

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 15-0511.01 Jennifer Berman x3286

SENATE BILL 15-034

SENATE SPONSORSHIP

Ulibarri,

HOUSE SPONSORSHIP

Lebsock,

Senate Committees

Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

101 CONCERNING A REDUCTION IN THE MAXIMUM PERMISSIBLE FINANCE

102 CHARGE THAT A CREDITOR MAY APPLY TO A CREDIT CARD.

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://www.leg.state.co.us/billsummaries>.)

Under current law, the maximum permissible finance charge that a lender or seller may impose on a supervised loan or consumer credit sale pursuant to a revolving credit account, including a credit card transaction, is 21% per year on the unpaid balance of the amount financed. The bill reduces the maximum permissible finance charge to 12.5% per year on the unpaid balance of the amount financed for a credit

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

card.

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

2 **SECTION 1.** In Colorado Revised Statutes, 5-2-201, **amend** (3)

3 (a) as follows:

4 **5-2-201. Finance charge for consumer credit transactions.**

5 (3) (a) Except as provided in paragraph (b) of this subsection (3), the
6 finance charge for a supervised loan or consumer credit sale pursuant to
7 a revolving credit account, calculated according to the actuarial method,
8 ~~may~~ **MUST** not exceed twenty-one percent per year on the unpaid balance
9 of the amount financed; ~~EXCEPT THAT THE FINANCE CHARGE FOR A CREDIT~~
10 ~~CARD MUST NOT EXCEED TWELVE AND ONE-HALF PERCENT PER YEAR ON~~
11 ~~THE UNPAID BALANCE OF THE AMOUNT FINANCED.~~

12 **SECTION 2. Act subject to petition - effective date -**

13 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
14 the expiration of the ninety-day period after final adjournment of the
15 general assembly (August 5, 2015, if adjournment sine die is on May 6,
16 2015); except that, if a referendum petition is filed pursuant to section 1
17 (3) of article V of the state constitution against this act or an item, section,
18 or part of this act within such period, then the act, item, section, or part
19 will not take effect unless approved by the people at the general election
20 to be held in November 2016 and, in such case, will take effect on the
21 date of the official declaration of the vote thereon by the governor.

22 (2) This act applies to consumer loan and consumer credit sale
23 transactions made pursuant to a revolving credit account that take place
24 on or after the applicable effective date of this act.