMA IN VIOLATION OF THIS SECTION HAS A PRIVATE RIGHT OF
21 ACTION AGAINST THE POSTSECONDARY INSTITUTION THAT ALLEGEDLY
22 COMMITTED THE VIOLATION. IF THE COURT FINDS IN SUCH AN ACTION
23 THAT THE POSTSECONDARY INSTITUTION VIOLATED THIS SECTION, THE
24 PLAINTIFF IS ENTITLED TO INJUNCTIVE RELIEF, A CIVIL PENALTY OF UP TO
25 FIVE HUNDRED DOLLARS FOR EACH VIOLATION, AND REASONABLE
26 ATTORNEY FEES AND COSTS.

27 (4) THE ADMINISTRATOR MAY TAKE ANY APPROPRIATE ACTION TO

1 ENSURE COMPLIANCE WITH THIS SECTION. AFTER NOTICE AND A HEARING,
2 THE ADMINISTRATOR MAY ENJOIN THE PRACTICE OF WITHHOLDING A
3 TRANSCRIPT OR DIPLOMA IN VIOLATION OF THIS SECTION AND MAY ASSESS
4 A POSTSECONDARY INSTITUTION THAT VIOLATES THE PROVISIONS OF THIS
5 SECTION A PENALTY OF FIVE HUNDRED DOLLARS FOR EACH VIOLATION.

6 (5) THIS SECTION DOES NOT PROHIBIT A PERSON FROM PURSUING
7 ANY OTHER REMEDY PROVIDED BY LAW FOR A VIOLATION OF THIS
8 SECTION.

9 **SECTION 2.** In Colorado Revised Statutes, 5-6-104, **amend**
10 (1)(i); and **add** (1)(k) as follows:

11 **5-6-104. Powers of administrator - harmony with federal**
12 **regulations - reliance on rules.** (1) In addition to other powers granted
13 by this code, the administrator, within the limitations provided by law,
14 may:

15 (i) License and regulate collection agencies pursuant to article 16
16 of this title 5; and

17 (k) ENFORCE THE PROVISIONS OF SECTION 23-5-113.5.

18 **SECTION 3. Safety clause.** The general assembly hereby finds,
19 determines, and declares that this act is necessary for the immediate
20 preservation of the public peace, health, or safety.