

cond Regular Session  
Sixty-seventh General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 10-0781.01 Kate Meyer

HOUSE BILL 10-1230

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HOUSE SPONSORSHIP

Gardner B.,

SENATE SPONSORSHIP

Hodge,

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House Committees  
Business Affairs and Labor

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING THE "UNIFORM DEBT-MANAGEMENT SERVICES ACT".

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>.)*

The bill amends various provisions of the "Uniform Debt-Management Services Act" (act).

**Section 1** of the bill includes within the definition of "trust account" an account held by a person other than a debt-management services provider (provider) or an affiliate that otherwise meets the description of "trust account".

**Section 2** repeals the requirement that a person applying to register

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.*

as a provider be insured against the risks of misconduct.

**Section 3** repeals the requirements that an application for registration as a provider include the following: Evidence of accreditation by an independent accrediting organization; evidence that, within 12 months of initial employment, each of the applicant's counselors or debt specialists becomes certified as such; and, for a person registering as a not-for-profit provider, a statement regarding the amount of compensation that the applicant's 5 most highly compensated employees received. Section 3 also eliminates references to specific directors whose identities as affiliates must be disclosed with the application for registration.

**Section 6** repeals the requirement that the administrator of the act deny an application for registration if the applicant is a not-for-profit or tax-exempt entity and the applicant's board of directors is not independent of the applicant's employees and agent.

**Section 7** repeals the ability of an applicant for registration as a provider to provide regulated services during the pendency of that person's application.

**Section 8:**

- ! Repeals the requirement that the administrator mail a registrant an application for renewal 60 days prior to the expiration of the registrant's registration;
- ! Eliminates a specific period of time during which an application for renewal must be filed;
- ! Repeals the requirement that an applicant for renewal be insured against risks of misconduct.

**Section 9** requires a surety to notify the administrator immediately if the principal amount of a registered provider's surety bond is reduced due to payment of a claim or judgment or if the surety terminates a registrant's bond for any reason.

**Section 10** eliminates certificates of insurance from the list of permissible substitutes for surety bonds.

**Section 11** repeals the requirement that a counselor or debt specialist staffing a toll-free communication system be certified by a training program or certifying organization.

**Section 12** prohibits providers from contracting to provide debt-management services unless the provider satisfies certain prerequisites.

**Section 13:**

- ! Includes, as an item related to fees that may be disclosed in an agreement between a provider and an individual for the performance of debt-management services (agreement), the percent of fees to be paid by an individual, and requires the fee disclosure to use certain terms only;
- ! Requires the disclosure regarding amount, percent, or

method of determining provider fees in an agreement to be clear and conspicuous;

- ! Requires an agreement to contain an estimate of the total of all payments that an individual will make under the agreement; and
- ! Replaces references to a "debtor" with the term "individual" in order to harmonize language used elsewhere in the act.

**Section 14** requires the notice of right to cancel that accompanies an agreement to be contained on a separate form.

**Section 16:**

- ! Requires a provider to use terminology contained in statute when imposing fees or other charges for debt-management services on an individual;
- ! Caps fees for set-up services at the lesser of \$400 or 4% of the principal amount of the debt;
- ! Makes the permissible monthly service fee that a provider may charge under a plan that contemplates creditors settling debts for less than the principal amount of the debt the same as the permissible monthly service fee that a provider may charge for a plan under which a creditor reduces finance charges or certain fees; and
- ! Limits the amount of settlement fees that a provider may impose.

**Section 17** requires a provider that represents itself as a not-for-profit entity but that does not have tax-exempt status under the federal "Internal Revenue Code" to disclose that fact.

**Section 18** repeals the requirements that the administrator adopt dollar amounts that differ from those contained in the act, in order to account for inflation and notify providers of, and make available to the public information regarding, such changes.

**Section 19** allows the administrator to prosecute a civil action to obtain a civil penalty from a person who has violated the act or to intervene in a civil action brought against a provider by an aggrieved individual.

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

2 **SECTION 1.** 12-14.5-202 (2) (B) (iv), (6), (7), and (21),  
3 Colorado Revised Statutes, are amended to read:

4 **12-14.5-202. Definitions.** As used in this part 2, unless the  
5 context otherwise requires:

1 (2) "Affiliate":

2 (B) With respect to an entity, means:

3 (iv) ~~Subject to adjustment of the dollar amount pursuant to section~~  
4 ~~12-14.5-232 (f)~~, A person that receives or received more than twenty-five  
5 thousand dollars from the entity in either the current year or the preceding  
6 year or a person that owns more than ten percent of, or an individual who  
7 is employed by or is a director of, a person that receives or received more  
8 than twenty-five thousand dollars from the entity in either the current year  
9 or the preceding year;

10 (6) ~~"Certified counselor" means an individual certified by a~~  
11 ~~training program or certifying organization, approved by the~~  
12 ~~administrator, that authenticates the competence of individuals providing~~  
13 ~~education and assistance to other individuals in connection with~~  
14 ~~debt-management services.~~

15 (7) ~~"Certified debt specialist" means an individual certified by a~~  
16 ~~training program or certifying organization, approved by the~~  
17 ~~administrator, that authenticates the competence of individuals providing~~  
18 ~~education and assistance to debtors as part of the initial enrollment for~~  
19 ~~debt-management services offered by a person that does not hold money~~  
20 ~~for individuals with whom agreements are made.~~

21 (21) "Trust account" means an account held by a provider, AS  
22 THAT TERM IS MODIFIED BY SECTION 12-14.5-222 (j), that is:

23 (A) Established in an insured bank;

24 (B) Separate from other accounts of the provider; ~~or its designee~~

25 (C) Designated as a trust account or other account designated to  
26 indicate that the money in the account is not the money of the provider;  
27 ~~or its designee~~ AND

1 (D) Used to hold money of one or more individuals for  
2 disbursement to creditors of the individuals. and

3 (E) ~~Not an account held by a person other than a provider or an~~  
4 ~~affiliate.~~

5 **SECTION 2.** The introductory portion to 12-14.5-205 (b) and  
6 12-14.5-205 (b) (4), (b) (5), and (b) (6), Colorado Revised Statutes, are  
7 amended to read:

8 **12-14.5-205. Application for registration - form, fee, and**  
9 **accompanying documents.** (b) ~~Subject to adjustment of dollar amounts~~  
10 ~~pursuant to section 12-14.5-232 (f);~~ An application for registration as a  
11 provider shall be accompanied by:

12 (4) ~~Evidence of insurance in the amount of one million dollars:~~

13 (A) ~~Against the risks of dishonesty, fraud, theft, and other~~  
14 ~~misconduct on the part of the applicant or a director, employee, or agent~~  
15 ~~of the applicant;~~

16 (B) ~~Issued by an insurance company authorized to do business in~~  
17 ~~this state and rated at least A by a nationally recognized rating~~  
18 ~~organization;~~

19 (C) ~~With a maximum deductible of five thousand dollars;~~

20 (D) ~~Insuring the applicant for claims made by individuals in this~~  
21 ~~or any other state, who have agreements with the applicant, and this state,~~  
22 ~~as their interests may appear.~~

23 (5) Proof of compliance with the requirements of title 7, C.R.S.,  
24 that specify the prerequisites for an entity to do business in this state. and

25 (6) ~~If the applicant is organized as a not-for-profit entity or is~~  
26 ~~exempt from taxation, evidence of not-for-profit and tax-exempt status~~  
27 ~~applicable to the applicant under the federal "Internal Revenue Code of~~

1 ~~1986", 26 U.S.C. sec. 501, as amended.~~

2 **SECTION 3.** 12-14.5-206 (8), (9), (17), and (18), Colorado  
3 Revised Statutes, are amended to read:

4 **12-14.5-206. Application for registration - required**  
5 **information.** An application for registration shall be signed under  
6 penalty of false statement and include:

7 ~~(8) Evidence of accreditation by an independent accrediting~~  
8 ~~organization approved by the administrator;~~

9 ~~(9) Evidence that, within twelve months after initial employment,~~  
10 ~~each of the applicant's counselors or debt specialists becomes certified as~~  
11 ~~a certified counselor or certified debt specialist;~~

12 ~~(17) For not-for-profit providers, a statement of the amount of~~  
13 ~~compensation of the applicant's five most highly compensated employees~~  
14 ~~for each of the three years immediately preceding the application or, if it~~  
15 ~~has not been in operation for the three years immediately preceding the~~  
16 ~~application, for the period of its existence;~~

17 ~~(18) The identity of each director who is an affiliate, as defined~~  
18 ~~in section 12-14.5-202 (2), (A) or (2) (B) (i), (2) (B) (ii), (2) (B) (iv), (2)~~  
19 ~~(B) (v), (2) (B) (vi), or (2) (B) (vii), of the applicant; and~~

20 **SECTION 4.** 12-14.5-207, Colorado Revised Statutes, is  
21 amended to read:

22 **12-14.5-207. Application for registration - obligation to update**  
23 **information.** An applicant or registered provider shall notify the  
24 administrator within fifteen days after a change in the information  
25 specified in ~~section 12-14.5-205 (b) (4) or (b) (6) or section 12-14.5-206~~  
26 ~~(1), (3), (6), (12), or (13).~~

27 **SECTION 5.** 12-14.5-208, Colorado Revised Statutes, is

1 amended to read:

2 **12-14.5-208. Application for registration - public information.**

3 Except for the information required by section 12-14.5-206 (7), (11), (14),  
4 ~~(15), and (17)~~ AND (15) and the addresses required by section 12-14.5-206  
5 (4), the administrator shall make the information in an application for  
6 registration as a provider available to the public.

7 **SECTION 6.** 12-14.5-209 (c) and (d), Colorado Revised Statutes,  
8 are amended to read:

9 **12-14.5-209. Certificate of registration - issuance or denial.**

10 (c) The administrator shall deny registration if:

11 (1) The application is not accompanied by the fee established by  
12 the administrator. ~~or~~

13 ~~(2) With respect to an applicant that is organized as a~~  
14 ~~not-for-profit entity or has obtained tax-exempt status under the federal~~  
15 ~~"Internal Revenue Code of 1986", 26 U.S.C. sec. 501, as amended, the~~  
16 ~~applicant's board of directors is not independent of the applicant's~~  
17 ~~employees and agents.~~

18 (d) ~~Subject to adjustment of the dollar amount pursuant to section~~  
19 ~~12-14.5-232 (f), a board of directors is not independent for purposes of~~  
20 ~~subsection (c) of this section if more than one-fourth of its members:~~

21 ~~(1) Are affiliates of the applicant, as defined in section~~  
22 ~~12-14.5-202 (2) (A), (2) (B) (i), (2) (B) (ii), (2) (B) (iv), (2) (B) (v), (2)~~  
23 ~~(B) (vi), or (2) (B) (vii); or~~

24 ~~(2) After the date ten years before first becoming a director of the~~  
25 ~~applicant, were employed by or directors of a person that received from~~  
26 ~~the applicant more than twenty-five thousand dollars in either the current~~  
27 ~~year or the preceding year.~~

1           **SECTION 7. Repeal.** 12-14.5-210 (c), Colorado Revised  
2 Statutes, is repealed as follows:

3           **12-14.5-210. Certificate of registration - timing.** ~~(c) Until such~~  
4 ~~time as an initial application is approved or denied, the applicant may~~  
5 ~~continue to provide debt-management services, but a denial terminates~~  
6 ~~any further power to provide debt-management services unless approved~~  
7 ~~by the administrator.~~

8           **SECTION 8.** 12-14.5-211 (b), (c) (1), (c) (3), (c) (5), and (d),  
9 Colorado Revised Statutes, are amended to read:

10           **12-14.5-211. Renewal of registration.** ~~(b) The administrator~~  
11 ~~shall mail an application for renewal to each provider at least sixty days~~  
12 ~~prior to the expiration date of a registration.~~

13           (c) An application for renewal of registration as a provider shall  
14 be in a form prescribed by the administrator, signed under penalty of false  
15 statement, and:

16           (1) ~~Be filed no fewer than thirty and no more than sixty days~~  
17 ~~before the registration expires;~~

18           (3) ~~Contain the matter required for initial registration as a provider~~  
19 ~~by section 12-14.5-206 (8) and (9) and a financial statement, reviewed by~~  
20 ~~an accountant licensed to conduct audits, for the applicant's fiscal year~~  
21 ~~immediately preceding the application, except that the third renewal after~~  
22 ~~initial registration and every fourth renewal thereafter shall be audited~~  
23 ~~rather than reviewed;~~

24           (5) ~~Supply evidence of insurance in an amount equal to the larger~~  
25 ~~of one million dollars or the highest daily balance attributable to residents~~  
26 ~~of Colorado in the trust account required by section 12-14.5-222 during~~  
27 ~~the six-month period immediately preceding the application.~~



1           ~~(A) Against risks of dishonesty, fraud, theft, and other misconduct~~  
2 ~~on the part of the applicant or a director, employee, or agent of the~~  
3 ~~applicant;~~

4           ~~(B) Issued by an insurance company authorized to do business in~~  
5 ~~this state and rated at least A by a nationally recognized rating~~  
6 ~~organization;~~

7           ~~(C) With a maximum deductible of five thousand dollars; and~~

8           ~~(D) Insuring the applicant for claims made by individuals in this~~  
9 ~~or any other state, who have agreements with the applicant, and this state,~~  
10 ~~as their interests may appear.~~

11           (d) Except for the information required by section 12-14.5-206  
12 (7), (11), (14), ~~(15) and (17)~~ AND (15) and the addresses required by  
13 section 12-14.5-206 (4), the administrator shall make the information in  
14 an application for renewal of registration as a provider available to the  
15 public.

16           **SECTION 9.** The introductory portion to 12-14.5-213 (b) and  
17 12-14.5-213 (c), Colorado Revised Statutes, are amended to read:

18           **12-14.5-213. Bond required.** (b) ~~Subject to adjustment of the~~  
19 ~~dollar amount pursuant to section 12-14.5-232 (f),~~ A surety bond filed  
20 pursuant to subsection (a) of this section shall:

21           (c) If the principal amount of a surety bond is reduced by payment  
22 of a claim or a judgment, the provider AND THE SURETY shall immediately  
23 notify the administrator and, within thirty days after notice by the  
24 administrator, THE PROVIDER SHALL file a new or additional surety bond  
25 in an amount set by the administrator. The amount of the new or  
26 additional bond shall be at least the amount of the bond immediately  
27 before payment of the claim or judgment. If for any reason a surety

1 terminates a bond, THE SURETY SHALL IMMEDIATELY PROVIDE WRITTEN  
2 NOTICE OF THE TERMINATION TO THE ADMINISTRATOR AND the provider  
3 shall immediately file a new surety bond in the amount of fifty thousand  
4 dollars or other amount determined pursuant to subsection (b) of this  
5 section.

6 **SECTION 10. Repeal.** 12-14.5-214 (a) (1), Colorado Revised  
7 Statutes, is repealed as follows:

8 **12-14.5-214. Bond required - substitute.** (a) Instead of the  
9 surety bond required by section 12-14.5-213, a provider may deliver to  
10 the administrator, in the amount required by section 12-14.5-213 (b), and,  
11 except as otherwise provided in paragraph (2) of this subsection (a),  
12 payable or available to this state and to individuals who reside in this state  
13 when they agree to receive debt-management services from the provider,  
14 as their interests may appear, if the provider or its agent does not comply  
15 with this part 2:

16 (1) ~~A certificate of insurance issued by an insurance company~~  
17 ~~authorized to do business in this state and rated at least A by a nationally~~  
18 ~~recognized rating organization; or~~

19 **SECTION 11.** 12-14.5-216, Colorado Revised Statutes, is  
20 amended to read:

21 **12-14.5-216. Customer service.** A provider that is required to be  
22 registered under this part 2 shall maintain a toll-free communication  
23 system, staffed at a level that reasonably permits an individual to speak  
24 to a ~~certified~~ counselor, ~~certified~~ debt specialist, or customer-service  
25 representative, as appropriate, during ordinary business hours.

26 **SECTION 12.** The introductory portions to 12-14.5-217 (a) and  
27 (b), Colorado Revised Statutes, are amended to read:

1           **12-14.5-217. Prerequisites for providing debt-management**  
2 **services.** (a) Before providing OR CONTRACTING TO PROVIDE  
3 debt-management services, a registered provider shall give the individual  
4 an itemized list of goods and services and the charges for each. The list  
5 shall be clear and conspicuous, be in a record the individual may keep  
6 whether or not the individual assents to an agreement, and describe the  
7 goods and services the provider offers:

8           (b) A provider may not furnish OR CONTRACT TO FURNISH  
9 debt-management services unless the provider, through the services of a  
10 ~~certified~~ counselor or ~~certified~~ debt specialist:

11           **SECTION 13.** 12-14.5-219 (a) (6) (B), (a) (6) (C), (a) (6) (E), and  
12 (a) (6) (G), Colorado Revised Statutes, are amended to read:

13           **12-14.5-219. Form and contents of agreement.** (a) An  
14 agreement shall:

15           (6) Disclose:

16           (B) IN A CLEAR AND CONSPICUOUS MANNER, the amount, PERCENT,  
17 or method of determining the amount, of all fees, individually itemized,  
18 to be paid by the individual, USING ONLY THE TERMINOLOGY CONTAINED  
19 IN SECTION 12-14.5-223;

20           (C) The schedule of payments to be made by or on behalf of the  
21 individual, including the amount of each payment, the date on which each  
22 payment is due, ~~and~~ an estimate of the date of the final payment, AND AN  
23 ESTIMATE OF THE TOTAL OF ALL PAYMENTS TO BE MADE UNDER THE PLAN;

24           (E) If the provider holds money on behalf of the ~~debtor~~  
25 INDIVIDUAL, each creditor that the provider believes will not participate  
26 in the plan and to which the provider will not direct payment;

27           (G) If the provider holds money on behalf of the ~~debtor~~

1 INDIVIDUAL, that the provider may terminate the agreement for good  
2 cause, upon return of unexpended money of the individual;

3 **SECTION 14.** The introductory portion to 12-14.5-220 (b),  
4 Colorado Revised Statutes, is amended to read:

5 **12-14.5-220. Cancellation of agreement - waiver.** (b) An  
6 agreement shall be accompanied by a SEPARATE form that contains in  
7 bold-faced type, surrounded by bold black lines:

8 **SECTION 15.** 12-14.5-222 (b) and (c) (3), Colorado Revised  
9 Statutes, are amended, and the said 12-14.5-222 is further amended BY  
10 THE ADDITION OF A NEW SUBSECTION, to read:

11 **12-14.5-222. Trust account.** (b) Money held in trust by a  
12 provider is not property of the provider. ~~or its designee.~~ The money is not  
13 available to creditors of the provider, ~~or designee,~~ except an individual  
14 from whom or on whose behalf the provider received money, to the extent  
15 that the money has not been disbursed to creditors of the individual.

16 (c) A provider shall:

17 (3) Promptly correct any payments that are not made or that are  
18 misdirected as a result of an error by the provider ~~or other person in~~  
19 ~~control of the trust account~~ and reimburse the individual for any costs or  
20 fees imposed by a creditor as a result of the failure to pay or misdirection.

21 (j) FOR THE PURPOSES OF THIS SECTION, "PROVIDER" INCLUDES A  
22 PROVIDER OR A PROVIDER'S DESIGNEE, AGENT, OR ANY OTHER PERSON,  
23 OTHER THAN THE INDIVIDUAL, WHO CONTROLS OR MANAGES THE  
24 ACCOUNT.

25 **SECTION 16.** 12-14.5-223 (a), the introductory portions to  
26 12-14.5-223 (d) and (d) (2), and 12-14.5-223 (d) (2) (A), (d) (2) (B), (d)  
27 (2) (C), (d) (5), and (f), Colorado Revised Statutes, are amended to read:

1           **12-14.5-223. Fees and other charges.** (a) A provider may not  
2 impose directly or indirectly a fee or other charge on an individual or  
3 receive money from or on behalf of an individual for debt-management  
4 services except as permitted by this section AND USING ONLY THE  
5 TERMINOLOGY CONTAINED IN THIS SECTION.

6           (d) ~~Subject to adjustment of dollar amounts pursuant to section~~  
7 ~~12-14.5-232 (f)~~, The following rules apply REGARDING FEES AND OTHER  
8 CHARGES IMPOSED UNDER THIS SECTION:

9           (2) If an individual assents to a plan that contemplates that  
10 creditors will settle debts for less than the principal amount of the debt,  
11 A PROVIDER MAY CHARGE:

12           (A) ~~A provider may charge total fees in an amount not to exceed~~  
13 ~~eighteen percent of the principal amount of the debt, which shall include,~~  
14 Subject to section 12-14.5-219 (d), a SET-UP fee for consultation,  
15 obtaining a credit report, setting up an account, and the like, in an amount  
16 not exceeding THE LESSER OF EITHER FOUR HUNDRED DOLLARS OR four  
17 percent of the principal amount of the debt.

18           (B) ~~Total fees may be collected over no less than half of the length~~  
19 ~~of the plan as estimated at the inception of the plan unless accelerated by~~  
20 ~~the individual or until offers of settlement by creditors are obtained on at~~  
21 ~~least half of the debts enrolled to provider~~ A MONTHLY SERVICE FEE, NOT  
22 TO EXCEED TEN DOLLARS TIMES THE NUMBER OF CREDITORS REMAINING  
23 IN A PLAN AT THE TIME THE FEE IS ASSESSED, BUT NOT MORE THAN FIFTY  
24 DOLLARS IN ANY MONTH.

25           (C) ~~In no case shall aggregate fees exceed eighteen percent of the~~  
26 ~~total principal amount of the debt~~ SETTLEMENT FEES FOR SERVICES IN  
27 CONNECTION WITH SETTLING A DEBT, WHICH FEES SHALL NOT EXCEED,

1 WITH RESPECT TO EACH SETTLED DEBT, THIRTY PERCENT OF THE EXCESS  
2 OF THE PRINCIPAL AMOUNT OF THE DEBT OVER THE AMOUNT PAID TO THE  
3 CREDITOR PURSUANT TO THE SETTLEMENT, LESS, TO THE EXTENT THAT IT  
4 HAS NOT BEEN CREDITED AGAINST AN EARLIER SETTLEMENT FEE:

5 (i) THE SET-UP FEE CHARGED PURSUANT TO SUBPARAGRAPH (A) OF  
6 PARAGRAPH (2) OF SUBSECTION (d) OF THIS SECTION; AND

7 (ii) THE AGGREGATE OF MONTHLY SERVICE FEES CHARGED  
8 PURSUANT TO SUBPARAGRAPH (B) OF PARAGRAPH (2) OF SUBSECTION (d)  
9 OF THIS SECTION.

10 (5) ~~In no case shall aggregate fees exceed eighteen percent of the~~  
11 ~~total principal amount of the debt.~~

12 (f) ~~Subject to adjustment of the dollar amount pursuant to section~~  
13 ~~12-14.5-232 (f);~~ If a payment to a provider by an individual under this  
14 part 2 is dishonored, a provider may impose a reasonable charge on the  
15 individual, not to exceed the lesser of twenty-five dollars and the amount  
16 permitted by law other than this part 2.

17 **SECTION 17.** 12-14.5-228 (a) (14), Colorado Revised Statutes,  
18 is amended to read:

19 **12-14.5-228. Prohibited acts and practices.** (a) A provider may  
20 not, directly or indirectly:

21 (14) Represent that it is a not-for-profit entity unless it is  
22 organized and properly operating as a not-for-profit under the law of the  
23 state in which it was formed or that it is a tax-exempt entity unless it has  
24 received certification of tax-exempt status from the federal internal  
25 revenue service; EXCEPT THAT, IF THE PROVIDER REPRESENTS THAT IT IS  
26 A NOT-FOR-PROFIT ENTITY AND THE PROVIDER DOES NOT HAVE  
27 TAX-EXEMPT STATUS UNDER SECTION 501 (c) (3) OF THE FEDERAL

1 "INTERNAL REVENUE CODE OF 1986", AS AMENDED, THE PROVIDER SHALL  
2 STATE, IN A CLEAR AND CONSPICUOUS MANNER AND IN CLOSE PROXIMITY  
3 TO THE REPRESENTATION: "WE ARE NOT AN EDUCATIONAL, CHARITABLE,  
4 OR RELIGIOUS ORGANIZATION GRANTED TAX-EXEMPT STATUS BY THE  
5 INTERNAL REVENUE SERVICE."

6 **SECTION 18. Repeal.** 12-14.5-232 (f) and (g), Colorado  
7 Revised Statutes, are repealed as follows:

8 **12-14.5-232. Powers of administrator - rules.** (f) ~~The~~  
9 ~~administrator, by rule, shall adopt dollar amounts instead of those~~  
10 ~~specified in sections 12-14.5-202, 12-14.5-205, 12-14.5-209,~~  
11 ~~12-14.5-213, 12-14.5-223, 12-14.5-233, and 12-14.5-235 to reflect~~  
12 ~~inflation, as measured by the United States bureau of labor statistics~~  
13 ~~consumer price index for all urban consumers or, if that index is not~~  
14 ~~available, another index adopted by rule by the administrator. The~~  
15 ~~administrator shall adopt a base year and adjust the dollar amounts,~~  
16 ~~effective on July 1 of each year, if the change in the index from the base~~  
17 ~~year, as of December 31 of the preceding year, is at least ten percent. The~~  
18 ~~dollar amount shall be rounded to the nearest one hundred dollars, except~~  
19 ~~that the amounts in section 12-14.5-223 shall be rounded to the nearest~~  
20 ~~dollar.~~

21 ~~(g) The administrator shall notify registered providers of any~~  
22 ~~change in dollar amounts made pursuant to subsection (f) of this section~~  
23 ~~and make that information available to the public.~~

24 **SECTION 19.** 12-14.5-233 (a) (3), the introductory portion to  
25 12-14.5-233 (a) (4), and 12-14.5-233 (a) (4) (B) and (b), Colorado  
26 Revised Statutes, are amended to read:

27 **12-14.5-233. Administrative remedies.** (a) The administrator

1 may enforce this part 2 and rules adopted under this part 2 by taking one  
2 or more of the following actions:

3 (3) ~~Subject to adjustment of the dollar amount pursuant to section~~  
4 ~~12-14.5-232 (f)~~, Imposing on a provider or a person that has caused a  
5 violation a civil penalty not exceeding ten thousand dollars for each  
6 violation;

7 (4) Prosecuting a civil action to DO ANY OR ALL OF THE  
8 FOLLOWING:

9 (B) Obtain restitution or A CIVIL PENALTY PURSUANT TO  
10 PARAGRAPH (3) OF THIS SUBSECTION (a), INTERVENE PURSUANT TO  
11 PARAGRAPH (5) OF THIS SUBSECTION (a), OR OBTAIN an injunction or other  
12 equitable relief; ~~or both;~~

13 (b) ~~Subject to adjustment of the dollar amount pursuant to section~~  
14 ~~12-14.5-232 (f)~~, If a person violates or knowingly authorizes, directs, or  
15 aids in the violation of a final order issued under paragraph (1) or (2) of  
16 subsection (a) of this section, the administrator may impose a civil penalty  
17 not exceeding twenty thousand dollars for each violation.

18 **SECTION 20.** 12-14.5-235 (c) (2), Colorado Revised Statutes, is  
19 amended to read:

20 **12-14.5-235. Private enforcement.** (c) Subject to subsection (d)  
21 of this section, an individual with respect to whom a provider violates this  
22 part 2 may recover in a civil action from the provider and any person that  
23 caused the violation:

24 (2) Except as otherwise provided in subsection (d) of this section,  
25 ~~and subject to adjustment of the dollar amount pursuant to section~~  
26 ~~12-14.5-232 (f)~~, with respect to a violation of section 12-14.5-217,  
27 12-14.5-219 to 12-14.5-224, 12-14.5-227, or 12-14.5-228 (a), (b), or (d),



1 the greater of the amount recoverable under paragraph (1) of this  
2 subsection (c) or five thousand dollars;

3 **SECTION 21. Specified effective date - applicability.** This act  
4 shall take effect July 1, 2010, and shall apply to conduct occurring on or  
5 after said date.

6 **SECTION 22. Safety clause.** The general assembly hereby finds,  
7 determines, and declares that this act is necessary for the immediate  
8 preservation of the public peace, health, and safety.