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First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 13-0204.01 Christy Chase

SENATE BILL 13-502

SENATE SPONSORSHIP

Spencer,

HOUSE SPONSORSHIP

Magnum,

Senate Committees
Business Affairs and Labor

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE REGULATION OF PRIVATE INVESTIGATORS.**

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.)

Currently, private investigators are not regulated by the state. The bill creates a regulatory scheme for private investigators that would require all private investigators to obtain a state license on or after January 1, 2014, in order to perform private investigating functions, hold oneself out as a private investigator, or use the title "private investigator" or "private detective".

A "private investigator" is defined as a person who engages in,

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solicits business concerning, accepts employment to obtain and furnish information concerning, or offers security to obtain or furnish information concerning, any of the following:

- A crime or wrong committed or threatened against the laws or government of the Unites States, Colorado or any other state, or any political subdivision thereof;
- The identity, habits, conduct, honesty, loyalty, whereabouts, affiliations, associations, transactions, reputation, or character of any person;
- Libel, fire, losses, accident, damage to property, or injury to a natural person;
- Evidence intended to be used in a hearing or proceeding conducted by a court, board, commission, public officer, investigative committee, or administrative agency; or
- The identity or apprehension of a person suspected of committing a crime.

The bill exempts several activities or persons from the licensure requirement.

The director of the division of registrations (director) in the department of regulatory agencies (department) is charged with regulating and licensing private investigators and adopting rules necessary to accomplish such duties. The director is responsible for conducting disciplinary proceedings and imposing appropriate discipline on private investigators upon a finding of a violation of the statutes or rules regulating the profession.

The bill establishes minimum criteria for licensure and requires the director to establish, by rule, other appropriate qualifications and requirements for obtaining or renewing a license, including payment of a fee as set by the director.

Upon issuance of a license, the director is to provide each licensee with an identification card containing a photograph of the licensed private investigator, and the licensee is to present that identification card upon request of persons seeking to verify that the private investigator is, in fact, licensed.

The bill repeals the regulation of private investigators on July 1, 2019, and requires the department to conduct a sunset review regarding the regulation of private investigators prior to the repeal.

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

2 **SECTION 1.** In Colorado Revised Statutes, **recreate and**

3 **reenact, with amendments,** article 21 of title 12 as follows:

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1 **ARTICLE 21**

2 **Private Investigators**

3 **12-21-101. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE
4 CONTEXT OTHERWISE REQUIRES:

5 (1) "APPLICANT" MEANS A PERSON WHO APPLIES FOR A NEW OR
6 RENEWAL LICENSE AS A PRIVATE INVESTIGATOR PURSUANT TO THIS
7 ARTICLE.

8 (2) "DIRECTOR" MEANS THE DIRECTOR OF THE DIVISION.

9 (3) "DIVISION" MEANS THE DIVISION OF REGISTRATIONS IN THE
10 DEPARTMENT OF REGULATORY AGENCIES.

11 (4) "PRIVATE INVESTIGATIVE AGENCY" MEANS AN ENTITY THAT
12 EMPLOYS ONE OR MORE PRIVATE INVESTIGATORS.

13 (5) "PRIVATE INVESTIGATIVE SERVICES" MEANS ENGAGING IN,
14 SOLICITING BUSINESS CONCERNING, ACCEPTING EMPLOYMENT TO OBTAIN
15 AND FURNISH INFORMATION CONCERNING, OR OFFERING SECURITY TO
16 OBTAIN OR FURNISH INFORMATION CONCERNING, ANY OF THE FOLLOWING:

17 (a) A CRIME OR WRONG COMMITTED OR THREATENED AGAINST THE
18 LAWS OR GOVERNMENT OF THE UNITED STATES, COLORADO OR ANY
19 OTHER STATE, OR A POLITICAL SUBDIVISION THEREOF;

20 (b) THE IDENTITY, HABITS, CONDUCT, HONESTY, LOYALTY,
21 WHEREABOUTS, AFFILIATIONS, ASSOCIATIONS, TRANSACTIONS,
22 REPUTATION, OR CHARACTER OF ANY PERSON;

23 (c) LIBEL, FIRE, LOSSES, ACCIDENT, DAMAGE TO PROPERTY, OR
24 INJURY TO A NATURAL PERSON;

25 (d) EVIDENCE INTENDED TO BE USED IN A HEARING OR PROCEEDING
26 CONDUCTED BY A COURT, BOARD, COMMISSION, PUBLIC OFFICER,
27 INVESTIGATIVE COMMITTEE, OR ADMINISTRATIVE AGENCY; OR

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1 (e) THE IDENTITY OR APPREHENSION OF A PERSON SUSPECTED OF
2 COMMITTING A CRIME.
3 (6) "PRIVATE INVESTIGATOR" MEANS A PERSON WHO PERFORMS
4 PRIVATE INVESTIGATIVE SERVICES FOR COMPENSATION.
5 **12-21-102. Scope of article.** (1) THIS ARTICLE DOES NOT APPLY
6 TO THE FOLLOWING:
7 (a) A PEACE OFFICER OR AN EMPLOYEE OF A LAW ENFORCEMENT
8 AGENCY WHILE ENGAGED IN THE PERFORMANCE OF THE PERSON'S OFFICIAL
9 DUTIES;
10 (b) A PERSON REGULARLY EMPLOYED AS AN INVESTIGATOR
11 EXCLUSIVELY BY ONE COMPANY SOLELY IN CONNECTION WITH THE
12 AFFAIRS OF SUCH COMPANY IF THE COMPANY IS NOT A PRIVATE
13 INVESTIGATIVE AGENCY;
14 (c) A DEBT COLLECTION AGENCY OR CREDIT REPORTING AGENCY
15 AND THE EMPLOYEES OF SUCH AGENCIES AND PERSONS WHO EXCLUSIVELY
16 FURNISH INFORMATION CONCERNING THE BUSINESS AND FINANCIAL
17 STANDING, OR CREDIT WORTHINESS, OF ANOTHER PERSON;
18 (d) A PERSON ENGAGED IN THE BUSINESS OF GATHERING AND
19 MAINTAINING AN INFORMATION DATABASE FOR GENERAL DISTRIBUTION;
20 (e) EMPLOYEES OF THE UNITED STATES GOVERNMENT, COLORADO
21 OR ANY OTHER STATE, OR A POLITICAL SUBDIVISION THEREOF IN THE
22 PERFORMANCE OF THE PERSON'S OFFICIAL DUTIES;
23 (f) NEWS GATHERING AGENCIES AND EMPLOYEES OR AGENTS OF
24 SUCH AGENCIES;
25 (g) A PERSON WHO COMPILES GENEALOGICAL INFORMATION
26 EXCLUSIVELY FROM PUBLIC RECORDS;
27 (h) PERSONS WHO PROVIDE MARKING OR DEMOGRAPHIC

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1 INFORMATION; OR
2 (i) AUTHORS RESEARCHING INFORMATION FOR PUBLICATION.
3 **12-21-103. Duties of the director - rules.** (1) THE DIRECTOR
4 SHALL:
5 (a) ADOPT RULES NECESSARY FOR THE LICENSING AND
6 REGULATION OF PRIVATE INVESTIGATORS. IN ADOPTING SUCH RULES, THE
7 DEPARTMENT SHALL SEEK INPUT FROM PRIVATE INVESTIGATORS AND
8 PRIVATE INVESTIGATIVE ASSOCIATIONS.
9 (b) CONDUCT HEARINGS IN CONNECTION WITH THE ISSUANCE,
10 RENEWAL, DENIAL, SUSPENSION, OR REVOCATION OF A LICENSE ISSUED
11 PURSUANT TO THIS ARTICLE; AND
12 (c) SET THE FEES FOR ISSUANCE AND RENEWAL OF A LICENSE
13 PURSUANT TO THIS ARTICLE IN AN AMOUNT NECESSARY TO OFFSET THE
14 DIRECT AND INDIRECT COST OF ADMINISTERING THIS ARTICLE. THE FEE
15 SHALL BE TRANSMITTED TO THE STATE TREASURER AND CREDITED TO THE
16 DIVISION OF REGISTRATIONS CASH FUND CREATED IN SECTION 24-34-105,
17 C.R.S.
18 **12-21-104. License required - application - qualifications -**
19 **rules.** (1) ON AND AFTER JANUARY 1, 2014, A PRIVATE INVESTIGATOR
20 SHALL OBTAIN A LICENSE FROM THE DIVISION BEFORE PERFORMING
21 PRIVATE INVESTIGATIVE SERVICES IN THIS STATE. IF AN APPLICANT FOR A
22 LICENSE COMPLIES WITH THE REQUIREMENTS OF THIS SECTION AND THE
23 RULES ADOPTED BY THE DIRECTOR PURSUANT TO SUBSECTION (2) OF THIS
24 SECTION, THE DIRECTOR SHALL ISSUE A LICENSE TO THE APPLICANT.
25 (2) (a) AN APPLICANT FOR LICENSURE SHALL BE AT LEAST
26 TWENTY-ONE YEARS OF AGE, SHALL BE LAWFULLY PRESENT IN THE UNITED
27 STATES, AND SHALL HAVE A PLACE OF BUSINESS AND A TELEPHONE

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1 NUMBER WHERE HE OR SHE CAN BE REACHED.
2 (b) IN ADDITION TO THE CRITERIA SET FORTH IN PARAGRAPH (a) OF
3 THIS SUBSECTION (2), THE DIRECTOR SHALL ADOPT RULES ESTABLISHING
4 THE QUALIFICATIONS AND REQUIREMENTS FOR LICENSURE AS A PRIVATE
5 INVESTIGATOR, WHICH RULES SHALL INCLUDE:
6 (I) THE MANNER AND FORM FOR APPLYING FOR A LICENSE;
7 (II) MINIMUM EDUCATION REQUIREMENTS AN APPLICANT MUST
8 SATISFY;
9 (III) THE FEES FOR APPLYING FOR A NEW LICENSE AND TO RENEW
10 OR REINSTATE A LICENSE; AND
11 (IV) ANY OTHER QUALIFICATIONS OR REQUIREMENTS DEEMED
12 NECESSARY BY THE DIRECTOR.
13 (3) AN APPLICATION FOR A NEW OR RENEWAL LICENSE SHALL
14 INCLUDE THE FOLLOWING:
15 (a) THE FEE, AS SET FORTH IN THE DIRECTOR'S RULES;
16 (b) EVIDENCE THAT THE APPLICANT MEETS THE QUALIFICATIONS
17 OF THIS SECTION AND THE DIRECTOR'S RULES;
18 (c) A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK, AS
19 REQUIRED BY SUBSECTION (4) OF THIS SECTION;
20 (d) TWO PASSPORT-SIZED COLOR PHOTOGRAPHS OF THE APPLICANT
21 TAKEN WITHIN THIRTY DAYS BEFORE THE DATE OF APPLICATION.
22 (4) (a) AN APPLICANT FOR NEW OR RENEWAL LICENSURE SHALL
23 SUBMIT A COMPLETE SET OF HIS OR HER FINGERPRINTS TO THE DIRECTOR,
24 WHO SHALL FORWARD SUCH FINGERPRINTS TO THE COLORADO BUREAU OF
25 INVESTIGATION FOR THE PURPOSE OF CONDUCTING A STATE AND NATIONAL
26 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK UTILIZING THE
27 RECORDS OF THE COLORADO BUREAU OF INVESTIGATION AND THE

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1 FEDERAL BUREAU OF INVESTIGATION. THE APPLICANT SHALL PAY THE
2 COSTS ASSOCIATED WITH THE FINGERPRINT-BASED CRIMINAL HISTORY
3 RECORD CHECK TO THE COLORADO BUREAU OF INVESTIGATION.
4 (b) UPON RECEIPT OF THE FINGERPRINTS AND THE PAYMENT, THE
5 COLORADO BUREAU OF INVESTIGATION SHALL CONDUCT A STATE AND
6 FEDERAL FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK
7 UTILIZING RECORDS OF THE COLORADO BUREAU OF INVESTIGATION AND
8 THE FEDERAL BUREAU OF INVESTIGATION. THE RESULTS OF THE CRIMINAL
9 HISTORY RECORD CHECK SHALL BE FORWARDED TO THE DIVISION.
10 (5) THE DIRECTOR SHALL NOT ISSUE A LICENSE TO, OR RENEW THE
11 LICENSE OF, AN APPLICANT WHO HAS BEEN CONVICTED OF OR PLED NOLO
12 CONTENDERE TO A FELONY OR A MISDEMEANOR THAT, AS DETERMINED BY
13 THE DIRECTOR, PRESENTS A DANGER TO THE PUBLIC IF THE APPLICANT IS
14 PERMITTED TO ENGAGE IN PRIVATE INVESTIGATIVE SERVICES.
15 **12-21-105. Licensing procedure - expiration, renewal, and**
16 **reinstatement - fees - penalties.** (1) THE DIRECTOR SHALL ISSUE A
17 LICENSE TO ALL APPLICANTS WHO MEET THE REQUIREMENTS OF THIS
18 ARTICLE AND SHALL PROVIDE EACH LICENSEE WITH AN IDENTIFICATION
19 CARD CONTAINING A COLOR PHOTOGRAPH OF THE LICENSED PRIVATE
20 INVESTIGATOR.
21 (2) ALL LICENSES ISSUED PURSUANT TO THIS ARTICLE EXPIRE
22 ACCORDING TO A SCHEDULE ESTABLISHED BY THE DIRECTOR AND SHALL
23 BE RENEWED OR REINSTATED PURSUANT TO SECTION 24-34-102 (8), C.R.S.
24 THE DIRECTOR MAY ESTABLISH RENEWAL FEES AND DELINQUENCY FEES
25 FOR REINSTATEMENT PURSUANT TO SECTION 24-34-105, C.R.S. IF A
26 PERSON FAILS TO RENEW HIS OR HER LICENSE PURSUANT TO THE SCHEDULE
27 ESTABLISHED BY THE DIRECTOR, THE LICENSE EXPIRES. A PERSON WHOSE

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1 LICENSE EXPIRES IS SUBJECT TO PENALTIES PROVIDED IN THIS ARTICLE OR
2 SECTION 24-34-102 (8), C.R.S.
3 (3) ALL FEES OR PENALTIES COLLECTED PURSUANT TO THIS
4 SECTION SHALL BE DEPOSITED IN THE DIVISION OF REGISTRATIONS CASH
5 FUND CREATED IN SECTION 24-34-105, C.R.S.
6 **12-21-106. Use of title - proof of licensure.** (1) ANY PERSON
7 WHO HAS RECEIVED FROM THE DIRECTOR AND HOLDS AN ACTIVE LICENSE
8 AS A PRIVATE INVESTIGATOR MAY BE REFERRED TO AS A "LICENSED
9 PRIVATE INVESTIGATOR" OR "LICENSED PRIVATE DETECTIVE" AND MAY
10 ALSO USE THE ABBREVIATIONS "L.P.I." OR "L.P.D.". NO OTHER PERSON
11 SHALL ASSUME OR USE THE TITLE "LICENSED PRIVATE INVESTIGATOR" OR
12 "LICENSED PRIVATE DETECTIVE" OR THE ABBREVIATIONS "L.P.I." OR
13 "L.P.D.".
14 (2) A LICENSED PRIVATE INVESTIGATOR SHALL PRESENT HIS OR
15 HER STATE-ISSUED IDENTIFICATION CARD TO ANY PERSON WHO ASKS TO
16 VERIFY THAT THE PRIVATE INVESTIGATOR IS LICENSED.
17 (3) A LICENSEE SHALL CONSPICUOUSLY DISPLAY HIS OR HER
18 LICENSE IN THE LICENSEE'S PRIMARY PLACE OF BUSINESS.
19 **12-21-107. Disciplinary actions - grounds for discipline.**
20 (1) IF, AFTER AN INVESTIGATION, NOTICE, AND THE OPPORTUNITY FOR A
21 HEARING IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S., THE
22 DIRECTOR DETERMINES THAT AN APPLICANT OR LICENSEE HAS COMMITTED
23 ANY OF THE ACTS SPECIFIED IN SUBSECTION (2) OF THIS SECTION, THE
24 DIRECTOR MAY:
25 (a) IMPOSE AN ADMINISTRATIVE FINE NOT TO EXCEED TWO
26 THOUSAND FIVE HUNDRED DOLLARS FOR EACH SEPARATE OFFENSE;
27 (b) ISSUE A LETTER OF ADMONITION;

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1 (c) PLACE A LICENSEE ON PROBATION;
2 (d) DENY, REFUSE TO RENEW, REVOKE, OR SUSPEND THE LICENSE
3 OF AN APPLICANT OR LICENSEE; OR
4 (e) ISSUE A CONFIDENTIAL LETTER OF CONCERN.
5 (2) THE FOLLOWING ACTS CONSTITUTE GROUNDS FOR DISCIPLINE:
6 (a) CONVICTION OF OR ACCEPTANCE OF A PLEA OF GUILTY OR NOLO
7 CONTENDERE TO A FELONY OR A MISDEMEANOR THAT, AS DETERMINED BY
8 THE DIRECTOR, PRESENTS A DANGER TO THE PUBLIC IF THE PERSON
9 ENGAGES IN PRIVATE INVESTIGATIVE SERVICES;
10 (b) USING FALSE OR MISLEADING ADVERTISING OR MAKING A
11 FALSE OR MISLEADING STATEMENT OR OMISSION IN AN APPLICATION FOR
12 LICENSURE;
13 (c) VIOLATION OF ANY PROVISION OF THIS ARTICLE OR OF ANY
14 RULE OF THE DIRECTOR ADOPTED IN ACCORDANCE WITH THIS ARTICLE.
15 (3) ANY ADMINISTRATIVE FINES IMPOSED PURSUANT TO THIS
16 SECTION SHALL BE TRANSMITTED TO THE STATE TREASURER FOR DEPOSIT
17 IN THE GENERAL FUND.
18 **12-21-108. Unlicensed private investigative services - penalties.**
19 ANY PERSON WHO ENGAGES IN PRIVATE INVESTIGATIVE SERVICES
20 WITHOUT AN ACTIVE LICENSE ISSUED PURSUANT TO THIS ARTICLE
21 COMMITS A CLASS 2 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED
22 IN SECTION 18-1.3-501, C.R.S.
23 **12-21-109. Repeal of article.** THIS ARTICLE IS REPEALED,
24 EFFECTIVE JULY 1, 2019. PRIOR TO SUCH REPEAL, THE LICENSING OF
25 PRIVATE INVESTIGATORS BY THE DIVISION SHALL BE REVIEWED AS
26 PROVIDED FOR IN SECTION 24-34-104, C.R.S.
27 **SECTION 2.** In Colorado Revised Statutes, 24-34-104, **add**

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1 (50.5) (h) as follows:

2 **24-34-104. General assembly review of regulatory agencies**
3 **and functions for termination, continuation, or reestablishment.**
4 (50.5) The following agencies, functions, or both, terminate on
5 September 1, 2019:

6 (h) THE LICENSING OF PRIVATE INVESTIGATORS BY THE DIVISION
7 OF REGISTRATIONS IN THE DEPARTMENT OF REGULATORY AGENCIES IN
8 ACCORDANCE WITH ARTICLE 21 OF TITLE 12, C.R.S.

9 **SECTION 3. Effective date.** This act shall take effect July 1,
10 2013.

11 **SECTION 4. 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.