

**Second Regular Session
Sixty-fifth General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 06-0246.01 Thomas Morris

SENATE BILL 06-014

SENATE SPONSORSHIP

Taylor, and Hanna

HOUSE SPONSORSHIP

White, Coleman, Schultheis, and Vigil

Senate Committees

Business, Labor and Technology

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE REGULATION OF ENTITIES SUBJECT TO THE REAL**
102 **ESTATE COMMISSION.**

Bill Summary

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

Legislative Audit Committee. Effective January 1, 2007:

Requires real estate brokers and salespersons to independently obtain errors and omissions insurance if the real estate commission is unable to obtain such insurance at a reasonable annual premium.

Requires the division of real estate within the department of regulatory agencies, when it becomes aware of facts or

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
2nd Reading Unamended
February 6, 2006

circumstances that fall within the jurisdiction of a criminal justice or other law enforcement authority upon investigation of the activities of real estate brokers and salespersons, to forward the information to such authorities.

Requires an applicant for registration as a real estate developer to submit fingerprints for a state and national fingerprint-based criminal history record check.

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

2 **SECTION 1.** 12-61-103.6 (2) (a), Colorado Revised Statutes, is
3 amended to read:

4 **12-61-103.6. Errors and omissions insurance - duties of the**
5 **commission - certificate of coverage - when required - group plan**
6 **made available - effect - repeal.** (2) (a) If the commission is unable to
7 obtain errors and omissions insurance coverage to insure all licensees
8 who choose to participate in the group program at a reasonable annual
9 premium, as determined by the commission, A LICENSEE SHALL
10 INDEPENDENTLY OBTAIN the errors and omissions insurance ~~requirement~~
11 ~~of~~ REQUIRED BY this section. ~~shall not apply during any year for which~~
12 ~~coverage cannot be obtained.~~

13 **SECTION 2.** 12-61-113, Colorado Revised Statutes, is amended
14 BY THE ADDITION OF A NEW SUBSECTION to read:

15 **12-61-113. Investigation - revocation - actions against licensee**
16 **- repeal.** (9) WHEN THE DIVISION OF REAL ESTATE BECOMES AWARE OF
17 FACTS OR CIRCUMSTANCES THAT FALL WITHIN THE JURISDICTION OF A
18 CRIMINAL JUSTICE OR OTHER LAW ENFORCEMENT AUTHORITY UPON
19 INVESTIGATION OF THE ACTIVITIES OF A LICENSEE, THE DIVISION SHALL, IN
20 ADDITION TO THE EXERCISE OF ITS AUTHORITY UNDER THIS PART 1, REFER
21 AND TRANSMIT SUCH INFORMATION, WHICH MAY INCLUDE ORIGINALS OR

1 COPIES OF DOCUMENTS AND MATERIALS, TO ONE OR MORE CRIMINAL
2 JUSTICE OR OTHER LAW ENFORCEMENT AUTHORITIES FOR INVESTIGATION
3 AND PROSECUTION AS AUTHORIZED BY LAW.

4 **SECTION 3.** 12-61-403 (1), Colorado Revised Statutes, is
5 amended to read:

6 **12-61-403. Application for registration - definition.**

7 (1) (a) Every person who is required to register as a developer under this
8 part 4 shall submit to the commission an application ~~which~~ THAT contains
9 the information described in subsections (2) and (3) of this section. If
10 such information is not submitted, the commission may deny the
11 application for registration. If a developer is currently regulated in
12 another state that has registration requirements substantially equivalent
13 to the requirements of this part 4 or that provide substantially comparable
14 protection to a purchaser, the commission may accept proof of such
15 registration along with the developer's disclosure or equivalent statement
16 from the other state in full or partial satisfaction of the information
17 required by this section. In addition, the applicant shall be under a
18 continuing obligation to notify the commission within ten days ~~of~~ AFTER
19 any change in the information so submitted, and a failure to do so shall be
20 a cause for disciplinary action.

21 (b) BEFORE SUBMITTING AN APPLICATION FOR REGISTRATION
22 PURSUANT TO THIS SUBSECTION (1), EACH APPLICANT SHALL SUBMIT A SET
23 OF FINGERPRINTS TO THE COLORADO BUREAU OF INVESTIGATION FOR THE
24 PURPOSE OF CONDUCTING A STATE AND NATIONAL FINGERPRINT-BASED
25 CRIMINAL HISTORY RECORD CHECK UTILIZING RECORDS OF THE COLORADO
26 BUREAU OF INVESTIGATION AND THE FEDERAL BUREAU OF INVESTIGATION.
27 THE APPLICANT SHALL PAY TO THE COLORADO BUREAU OF INVESTIGATION

1 THE FEE ESTABLISHED BY THE BUREAU FOR CONDUCTING THE RECORD
2 CHECK, AND, UPON COMPLETION OF THE RECORD CHECK, THE BUREAU
3 SHALL FORWARD THE RESULTS TO THE COMMISSION. FOR PURPOSES OF
4 THIS PARAGRAPH (b), "APPLICANT" MEANS ANY NATURAL PERSON
5 SPECIFIED IN SUBPARAGRAPH (IV) OF PARAGRAPH (a) OF SUBSECTION (2)
6 OF THIS SECTION.

7 **SECTION 4. Effective date - applicability.** (1) This act shall
8 take effect January 1, 2007.

9 (2) However, if a referendum petition is filed against this act or
10 an item, section, or part of this act during the 90-day period after final
11 adjournment of the general assembly that is allowed for submitting a
12 referendum petition pursuant to article V, section 1 (3) of the state
13 constitution, then the act, item, section, or part, shall not take effect unless
14 approved by the people at a biennial regular general election and shall
15 take effect on the date specified in subsection (1) or on the date of the
16 official declaration of the vote thereon by proclamation of the governor,
17 whichever is later.

18 (3) The provisions of this act shall apply to acts occurring on or
19 after the applicable effective date of this act.