

An Act

HOUSE BILL 22-1049

BY REPRESENTATIVE(S) Bacon and Ricks, Benavidez, Bernett, Bird, Boesenecker, Caraveo, Cutter, Esgar, Exum, Gonzales-Gutierrez, Gray, Herod, Jodeh, Kennedy, Kipp, Lindsay, Lontine, McCluskie, Michaelson Jenet, Ortiz, Sirota, Snyder, Sullivan, Weissman, Garnett, Froelich, Amabile, Woodrow;
also SENATOR(S) Pettersen and Bridges, Buckner, Coleman, Danielson, Fields, Gonzales, Hansen, Hinrichsen, Jaquez Lewis, Lee, Moreno, Story, Winter, Fenberg.

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

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

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

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

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.

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

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

(c) "FINANCIAL AID FUNDS" MEANS FINANCIAL AID FUNDS THAT A CURRENT OR FORMER STUDENT OWES TO A POSTSECONDARY INSTITUTION UNDER TITLE IV, OR TO THE STATE, DUE TO MISCALCULATION, WITHDRAWAL, MISINFORMATION, OR ANY OTHER REASON, NOT INCLUDING THE STANDARD REPAYMENT OF STUDENT LOANS.

(d) "POSTSECONDARY INSTITUTION" MEANS A PUBLIC INSTITUTION OF HIGHER EDUCATION, AS DEFINED IN SECTION 23-4.5-102 (7); A PRIVATE INSTITUTION OF HIGHER EDUCATION, AS DEFINED IN SECTION 23-18-102 (9); OR A PRIVATE OCCUPATIONAL SCHOOL, AS DEFINED IN SECTION 23-2-102 (13).

(e) "ROOM AND BOARD FEES" MEANS ANY MONEY, OBLIGATION, CLAIM, OR SUM, DUE OR OWING, OR ALLEGED TO BE DUE OR OWING, FROM A CURRENT OR FORMER STUDENT FOR THE PROVISION OF CONTRACTUALLY AGREED UPON ON-CAMPUS HOUSING OR MEAL SERVICES PLANS.

(f) "STUDENT LOAN OMBUDSPERSON" MEANS THE STUDENT LOAN OMBUDSPERSON DESIGNATED IN SECTION 5-20-104.

(2) (a) A POSTSECONDARY INSTITUTION MAY REFUSE TO PROVIDE A TRANSCRIPT OR DIPLOMA TO A CURRENT OR FORMER STUDENT ON THE GROUNDS THAT THE STUDENT OWES A DEBT FOR TUITION, ROOM AND BOARD FEES, OR FINANCIAL AID FUNDS.

(b) NOTWITHSTANDING SUBSECTION (2)(a) OF THIS SECTION, A POSTSECONDARY INSTITUTION SHALL NOT REFUSE TO PROVIDE A TRANSCRIPT OR DIPLOMA TO A CURRENT OR FORMER STUDENT:

(I) ON THE GROUNDS THAT THE STUDENT OWES A DEBT OTHER THAN A DEBT FOR TUITION, ROOM AND BOARD FEES, OR FINANCIAL AID FUNDS; OR

(II) IF THE STUDENT CAN DEMONSTRATE THAT THE TRANSCRIPT OR DIPLOMA IS NEEDED FOR ONE OF THE FOLLOWING EXEMPTIONS:

(A) A JOB APPLICATION;

(B) TRANSFERRING TO ANOTHER POSTSECONDARY INSTITUTION;

(C) APPLYING FOR STATE, FEDERAL, OR INSTITUTIONAL FINANCIAL AID;

(D) PURSUIT OF OPPORTUNITIES IN THE MILITARY OR NATIONAL GUARD; OR

(E) PURSUIT OF OTHER POSTSECONDARY OPPORTUNITIES.

(c) SUBSECTION (2)(b)(II) OF THIS SECTION DOES NOT APPLY TO A FOREIGN STUDENT, AS DEFINED IN SECTION 23-1-113.5.

(3) IF A POSTSECONDARY INSTITUTION PROVIDES A CURRENT OR FORMER STUDENT A TRANSCRIPT OR DIPLOMA PURSUANT TO SUBSECTION (2)(b) OF THIS SECTION, THE POSTSECONDARY INSTITUTION SHALL NOT:

(a) CONDITION PROVISION OF THE TRANSCRIPT OR DIPLOMA ON PAYMENT OF A DEBT;

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

(c) OTHERWISE USE TRANSCRIPT OR DIPLOMA ISSUANCE AS A TOOL FOR DEBT COLLECTION.

(4)(a) EACH POSTSECONDARY INSTITUTION SHALL ADOPT A POLICY THAT OUTLINES THE PROCESS BY WHICH A STUDENT MAY OBTAIN A TRANSCRIPT OR DIPLOMA AND THE CIRCUMSTANCES UNDER WHICH A TRANSCRIPT OR DIPLOMA MAY BE WITHHELD PURSUANT TO SUBSECTION (2) OF THIS SECTION FROM A CURRENT OR FORMER STUDENT WHO OWES A DEBT. AT A MINIMUM, THE POLICY MUST INCLUDE:

(I) A REASONABLE PROCESS FOR VERIFICATION OF CONDITIONS A CURRENT OR FORMER STUDENT MAY DEMONSTRATE TO RECEIVE AN EXEMPTION PURSUANT TO SUBSECTION (2) OF THIS SECTION;

(II) AN OPPORTUNITY TO ESTABLISH A PAYMENT PLAN FOR THE DEBT;

(III) IDENTIFICATION OF THE POINT AT WHICH A STUDENT WILL NO LONGER BE ABLE TO REGISTER FOR CLASSES DUE TO THE DEBT OWED; AND

(IV) IDENTIFICATION OF THE POINT AT WHICH A STUDENT MAY BE SUBJECT TO A TRANSCRIPT, DIPLOMA, OR REGISTRATION HOLD, INCLUDING THE TIME FRAMES AND AMOUNTS FOR WHICH THE HOLDS ARE TO BE USED AND THE LOWEST AMOUNT OF DEBT AT WHICH THE INSTITUTION WILL ASSIGN THE DEBT TO A THIRD-PARTY COLLECTION AGENCY.

(b) THE POSTSECONDARY INSTITUTION SHALL POST THE POLICY DESCRIBED IN SUBSECTION (4)(a) OF THIS SECTION AND THE PROCEDURES FOR FILING A COMPLAINT WITH THE STUDENT LOAN OMBUDSPERSON AND THE ADMINISTRATOR ON THE POSTSECONDARY INSTITUTION'S WEBSITE AND PROVIDE THE POLICY AND THE PROCEDURES TO STUDENTS AS PART OF THE INFORMATION SHARED RELATING TO THE COST OF ATTENDANCE THAT INCLUDES ANY ADDITIONAL FEES, FINANCIAL AID, SCHOLARSHIPS, OR OTHER INFORMATION.

(5)(a) BEGINNING JULY 1, 2024, EACH POSTSECONDARY INSTITUTION SHALL ANNUALLY REPORT TO THE DEPARTMENT OF HIGHER EDUCATION CONCERNING TRANSCRIPT AND REGISTRATION HOLDS, INCLUDING:

(I) THE POSTSECONDARY INSTITUTION'S POLICY DEVELOPED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION;

(II) THE NUMBER OF STUDENTS FOR WHOM THE POSTSECONDARY INSTITUTION IS WITHHOLDING OFFICIAL TRANSCRIPTS, DIPLOMAS, AND REGISTRATION PRIVILEGES; AND

(III) THE NUMBER OF PAST-DUE STUDENT ACCOUNTS ASSIGNED TO THIRD-PARTY COLLECTION AGENCIES, INCLUDING THE NUMBER OF STUDENTS WHO ARE ELIGIBLE FOR FEDERAL PELL GRANTS.

(b) BEGINNING JANUARY 2025, AND EACH JANUARY THEREAFTER,

THE DEPARTMENT OF HIGHER EDUCATION SHALL ANNUALLY REPORT ON THE INFORMATION DESCRIBED IN SUBSECTION (5)(a) OF THIS SECTION AT THE DEPARTMENT'S ANNUAL HEARING PURSUANT TO THE "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT", PART 2 OF ARTICLE 7 OF TITLE 2.

(6) (a) THE STUDENT LOAN OMBUDSPERSON MAY PROVIDE INFORMATION TO THE PUBLIC REGARDING THE LIMITS DESCRIBED IN THIS SECTION ON WITHHOLDING A TRANSCRIPT OR DIPLOMA. THE STUDENT LOAN OMBUDSPERSON AND THE ADMINISTRATOR MAY RECEIVE COMPLAINTS FROM CURRENT OR FORMER STUDENTS WHO HAVE HAD A TRANSCRIPT WITHHELD.

(b) BEGINNING JANUARY 2025, AND EACH JANUARY THEREAFTER, THE ATTORNEY GENERAL'S OFFICE SHALL COMPILE DATA ON THE COMPLAINTS RECEIVED BY THE STUDENT LOAN OMBUDSPERSON AND THE ADMINISTRATOR PURSUANT TO SUBSECTION (6)(a) OF THIS SECTION AND ANNUALLY REPORT THE DATA THROUGH THE ANNUAL HEARING FOR THE DEPARTMENT OF LAW HELD PURSUANT TO THE "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT", PART 2 OF ARTICLE 7 OF TITLE 2.

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

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

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


(k) RECEIVE AND ACT ON COMPLAINTS PURSUANT TO SECTION 23-5-113.5.

SECTION 3. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.



Alec Garnett
SPEAKER OF THE HOUSE
OF REPRESENTATIVES



Steve Fenberg
PRESIDENT OF
THE SENATE



Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES



Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED April 21, 2022 at 1:28 pm
(Date and Time)



Jared S. Polis

GOVERNOR OF THE STATE OF COLORADO