



Colorado *Legislative Council Staff Fiscal Note*
REVISED NO FISCAL IMPACT

(replaces fiscal note dated February 18, 2008)

Drafting Number: LS 08-0378

Date: March 18, 2008

Prime Sponsor(s): Rep. Carroll M.
Sen. Tapia

Bill Status: Senate Second Reading

Fiscal Analyst: Clare Pramuk (303-866-2677)

TITLE: CONCERNING THE CONTINUATION OF THE REAL ESTATE COMMISSION, AND, IN CONNECTION THEREWITH, REPEALING THE REQUIREMENT FOR GROUP ERRORS AND OMISSIONS INSURANCE, AUTHORIZING SERVICE OF PROCESS BY MAIL, REPEALING THE LICENSURE OF REAL ESTATE SALESPERSONS, MODIFYING CONTINUING EDUCATION REQUIREMENTS, ALTERING THE MEMBERSHIP OF THE COMMISSION, REPEALING THE LICENSING RECIPROCITY REQUIREMENT, EXPANDING THE GROUNDS FOR DISCIPLINE, AUTHORIZING NAME-BASED CRIMINAL HISTORY BACKGROUND CHECKS, REQUIRING FINES TO BE DEPOSITED IN THE GENERAL FUND, AND ALTERING THE HIRING AUTHORITY FOR EMPLOYEES OF THE DIVISION OF REAL ESTATE.

Summary of Legislation

This bill, **as amended by the Senate Business, Labor and Technology Committee**, continues the Real Estate Commission in the Department of Regulatory Agencies until July 1, 2017, and makes several changes to licensing, education, and background checks including the following:

- ▶ 4 hours of content are added to the required annual update course;
- ▶ continuing education courses must be approved by the commission;
- ▶ the commission member representing subdivision development is replaced with a public member; and
- ▶ the director of the commission hires staff instead of the executive director of the Department of Regulatory Agencies.

As amended, the bill continues the commission's regulation of brokers' commissions, the registration of developers, and contracts for preowned housing home warranty service contracts. The bill is effective upon signature of the Governor or upon becoming law without his signature.

Background

The Colorado Real Estate Commission is housed in the Department of Regulatory Agencies and licenses approximately 50,000 real estate brokers. Between FY 2001-02 and FY 2005-06, 3,651 complaints were filed resulting in 73 revocations and 55 suspensions of licenses. The real estate industry has been regulated in Colorado since 1925. For FY 2007-08, the division was appropriated \$3.3 million cash funds.

Assessment

No additional state revenue or expenditures are anticipated as a result of this bill. The commission will continue its operations with minor changes that can be accomplished within existing appropriations. No additional appropriations are required.

Departments Contacted

Regulatory Agencies
Public Safety

Law
Treasury