

**First Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 07-0895.01 Duane Gall

SENATE BILL 07-249

SENATE SPONSORSHIP

Veiga, Groff, Isgar, Keller, Kester, Penry, Schwartz, Tapia, Taylor, and Tochtrop

HOUSE SPONSORSHIP

Rice,

Senate Committees

Business, Labor and Technology
Appropriations

House Committees

Business Affairs and Labor
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE APPLICATION OF EXISTING REGULATIONS TO**
102 **PERSONS PERFORMING SERVICES IN CONNECTION WITH REAL**
103 **ESTATE TRANSACTIONS, AND MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Establishes a cash fund from which appropriations will be made to the division of insurance to enhance enforcement of existing statutes and rules governing title entities to further protect the interests of consumers purchasing real estate in Colorado. Directs the division to collect and publish information relating to licensed title entities and to conduct periodic examinations of title entities, in accordance with rules

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.*

SENATE
3rd Reading Unamended
April 26, 2007

SENATE
Amended 2nd Reading
April 25, 2007

adopted by the insurance commissioner. Requires the division to conduct a study of current practices in the title insurance industry, using all investigatory powers granted by existing statutes, and to refer suspected violations to the attorney general for further enforcement action when appropriate. Funds the additional enforcement activities through assessment of a fee on each title insurance policy issued.

Recognizes a new category of persons providing real estate settlement services separately rather than as part of the practice of real estate or title insurance. Defines this category as "settlement service providers". Requires settlement service providers to register with the director of the division of real estate under provisions similar to those adopted in 2006 for the registration of mortgage brokers. Directs the division of real estate to undertake a study of the efficacy of registration and to report its findings, together with legislative recommendations, to the general assembly by March 15, 2009.

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

2 **SECTION 1.** 10-3-207 (1), Colorado Revised Statutes, is
3 amended BY THE ADDITION OF A NEW PARAGRAPH to read:

4 **10-3-207. Fees paid by insurance companies - repeal.** (1) There
5 shall be paid to the division of insurance by every entity regulated by the
6 division of insurance in this state the following:

7 (f) (I) FOR THE PURPOSE OF PROVIDING ADEQUATE FUNDS TO THE
8 DIVISION FOR MARKET ANALYSIS, INVESTIGATION, AND ENFORCEMENT OF
9 ARTICLE 11 OF THIS TITLE AND RULES ADOPTED PURSUANT TO SAID
10 ARTICLE 11, IN ADDITION TO ANY OTHER FEE COLLECTED PURSUANT TO
11 THIS SUBSECTION (1), EACH TITLE INSURER REGULATED BY THE DIVISION
12 PURSUANT TO ARTICLE 11 OF THIS TITLE SHALL PAY A NONREFUNDABLE
13 ANNUAL FEE ON OR BEFORE MARCH 1 OF EACH YEAR. THIS FEE SHALL BE
14 ESTABLISHED BY THE COMMISSIONER IN AN AMOUNT SUFFICIENT TO
15 SUPPORT TWO FULL-TIME EQUIVALENTS WITHIN THE DIVISION.

16 (II) (A) FOR THE PURPOSE OF COVERING STARTUP COSTS FOR THE
17 IMPLEMENTATION OF THIS PARAGRAPH (f) AND TO FUND ENFORCEMENT

1 ACTIVITIES UNDERTAKEN BETWEEN JULY 1, 2007, AND MARCH 1, 2008,
2 THE COMMISSIONER SHALL ASSESS A ONE-TIME SURCHARGE UPON ALL
3 TITLE INSURERS, CALCULATED AS A PRO RATA SHARE OF THE TOTAL
4 PREMIUMS DERIVED FROM THEIR TITLE INSURANCE BUSINESS CONDUCTED
5 IN COLORADO, THAT WERE SUBJECT TO THIS SECTION ON OR AFTER MARCH
6 1, 2007. THE SURCHARGE SHALL BE PAYABLE ON OR BEFORE SEPTEMBER
7 1, 2007, AND SHALL BE ESTABLISHED BY THE COMMISSIONER IN AN
8 AMOUNT SUFFICIENT TO SUPPORT TWO FULL-TIME EQUIVALENTS WITHIN
9 THE DIVISION FOR ACTIVITIES PURSUANT TO THIS PARAGRAPH (f) DURING
10 THE PERIOD BETWEEN SEPTEMBER 1, 2007, AND MARCH 1, 2008.

11 (B) THIS SUBPARAGRAPH (II) IS REPEALED, EFFECTIVE JULY 1,
12 2008.

13 (III) NOTWITHSTANDING ANY PROVISION OF SECTION 10-1-103 OR
14 10-1-108 (9) TO THE CONTRARY, ALL FEES AND SURCHARGES COLLECTED
15 PURSUANT TO THIS PARAGRAPH (f) SHALL BE TRANSMITTED TO THE STATE
16 TREASURER, WHO SHALL DEPOSIT THE SAME IN THE DIVISION OF
17 INSURANCE CASH FUND CREATED IN SECTION 10-1-103, AND SHALL BE
18 SUBJECT TO ANNUAL APPROPRIATION TO THE DIVISION AND TO THE
19 DEPARTMENT OF LAW FOR THE PURPOSES SET FORTH IN THIS PARAGRAPH
20 (f).

21 (IV) COMMENCING JANUARY 1, 2009, THE DIVISION SHALL
22 PROVIDE ANNUAL REPORTS TO THE JOINT BUDGET COMMITTEE, THE
23 SENATE BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE, AND THE HOUSE
24 BUSINESS AFFAIRS AND LABOR COMMITTEE, OR ANY SUCH SUCCESSOR
25 COMMITTEES, AND SHALL POST ON THE DIVISION'S WEBSITE A STATISTICAL
26 REPORT OF THE NUMBER OF ENFORCEMENT ACTIONS TAKEN, MARKET
27 TRENDS ASSOCIATED WITH TITLE INSURANCE AND REAL ESTATE

1 TRANSACTIONS, AND CONSUMER COMPLAINTS SUPPORTED BY THE FEE IN
2 SUBPARAGRAPH (I) OF THIS PARAGRAPH (f).

3 **SECTION 2. Appropriation.** In addition to any other
4 appropriation, there is hereby appropriated, out of any moneys in the
5 division of insurance cash fund created in section 10-1-103 (3), Colorado
6 Revised Statutes, not otherwise appropriated, for the fiscal year beginning
7 July 1, 2007, to the department of regulatory agencies, division of
8 insurance, the sum of one hundred forty-three thousand four hundred
9 forty-eight dollars (\$143,448) and 1.7 FTE, or so much thereof as may be
10 necessary, for the implementation of this act.

11 **SECTION 3. Safety clause.** The general assembly hereby finds,
12 determines, and declares that this act is necessary for the immediate
13 preservation of the public peace, health, and safety.