

**Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 20-0747.01 Nicole Myers x4326

SENATE BILL 20-193

SENATE SPONSORSHIP

Gonzales and Moreno,

HOUSE SPONSORSHIP

Coleman and Tipper,

Senate Committees
Finance

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 Colorado attorney general and may hire staff as necessary to perform the duties and functions of the office. The office also consists of a manager

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.

who is appointed by the director.

The office is authorized to partner with governmental bodies, community organizations, financial institutions, local service providers, and philanthropic organizations to achieve the purposes of the office. The office is also authorized to develop:

- ! Methods to increase access to safe and affordable financial products;
- ! Tools and resources that advance, increase, and improve Colorado residents' financial management; and
- ! Community-informed policies and systems that dismantle systemic barriers to building ownership and wealth for all, especially low-income communities and communities of color.

The financial empowerment office is required to:

- ! Support the organization of community coalitions 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 statewide coalition to assist the director in increasing access to safe and affordable banking products that help improve the financial stability of Colorado residents;
- ! Work with stakeholders to increase access to low-cost, 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;
- ! 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;
- ! Collaborate with the office of the state treasurer on the creation and management of a loan fund to support small credit-building loans; and
- ! Track community feedback on consumer financial abuses and coordinate with the enforcement teams at 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 and the state of affordable banking access in Colorado.

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

1 COUNSELING AND COACHING;

2 (d) EXPANDING COMMUNITY WEALTH-BUILDING STRATEGIES; AND

3 (e) DEVELOPING STRONG CONSUMER PROTECTIONS.

4 (2) THE FINANCIAL EMPOWERMENT OFFICE MAY PARTNER WITH

5 STATE AND FEDERAL AGENCIES, LOCAL GOVERNMENTS, TRIBAL NATIONS,

6 COMMUNITY ORGANIZATIONS, FINANCIAL INSTITUTIONS, LOCAL SERVICE

7 PROVIDERS, AND PHILANTHROPIC ORGANIZATIONS TO ACHIEVE THE

8 PURPOSES OF THE OFFICE. IN FURTHERANCE OF ACHIEVING THE PURPOSES

9 OF THE OFFICE, THE OFFICE MAY DEVELOP:

10 (a) METHODS, PROGRAMS, AND POLICIES TO INCREASE ACCESS TO

11 SAFE AND AFFORDABLE FINANCIAL PRODUCTS;

12 (b) TOOLS AND RESOURCES THAT ADVANCE, INCREASE, AND

13 IMPROVE COLORADO RESIDENTS' FINANCIAL MANAGEMENT, INCLUDING

14 STRATEGIES FOR DEBT MANAGEMENT AND REDUCTION, INCREASING

15 SAVINGS, AND CREATING AND RETAINING ASSETS THAT PROMOTE

16 PERSONAL FINANCIAL STABILITY; AND

17 (c) COMMUNITY-INFORMED POLICIES AND SYSTEMS THAT

18 DISMANTLE SYSTEMIC BARRIERS TO BUILDING OWNERSHIP AND WEALTH

19 FOR ALL, ESPECIALLY LOW-INCOME COMMUNITIES AND COMMUNITIES OF

20 COLOR.

21 (3) THE FINANCIAL EMPOWERMENT OFFICE SHALL:

22 (a) SUPPORT THE ORGANIZATION OF LOCAL COMMUNITY

23 COALITIONS TO DEFINE AND LEAD TAILORED FINANCIAL RESILIENCE

24 STRATEGIES BASED ON LOCAL CONTEXT, PRIORITIES, AND EXPERTISE FROM

25 THOSE SERVING THESE COMMUNITIES. LOCAL COALITIONS MAY INCLUDE

26 BUT ARE NOT LIMITED TO REPRESENTATIVES OF OLDER ADULTS, YOUNGER

27 ADULTS, COMMUNITIES OF COLOR, UNDERBANKED AND UNBANKED

1 COLORADANS, IMMIGRANTS, COLORADANS OF LOW INCOME, BANKS,
2 CREDIT UNIONS, LOCAL SERVICE PROVIDERS, LOCAL GOVERNMENT
3 AGENCIES, AND PHILANTHROPIC ORGANIZATIONS.

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

7 (c) ESTABLISH A STATEWIDE COALITION COMPRISED OF FINANCIAL
8 INSTITUTIONS, THE OFFICE OF THE STATE TREASURER, LOCAL AND STATE
9 OFFICIALS, TRIBAL NATIONS, AND PHILANTHROPIC AND COMMUNITY
10 ORGANIZATIONS TO ASSIST THE DIRECTOR IN DEFINING, IDENTIFYING,
11 CREATING, EXPANDING, AND INCREASING ACCESS TO SAFE AND
12 AFFORDABLE BANKING PRODUCTS THAT HELP IMPROVE THE FINANCIAL
13 STABILITY OF UNBANKED AND UNDERBANKED INDIVIDUALS AND FAMILIES;

14 (d) WORK WITH STAKEHOLDERS TO INCREASE ACCESS TO
15 LOW-COST, CREDIT-BUILDING LOANS AND FINANCIAL PRODUCTS;

16 (e) WORK WITH STATE AUTHORITIES AND OTHER STAKEHOLDERS
17 TO EXPAND ACCESS TO SAFE AND AFFORDABLE BANKING PRODUCTS WITH
18 LOW FEES AND EASY ACCOUNT ACCESS;

19 (f) DEVELOP TECHNICAL ASSISTANCE TO LAUNCH OR EXPAND
20 FINANCIAL COACHING AND COUNSELING EFFORTS LOCALLY;

21 (g) RAISE FEDERAL, PHILANTHROPIC, AND PRIVATE MONEY TO
22 SUPPORT COACHING, SAFE AND AFFORDABLE BANKING, AND POTENTIAL
23 LOAN FUNDS;

24 (h) COLLABORATE WITH THE OFFICE OF THE STATE TREASURER ON
25 THE CREATION AND MANAGEMENT OF A LOAN FUND TO SUPPORT SMALL
26 CREDIT-BUILDING LOANS; AND

27 (i) TRACK COMMUNITY FEEDBACK ON CONSUMER FINANCIAL

1 ABUSES AND COORDINATE WITH THE ENFORCEMENT TEAMS AT THE
2 CONSUMER PROTECTION SECTION WITHIN THE DEPARTMENT OF LAW AND
3 THE DEPARTMENT OF REGULATORY AGENCIES, CONNECT CONSUMERS WITH
4 EXISTING RESOURCES, AND EDUCATE THE PUBLIC ON THEIR RELATED
5 CONSUMER RIGHTS.

6 (4) NOTWITHSTANDING THE PROVISIONS OF SECTION 24-1-136
7 (11), ON OR BEFORE AUGUST 1, 2021, AND ON OR BEFORE AUGUST 1 EACH
8 YEAR THEREAFTER, THE OFFICE SHALL SUBMIT AN ANNUAL REPORT TO THE
9 GENERAL ASSEMBLY REGARDING THE STATE OF AFFORDABLE BANKING
10 ACCESS IN COLORADO AND THE ACTIVITIES OF THE OFFICE OF FINANCIAL
11 EMPOWERMENT AND LOCAL PARTNERS IN IMPLEMENTING THE OBJECTIVES
12 OF THE OFFICE.

13 **SECTION 2.** In Colorado Revised Statutes, 24-1-113, **add** (3)(e)
14 as follows:

15 **24-1-113. Department of law - creation.** (3) The department of
16 law includes the following:

17 (e) THE FINANCIAL EMPOWERMENT OFFICE AND THE DIRECTOR OF
18 THE OFFICE CREATED IN PART 9 OF ARTICLE 31 OF THIS TITLE 24. THE
19 FINANCIAL EMPOWERMENT OFFICE AND THE DIRECTOR OF THE OFFICE
20 EXERCISE THEIR POWERS AND PERFORM THEIR DUTIES UNDER THE
21 DEPARTMENT OF LAW AS IF TRANSFERRED BY A **TYPE 2** TRANSFER.

22 **SECTION 3. Effective date.** This act takes effect July 1, 2020.

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