

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

INTRODUCED

LLS NO. 24-0961.01 Rebecca Bayetti x4348

HOUSE BILL 24-1297

HOUSE SPONSORSHIP

Willford and Garcia,

SENATE SPONSORSHIP

Coleman,

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A STUDY REGARDING THE CREATION OF A BABY BONDS**
102 **PROGRAM.**

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 directs the state treasurer to conduct a study to evaluate the feasibility of and to make recommendations regarding the creation of a "baby bonds" program (program), through which the state deposits a specified amount of money into a public trust account and the money is invested by the state treasurer for an eligible child, who may use the money and its earnings for certain eligible uses upon turning 18 years of

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

age. The study must:

- Assess the distribution of wealth in the state;
- Assess the landscape of existing public assistance opportunities for wealth building for:
 - Individuals whose family income does not exceed 195% of the federal poverty line, adjusted for family size; and
 - Individuals belonging to groups who have historically been denied access to wealth-building opportunities or who have experienced wealth stripping and exploitation, which has led to a lack of intergenerational wealth, including individuals who are Black, Indigenous, and people of color;
- Examine and evaluate the feasibility of creating the program in the state;
- Examine investment options for the program;
- Determine how the creation of the program could address the racial wealth gap in the state; and
- Examine any other area related to a baby bonds program that is deemed appropriate by the state treasurer or a third-party entity conducting the study, including any pilot project of related programs performed in the state.

The state treasurer may enter into an agreement with a third-party entity to conduct all or part of the study. At the conclusion of the study and not later than April 15, 2025, the state treasurer is required to submit a report of its findings and make recommendations to the general assembly.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-31-1103 as
3 follows:

4 **24-31-1103. Baby bonds program study - report - definitions**
5 **- repeal.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
6 REQUIRES:

7 (a) "BABY BONDS PROGRAM" MEANS A PROGRAM THROUGH WHICH
8 A SPECIFIED AMOUNT OF MONEY IS DEPOSITED BY THE STATE INTO A
9 PUBLIC TRUST ACCOUNT AND IS INVESTED BY THE STATE TREASURER FOR
10 EACH ELIGIBLE CHILD, WHO MAY USE THE MONEY AND ITS EARNINGS FOR

1 CERTAIN ELIGIBLE USES UPON TURNING EIGHTEEN YEARS OF AGE.

2 (b) "STUDY" MEANS THE STUDY CONDUCTED PURSUANT TO
3 SUBSECTION (2) OF THIS SECTION TO ASSESS THE CREATION OF A BABY
4 BONDS PROGRAM IN THE STATE.

5 (c) "THIRD-PARTY ENTITY" MEANS AN ENTITY THAT HAS ENTERED
6 INTO AN AGREEMENT WITH THE STATE TREASURER TO CONDUCT ALL OR
7 PART OF THE STUDY.

8 (2) (a) THE STATE TREASURER SHALL STUDY OR SHALL CONTRACT
9 FOR A STUDY EVALUATING THE FEASIBILITY OF CREATING A BABY BONDS
10 PROGRAM IN THE STATE. IN ADDITION TO ANY AREA RELATED TO A BABY
11 BONDS PROGRAM DEEMED APPROPRIATE FOR STUDY BY THE STATE
12 TREASURER OR THE THIRD-PARTY ENTITY, INCLUDING ANY PILOT PROJECT
13 OF RELATED PROGRAMS PERFORMED IN THE STATE, THE STUDY MUST:

14 (I) ASSESS THE DISTRIBUTION OF WEALTH IN THE STATE;

15 (II) ASSESS THE LANDSCAPE OF EXISTING PUBLIC ASSISTANCE
16 OPPORTUNITIES FOR WEALTH BUILDING FOR:

17 (A) INDIVIDUALS WHOSE FAMILY INCOME DOES NOT EXCEED ONE
18 HUNDRED NINETY-FIVE PERCENT OF THE FEDERAL POVERTY LINE,
19 ADJUSTED FOR FAMILY SIZE; AND

20 (B) INDIVIDUALS BELONGING TO GROUPS WHO HAVE HISTORICALLY
21 BEEN DENIED ACCESS TO WEALTH-BUILDING OPPORTUNITIES OR WHO HAVE
22 EXPERIENCED WEALTH STRIPPING AND EXPLOITATION, WHICH HAS LED TO
23 A LACK OF INTERGENERATIONAL WEALTH, INCLUDING INDIVIDUALS WHO
24 ARE BLACK, INDIGENOUS, AND PEOPLE OF COLOR;

25 (III) EXAMINE AND EVALUATE THE FEASIBILITY OF CREATING A
26 BABY BONDS PROGRAM IN THE STATE;

27 (IV) EXAMINE INVESTMENT OPTIONS FOR A BABY BONDS

1 PROGRAM; AND

2 (V) DETERMINE HOW THE CREATION OF A BABY BONDS PROGRAM

3 COULD ADDRESS THE RACIAL WEALTH GAP IN THE STATE.

4 (b) THE STATE TREASURER MAY ENTER INTO AN AGREEMENT WITH

5 ONE OR MORE THIRD-PARTY ENTITIES TO CONDUCT ALL OR PART OF THE

6 STUDY DESCRIBED IN THIS SUBSECTION (2).

7 (3) (a) AT THE CONCLUSION OF THE STUDY AND NOT LATER THAN

8 APRIL 15, 2025, THE STATE TREASURER SHALL REPORT ON THE STUDY TO

9 THE FINANCE COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE

10 SENATE, OR THEIR SUCCESSOR COMMITTEES.

11 (b) THE REPORT REQUIRED BY THIS SUBSECTION (3) MUST

12 INCLUDE:

13 (I) A DESCRIPTION OF THE STUDY'S METHODOLOGIES;

14 (II) THE MAJOR FINDINGS OF THE STUDY;

15 (III) ANY OTHER IMPORTANT INFORMATION OR BACKGROUND

16 REGARDING THE CREATION OF A BABY BONDS PROGRAM IN THE STATE;

17 AND

18 (IV) RECOMMENDATIONS REGARDING:

19 (A) ELIGIBILITY GUIDELINES FOR A BABY BONDS PROGRAM;

20 (B) ELIGIBILITY MECHANISMS, INCLUDING THE FEASIBILITY OF

21 AUTOMATIC ENROLLMENT IN A BABY BONDS PROGRAM FOR CHILDREN

22 WHOSE BIRTHS ARE COVERED BY MEDICAID;

23 (C) THE AMOUNT OF MONEY NEEDED TO ESTABLISH A BABY BONDS

24 PROGRAM, BASED ON A REASONABLE ESTIMATE OF ELIGIBLE CHILDREN;

25 (D) SOURCES OF FUNDING FOR A BABY BONDS PROGRAM,

26 INCLUDING AN EQUITY ANALYSIS FOR ANY FUNDRAISING IDENTIFIED;

27 (E) INVESTMENT MECHANISMS FOR THE BABY BONDS;

1 (F) ELIGIBLE USES FOR THE BABY BONDS MONEY AND EARNINGS
2 ONCE THE BONDS MATURE AND THE PARTICIPATING CHILD TURNS
3 EIGHTEEN YEARS OF AGE;

4 (G) RESOURCES, ENGAGEMENT, AND SUPPORTIVE SERVICES THAT
5 WOULD BE NEEDED TO ENSURE SUCCESSFUL IMPLEMENTATION OF A BABY
6 BONDS PROGRAM; AND

7 (H) LEGISLATION NECESSARY TO CREATE AND IMPLEMENT A BABY
8 BONDS PROGRAM.

9 (4) THE STATE TREASURER MAY SEEK, ACCEPT, AND EXPEND GIFTS,
10 GRANTS, OR DONATIONS FROM PUBLIC OR PRIVATE SOURCES FOR THE
11 PURPOSES OF THIS SECTION.

12 (5) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2025.

13 **SECTION 2. Safety clause.** The general assembly finds,
14 determines, and declares that this act is necessary for the immediate
15 preservation of the public peace, health, or safety or for appropriations for
16 the support and maintenance of the departments of the state and state
17 institutions.