

# BUSINESS

Research Notes are prepared by Legislative Council Staff's nonpartisan research and committee staff. Research notes provide a summary of the bill, background information on the bill, and information on committee hearings and amendments adopted on the bill as it moves through the legislative process. Legislative Council Staff prepares final research notes for bills passed by the General Assembly as well as select bills that were considered but not adopted, and may be accessed through the links below. Research notes are provided for informational purposes only and should not be relied upon as an official record of action by the General Assembly.

## General Business

**HB 15-1063** (Enacted)

Prohibited Communications Regarding Patents

**HB 15-1071** (Enacted)

Surviving Entity Owns Attorney-client Privilege

## Labor and Employment

**HB 15-1276** (Enacted)

Skilled Worker Outreach, Recruitment, and Training

## Consumer Protection

**HB 15-1047** (Enacted)

Internet Sweepstakes Cafes Simulated Gambling

**HB 15-1223** (Enacted)

Home Service Contracts

**SB 15-203** (Enacted)

Sunset Debt Management Service Providers

## Homeowners' Associations

**HB 15-1095** (Enacted)

Common Interest Exempt Small Limited Expense Community

**HB 15-1343** (Enacted)

Streamline HOA Manager Licensing Requirements

**SB 15-209** (Enacted)

HOA Manager License Debt Collection Exclude Time

## Licensing and Professional Occupations

**HB 15-1028** (Enacted)

Repeal Merchant Licensing

**HB 15-1353** (Enacted)

Continue Regulation Elevator Conveyances

**SB 15-106** (Enacted)

Sunset Barber & Cosmetologist Act & Committee

**SB 15-110** (Enacted)

Sunset Mortuary Science Regulation

**SB 15-122** (Enacted)

Sunset Massage Parlor Regulation

**SB 15-186** (Enacted)

Yoga Teacher Training Private Occupational School

**SB 15-202** (Enacted)

Exclude Water Conditioning Appliance from Plumbing

**SB 15-203** (Enacted)

Sunset Debt-management Service Providers

## Liquor

**HB 15-1031** (Enacted)

Ban Use Sale Possession of Powdered Alcohol

**HB 15-1192** (Enacted)

Entertainment District Expand Licensed Premises Types

**HB 15-1202** (Enacted)

Alcohol Beverage License Reissuance

**HB 15-1204** (Enacted)

Distillery Pub Alcohol Beverage License

**HB 15-1217** (Enacted)

Local Government Input Liquor Sales Room Applications

**HB 15-1244** (Enacted)

Cork & Carry Wine from Liquor-licensed Club

## Trusts and Financial Documents

**HB 15-1010** (*Enacted*)  
Trustee Notice System Presume Notify  
Beneficiary

**HB 15-1117** (*Enacted*)  
Electronic Transactions by Domestic  
Entities

## **Securities**

**HB 15-1246** (*Enacted*)  
Crowdfund Intrastate Securities On-line

**SB 15-102** (*Enacted*)  
Sunset Securities Board

**SB 15-104** (*Enacted*)  
Sunset Colorado Division of  
Securities

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# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1353

**Short Title:** *Continue Regulation Elevator Conveyances*

**Prime Sponsors:** Representative Garnett  
Senator Martinez Humenik

**Research Analyst:** Luisa Altmann (x3518)

### Current Status

This research note reflects the final version of the bill, which became effective on August 5, 2015.

### Summary

The bill extends the termination date of the certification of conveyances and conveyance mechanics, contractors, and inspectors, as outlined in the Elevator and Escalator Certification Act, from July 1, 2017, to July 1, 2022.

### Background

Current law requires the Division of Oil and Public Safety (division) within the Colorado Department of Labor and Employment (CDLE) to issue certificates of operation indicating that a conveyance has been inspected by the division, an approved local jurisdiction, or a licensed third-party conveyance inspector and approved under the law. The law also requires anyone who constructs, or in any way works on, a conveyance to be licensed as a conveyance mechanic through the division and be working under the supervision of a certified conveyance contractor.

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## House Action

**House Business Affairs and Labor Committee (April 16, 2015).** At the hearing, a representative from the CDLE Division of Oil and Public Safety testified regarding the bill. The committee referred the bill, unamended, to the House Committee of the Whole.

**House Second Reading (April 20, 2015).** The House Committee of the Whole adopted the bill, unamended.

**House Third Reading (April 21, 2015).** The House adopted the bill, unamended.

## Senate Action

**Senate Local Government Committee (April 29, 2015).** At the hearing, a representative from CDLE testified in support of the bill. The committee referred the bill, unamended, to the Senate Committee of the Whole.

**Senate Second Reading (May 1, 2015).** The Senate Committee of the Whole adopted the bill, unamended.

**Senate Third Reading (May 4, 2015).** The Senate adopted the bill, unamended.

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# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1343

**Short Title:** *Streamline HOA Manager Licensing Requirements*

**Prime Sponsors:** Representative Williams and Representative Thurlow  
Senator Todd and Senator Balmer

**Research Analyst:** Luisa Altmann (x3518)

### Current Status

This research note reflects the final version of the bill, which was signed by the Governor and became effective on May 20, 2015.

### Summary

The bill makes several adjustments to the licensing requirements for community association managers, including:

- redefining the term community association management;
- specifying that a person qualifies as a community association manager when the person receives compensation directly or through a licensed entity;
- identifying when independent contractors are not considered community association managers;
- creating a specific license for an apprentice working under the direct supervision of a licensed manager; and
- making changes to the requirements related to the licensing examinations for community association managers.

### Background

During the 2013 session, the General Assembly passed House Bill 13-1277, which created a new licensing requirement for all community association managers through the Department of Regulatory Agencies (DORA) Division of Real Estate, which is scheduled to take effect July 1, 2015.

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In order to become licensed, community association managers must submit to a background check, hold specific credentials, pass an examination given by DORA, and meet several additional specifications. The law also outlines insurance requirements, procedures for investigation and revocation of licenses, licensing fees, and several other details pertaining to community association manager licensing.

## **House Action**

**House Business Affairs and Labor Committee (April 16, 2015).** At the hearing, representatives from the Community Associations Institute, Colorado Legislative Action Committee, Colorado Association of Realtors, DORA Division of Real Estate, and several companies testified in support of the bill. The committee referred the bill, unamended, to the House Appropriations Committee.

**House Appropriations Committee (April 22, 2015).** The committee adopted amendment J.001, which added an appropriation of \$47,250 to DORA from the Division of Real Estate Cash Fund for implementation. The committee referred the bill to the House Committee of the Whole.

**House Second Reading (April 23, 2015).** The House Committee of the Whole adopted the committee report and the bill.

**House Third Reading (April 27, 2015).** The House adopted the bill, unamended.

**House Concurrence (May 5, 2015).** The House concurred with the Senate amendments and repassed the bill.

## **Senate Action**

**Senate Business, Labor, & Technology Committee (April 30, 2015).** At the hearing, representatives from the Community Associations Institute, DORA, Colorado Hotel and Lodging Association, Vail Resorts, and Colorado Association of Realtors testified in support of the bill. The committee adopted amendments L.001 and L.002, which clarified that the performance of clerical or accounting functions, including an independent contractor's performance of these functions, does not qualify as community association management. The committee referred the bill to the Senate Appropriations Committee.

**Senate Appropriations Committee (May 1, 2015).** The committee referred the bill, unamended, to the Senate Committee of the Whole.

**Senate Second Reading (May 1, 2015).** The Senate Committee of the Whole adopted the committee report and the bill.

**Senate Third Reading (May 4, 2015).** The Senate adopted the bill, unamended.

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# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1276

**Short Title:** *Skilled Worker Outreach, Recruitment and Training*

**Prime Sponsors:** Representative Pabon and Representative Williams  
Senator Cooke and Senator Heath

**Research Analyst:** Luisa Altmann (x3518)

### Current Status

This research note reflects the final version of the bill, which was signed by the Governor and became effective on May 26, 2015.

### Summary

The bill creates the Skilled Worker Outreach, Recruitment, and Key Training (WORK) Grant Program within the Department of Labor and Employment for FY 2015-16 through FY 2017-18.

Any government or nongovernmental entity or organization that offers or plans to offer a skilled worker training program and that has partnered with industry to offer or fund a skilled worker training program is eligible to apply for the matching grant program. Grants may be used to engage in outreach and recruiting efforts to increase enrollment in and completion of skilled worker training programs and to determine current, future, and critical work force needs by partnering with business and industry and/or provide skilled worker training.

Grant applications will be reviewed by a 13-member Skilled Worker Outreach, Recruitment, and Key Training Grant Review Committee. The committee will make recommendations about which eligible applicants should be awarded matching grants and the amounts of the matching grants, and the executive directors of the Department of Labor and Employment and Department of Higher Education and the director of the Office of Economic Development and International Trade will jointly determine to whom and in what amounts to award the matching grants.

Each eligible applicant that receives a matching grant must submit a report to the grant review committee on the measurable outcomes achieved. The grant review committee will submit an annual report to the Governor and specific legislative committees with information about the grant program.

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## Background

According to the legislative declaration, the bill aims to reduce the shortage of skilled workers the state is currently facing across various industries by increasing awareness of the skilled training programs currently offered throughout the state and by coordinating skilled worker training and education programs throughout the state and Colorado's key industries.

## House Action

**House Business Affairs and Labor Committee (March 19, 2015).** At the hearing, representatives from Aims Community College, Associated General Contractors, Colorado Contractors Association, Colorado Association of Mechanical and Plumbing Contractors, Building Jobs4Colorado, Colorado AFL-CIO, Colorado Building and Construction Trades Council, Rocky Mountain Pipe Trades District 5, Colorado Community College System, Xcel Energy, Bell Policy Center, and the Colorado Association of Commerce and Industry testified in support of the bill. The committee adopted amendment L.002, which increased the number of committee members on the Worker Outreach, Recruitment, and Key Training Grant Review Committee from 11 to 13. The committee referred the bill to the House Appropriations Committee.

**House Appropriations Committee (April 10, 2015).** The committee adopted amendment J.001, which added an appropriation of \$3,300,000 and 2.0 FTE to the Department of Labor and Employment through the Skilled Worker Outreach, Recruitment, and Key Training Grant Program Fund. The appropriation clause specifies that \$102,690 of the appropriated dollars and 2.0 FTE are to be used for personal services, \$17,806 is to be used for operating expenses, and \$3,179,504 is to be used for grant awards. The committee referred the bill to the House Committee of the Whole.

**House Second Reading (April 15, 2015).** The House Committee of the Whole adopted the committee reports and the bill.

**House Third Reading (April 16, 2015).** The House adopted the bill, unamended.

## Senate Action

**Senate Business, Labor, & Technology Committee (April 29, 2015).** At the hearing, representatives from the Bell Policy Center and Associated General Contractors of Colorado testified in support of the bill. The committee referred the bill, unamended, to the Senate Appropriations Committee.

**Senate Appropriations Committee (May 1, 2015).** The committee referred the bill, unamended, to the Senate Committee of the Whole.

**Senate Second Reading (May 5, 2015).** The Senate Committee of the Whole adopted amendment L.003, which allows the Division of Employment and Training within the Department of Labor and Employment to accept and expend moneys from intergovernmental partnerships, and adopted the bill.

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**Senate Third Reading (May 6, 2015).** The Senate adopted the bill, unamended.

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# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1246

**Short Title:** *Crowdfund Intrastate Securities On-line*

**Prime Sponsors:** Representative Lee and Representative Pabon  
Senator Scheffel and Senator Hill

**Research Analyst:** Luisa Altmann (x3518)

### Current Status

This research note reflects the final version of the bill, which became effective on August 5, 2015.

### Summary

The bill creates the Colorado Crowdfunding Act, which allows Colorado residents to invest in Colorado companies. The bill allows Colorado businesses to raise a total of \$1,000,000 per year, or up to \$2,000,000 per year if the company submits audited financial statements to the securities commissioner. A company may not sell more than \$5,000 in securities per year to an individual, unless the individual is an accredited investor.

Colorado companies cannot begin offering securities for sale until the Colorado securities commissioner promulgates rules for implementation.

### Background

Federal law provides companies with the ability to legally offer and sell securities to residents of the state where they are organized and carry out a large majority of business without registering with the U.S. Securities and Exchange Commission (SEC). A company must meet the following requirements to offer and sell securities that are exempt under federal law in a specific state:

- offer and sell securities only to residents of that state;
- derive at least 80 percent of gross revenues from that state;
- have at least 80 percent of its assets located in that state prior to any offering;
- use at least 80 percent of the net proceeds of the exempt securities offering for operations

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- within that state; and  
have the principal office of the company located in that state.

In 2012, the federal Jumpstart Our Business Startups (JOBS) Act was passed, which authorized the crowdfunding of securities nationally. However, the SEC has yet to issue final rules for implementation, which has prompted various states, including Colorado, to find ways to develop their own rules to allow for the intrastate crowdfunding of securities.

## House Action

**House Business Affairs and Labor Committee (March 12, 2015).** At the hearing, representatives from the Colorado Technology Association, Colorado Cleantech Industries Association, Colorado BioScience Association, Colorado Capital Congress, Colorado Bar Association, and representatives from several local businesses testified in support of the bill. The Colorado Division of Securities Commissioner also testified in support of the bill. A representative from the National Association of Insurance and Financial Advisors testified regarding the bill from a neutral position. The committee referred the bill, unamended, to the House Committee of the Whole.

**House Second Reading (March 16, 2015).** The House Committee of the Whole adopted the bill, unamended.

**House Third Reading (March 17, 2015).** The House adopted the bill, unamended.

## Senate Action

**Senate Finance Committee (March 24, 2015).** At the hearing, the Colorado Securities Administrator and representatives from several local businesses testified in support of the bill. The committee referred the bill, unamended, to the Senate Committee of the Whole, consent calendar.

**Senate Second Reading (March 27, 2015).** The Senate Committee of the Whole adopted the bill, unamended.

**Senate Third Reading (March 30, 2015).** The Senate adopted the bill, unamended.

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# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1244

**Short Title:** *Cork & Carry Wine From Liquor-licensed Club*

**Prime Sponsors:** Representative Singer and Representative Nordberg  
Senator Jahn and Senator Lundberg

**Research Analyst:** Luisa Altmann (x3518)

### Current Status

This research note reflects the final version of the bill, which became effective on August 5, 2015.

### Summary

The bill permits customers of a club licensed under the Colorado Liquor Code to reseal and remove partially consumed wine from the licensed premises.

### Background

Under current law, customers of licensed manufacturers, limited wineries, beer and wine licensees, hotels and restaurants, taverns, brew pubs, and vintner's restaurants may reseal and remove from the licensed premises one opened container of partially consumed wine purchased on the premises, so long as the originally sealed container did not contain more than 750 milliliters of wine.

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## **House Action**

**House Business Affairs and Labor Committee (March 3, 2015).** The committee referred the bill, unamended, to the House Committee of the Whole.

**House Second Reading (March 6, 2015).** The House Committee of the Whole adopted the bill, unamended.

**House Third Reading (March 9, 2015).** The House adopted the bill, unamended.

## **Senate Action**

**Senate Business, Labor, & Technology (March 16, 2015).** At the hearing, representatives from the Colorado Licensed Beverage Association, Club Managers Association, and Colorado Restaurant Association testified in support of the bill. The committee referred the bill, unamended, to the Senate Committee of the Whole, consent calendar.

**Senate Second Reading (March 20, 2015).** The Senate Committee of the Whole adopted the bill, unamended.

**Senate Third Reading (March 23, 2015).** The Senate adopted the bill, unamended.

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# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1223

**Short Title:** *Home Service Contracts*

**Prime Sponsors:** Representative Williams  
Senator Balmer and Senator Jahn

**Research Analyst:** Luisa Altmann (x3518)

### Current Status

This research note reflects the final version of the bill, which became effective on August 5, 2015.

### Summary

The bill extends the current regulation of home warranty service contracts to include service contracts on new homes, excluding any builder's warranty provided in connection with the sale of a new home. The bill also extends the repeal date of the section from July 1, 2017, to July 1, 2020.

### Background

A home warranty service contract covers repair or replacement costs of various home systems and appliances, typically for an annual premium. Current law regulates the sale of home warranty service contracts for preowned homes. Current law specifies that a home buyer or seller, prospective home buyer or seller, or person refinancing a home cannot be required to purchase a home warranty service contract by a company selling, offering to sell, or effecting the issuance of a service contract. The law also prohibits any lending institution from requiring the purchase of home warranty insurance as a condition for granting financing for the purchase of a home. Finally, current law specifies the information that a home warranty service contract must include and makes it a class 2 misdemeanor to knowingly violate any provision of the section. The bill extends this section to also include the sale of home warranty service contracts for new homes.

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## House Action

**House Business Affairs and Labor Committee (March 5, 2015).** The committee adopted amendment L.001, which clarifies that the bill applies to all builder warranties offered in connection with the sale of a new home. The committee referred the bill to the House Committee of the Whole.

**House Second Reading (March 9, 2015).** The House Committee of the Whole adopted the committee report and the bill.

**House Third Reading (March 10, 2015).** The House adopted the bill, unamended.

## Senate Action

**Senate Business, Labor, & Technology Committee (March 17, 2015).** The committee referred the bill, unamended, to the Senate Committee of the Whole, consent calendar.

**Senate Second Reading (March 20, 2015).** The Senate Committee of the Whole adopted the bill, unamended.

**Senate Third Reading (March 23, 2015).** The Senate adopted the bill, unamended.

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# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1217

**Short Title:** *Local Government Input Liquor Sales Room Applications*

**Prime Sponsors:** Representative Singer  
Senator Holbert

**Research Analyst:** Luisa Altmann (x3518)

### Current Status

This research note reflects the final version of the bill, which became effective on August 5, 2015.

### Summary

The bill provides local licensing authority input to the state licensing authority for the approval of alcohol sales rooms. A sales room is an area operated by a licensed winery, limited winery, distiller, or beer wholesaler, where alcohol beverages are sold for consumption on the licensed premises and/or in sealed containers for consumption off the licensed premises. The bill requires a licensed winery, limited winery, distillery, or beer wholesaler that applies to the state licensing authority to open a sales room to send a copy of the application for a sales room to the local licensing authority in the jurisdiction in which the sales room is proposed, and the local licensing authority may submit a response to the application to the state licensing authority within 45 days after the application has been submitted. The state licensing authority must consider the local licensing authority's response and may deny the sales room application if the local licensing authority has determined that the sales room will impact traffic, noise, or other neighborhood concerns in a way that is inconsistent with local regulations or ordinances.

### Background

Under current law, sales rooms are attached to a manufacturer or wholesaler license, which are state-only issued licenses. Therefore, with the exception of distilleries, the state licensing authority may approve alcohol sales rooms without input from the local licensing authority. The bill

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creates a way for a local licensing authority to identify concerns with the sales room prior to approval of the application by the state licensing authority.

### **House Action**

**House Business Affairs and Labor Committee (February 26, 2015).** At the hearing, representatives from the El Paso County Clerk and Recorder, Colorado Municipal League, Colorado Restaurant Association, Tavern League of Colorado, and Colorado Brewers Guild, testified in support of the bill. The committee adopted amendment L.001, which clarified that a sales room also includes the sale of alcohol beverages in sealed containers for consumption off the licensed premises, in addition to the sale of alcohol beverages for consumption on premises. The committee also adopted amendment L.002 which increased the number of days a local licensing authority has to submit a response from 30 days to 45 days and outlined the possible areas of a local licensing authority's concerns. The committee referred the bill to the House Appropriations Committee.

**House Appropriations Committee (March 6, 2015).** The committee adopted amendment J.001, which added an appropriation of \$3,060 to the Department of Revenue from the Liquor Enforcement Division and State Licensing Authority Cash Fund for implementation of the bill. The committee referred the bill to the House Committee of the Whole.

**House Second Reading (March 9, 2015).** The House Committee of the Whole adopted the committee reports and the bill.

**House Third Reading (March 10, 2015).** The House adopted the bill, unamended.

**House Concurrence (April 27, 2015).** The House concurred with the Senate amendments and repassed the bill.

### **Senate Action**

**Senate Business, Labor, & Technology Committee (March 17, 2015).** At the hearing, representatives from the Colorado Municipal League, Colorado Brewers Guild, Colorado Restaurant Association, and Colorado Distillers testified in support of the bill. The committee adopted amendments L.003, which removes a duplicate requirement that the applicant verify compliance with local zoning laws and only requires this with any additional sales rooms, and L.004, which allows the state licensing authority to set, by rule, the time by which a local licensing authority must provide input on temporary sales room applications. The committee referred the bill to the Senate Appropriations Committee.

**Senate Appropriations Committee (April 17, 2015).** The committee referred the bill, unamended, to the Senate Committee of the Whole.

**Senate Second Reading (April 21, 2015).** The Senate Committee of the Whole adopted the committee report and amendments L.007 and L.008, which make several additional clarifications. The Senate adopted the bill as amended.

**Senate Third Reading (April 22, 2015).** The Senate adopted the bill, unamended.

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# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1204

**Short Title:** *Distillery Pub Alcohol Beverage License*

**Prime Sponsors:** Representative Pabon  
Senator Kerr

**Research Analyst:** Luisa Altmann (x3518)

### Current Status

This research note reflects the final version of the bill, which was signed by the Governor and became effective on April 24, 2015.

### Summary

The bill creates a new distillery pub license under the Colorado Liquor Code. A distillery pub is a retail establishment that ferments and distills no more than 45,000 liters of spirits each calendar year and whose primary purpose is serving food and alcohol beverages for on-premises consumption. The license enables a licensed distillery pub to sell spirits distilled on the licensed premises for consumption on the licensed premises, to independent wholesalers for distribution to licensed retailers, to members of the public in sealed containers for consumption off-premises, and at wholesale to licensed retailers in an amount up to 2,700 liters per product per year. The bill specifies that the distillery pub must serve meals, and at least 15 percent of the distillery pub's gross income must come from food sales.

### Background

Current law authorizes the following types of retail alcohol beverage licenses, which require both a state and local liquor license:

- retail liquor store license;
- liquor-licensed drugstore license;
- beer and wine license;
- hotel and restaurant license;
- tavern license;

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- brew pub license;
- club license;
- arts license;
- racetrack license;
- optional premises license;
- retail gaming tavern license; and
- vintner's restaurant license.

The bill adds distillery pub license to this list of alcohol beverage licenses that may be issued by the state and a local licensing authority.

### **House Action**

**House Business Affairs and Labor Committee (February 19, 2015).** At the hearing, representatives from Colorado Counties, Inc., Colorado Municipal League, Colorado Licensed Beverage Association, Colorado Restaurant Association, and Bardenay Restaurant and Distillery testified in support of the bill. The committee referred the bill, unamended, to the House Finance Committee.

**House Finance Committee (February 25, 2015).** The committee referred the bill, unamended, to the House Committee of the Whole.

**House Second Reading (March 2, 2015).** The House Committee of the Whole adopted the bill, unamended.

**House Third Reading (March 3, 2015).** The House adopted the bill, unamended.

### **Senate Action**

**Senate Business, Labor, & Technology Committee (March 16, 2015).** At the hearing, representatives from the Colorado Restaurant Association, Tavern League of Colorado, Colorado Municipal League, and Colorado Counties, Inc. testified in support of the bill. The committee adopted amendment L.001, which replaced the safety clause with a petition clause. The committee referred the bill to the Senate Finance Committee.

**Senate Finance Committee (March 19, 2015).** The committee referred the bill, unamended, to the Senate Committee of the Whole, consent calendar.

**Senate Second Reading (March 24, 2015).** The Senate Committee of the Whole adopted the committee report and the bill.

**Senate Third Reading (March 25, 2015).** The Senate adopted the bill, unamended.

### **Conference Committee Action**

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**First Conference Committee (April 8, 2015).** The conference committee removed the amendment added by the Senate Business, Labor, & Technology Committee and added a safety clause in place of the petition clause. The conference committee report was adopted by the Senate (April 9, 2015) and the House (April 10, 2015) and both chambers repassed the bill.

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# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1202

**Short Title:** *Alcohol Beverage License Reissuance*

**Prime Sponsors:** Representative Singer  
Senator Woods

**Research Analyst:** Luisa Altmann (x3518)

### Current Status

This research note reflects the final version of the bill, which became effective on August 5, 2015.

### Summary

The bill creates the ability of a local alcohol beverage licensing authority, or for businesses not subject to a local licensing authority, the state licensing authority, to reissue an annual license that has been expired for more than 90 days, but less than 180 days. The licensing authority has the sole authority when deciding whether to allow a licensee to apply for a reissued license, and if the licensing authority decides to not allow for it, the licensee must apply for a new license. If the licensing authority does allow for the application, the licensee must submit an application for a reissued license, a late fee of \$500, and a fine of \$25 per day for each day the license has been expired beyond 90 days. In addition, the state licensing authority must also impose a \$500 late fee and a fine of \$25 per day for each day the license has been expired beyond 90 days. A licensee may continue to operate and sell alcohol beverages until final action on the license reissuance application is taken. A license reissuance may not be granted more than three times in any five- year period.

### Background

Under current law, a licensee is notified of an expiring license 90 days prior to the license expiration date. Current law allows for a late renewal application within 90 days after the license expiration, but any renewal applications received after the 90 days will not be accepted and these licensees must apply for a new license and may not sell or possess for sale any alcohol beverage until a new license has been obtained. The bill creates a license reissuance for those licenses that have been expired for longer than 90 days, but less than 180 days.

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## House Action

**House Business Affairs and Labor Committee (February 26, 2015).** At the hearing, representatives from the Colorado Licensed Beverage Association, Tavern League of Colorado, Colorado Restaurant Association, and Colorado Brewers Guild testified in support of the bill. The committee referred the bill, unamended, to the House Committee of the Whole.

**House Second Reading (March 6, 2015).** The House Committee of the Whole adopted amendment 1, which adds an additional clarification regarding the fees for expired license reissuance applications, and the bill.

**House Third Reading (March 9, 2015).** The House adopted the bill, unamended.

## Senate Action

**Senate Business, Labor, & Technology Committee (March 16, 2015).** At the hearing, representatives from the Tavern League of Colorado, Colorado Licensed Beverage Association, Colorado Restaurant Association, and Colorado Counties, Inc. testified in support of the bill. The committee referred the bill, unamended, to the Senate Committee of the Whole.

**Senate Second Reading (March 20, 2015).** The Senate Committee of the Whole adopted the bill, unamended.

**Senate Third Reading (March 23, 2015).** The Senate adopted the bill, unamended.

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# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1192

**Short Title:** *Entertainment District Expand Licensed Premises Types*

**Prime Sponsors:** Representative K. Becker  
Senator Neville

**Research Analyst:** Luisa Altmann (x3518)

### Current Status

This research note reflects the final version of the bill, which became effective on August 5, 2015.

### Summary

The bill allows beer and wine licensees, manufacturers and beer wholesalers that operate a sales room, and limited wineries to apply to become part of an entertainment district and create a common consumption area.

### Background

Current law allows a licensed tavern, hotel and restaurant, brew pub, retail gaming tavern, or vintner's restaurant to become part of an entertainment district with a common consumption area. The bill expands the types of licensees that may be part of an entertainment district.

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## House Action

**House Business Affairs and Labor Committee (February 10, 2015).** At the hearing, representatives from the city of Black Hawk, Colorado Municipal League, and Pateros Creek Brewing Company testified in support of the bill. The committee adopted amendment L.001, which includes beer wholesalers that operate a sales room in the list of licensees impacted by the bill. The committee referred the bill to the House Committee of the Whole.

**House Second Reading (February 13, 2015).** The House Committee of the Whole adopted the committee report and the bill.

**House Third Reading (February 19, 2015).** The House adopted the bill, unamended.

## Senate Action

**Senate Local Government Committee (March 3, 2015).** At the hearing, representatives from the Colorado Municipal League, city of Black Hawk, and the Colorado Brewers Guild testified in support of the bill. The committee referred the bill, unamended, to the Senate Committee of the Whole, consent calendar.

**Senate Second Reading (March 9, 2015).** The Senate Committee of the Whole adopted the bill, unamended.

**Senate Third Reading (March 10, 2015).** The Senate adopted the bill, unamended.

**Date:** 8/21/2015

**Version:** Final



# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1117

**Short Title:** *Electronic Transactions By Domestic Entities*

**Prime Sponsors:** Representative Windholz  
Senator Guzman

**Research Analyst:** Luisa Altmann (x3518)

### Current Status

This research note reflects the final version of the bill, which became effective on August 5, 2015.

### Summary

The bill adds two definitions to the Colorado Corporations and Associations Act in order to specify the inclusion of electronic signatures and electronic records.

The bill specifies that, unless otherwise stated in the document by which an entity was formed, the definitions of the terms "signature" and "signed" include electronic signatures, and the terms "writing" and "written" include electronic records.

### Background

The Colorado Corporations and Associations Act currently does not specifically include electronic signatures and electronic records. The definitions for electronic signature and electronic record are currently included in the Uniform Electronic Transactions Act.

The Colorado Corporations and Associations Act governs several aspects relating to Colorado corporations and associations, including issues involving merger and conversion of entities, required filing documents, entity naming, foreign entities, delinquency, dissolved entities, and others. According to state law, the purpose of the Colorado Uniform Electronics Transactions Act is to remove barriers to electronic commerce by validating and effectuating electronic records and signatures.

**Date:** 8/21/2015

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## **House Action**

**House Business Affairs and Labor Committee (February 3, 2015).** The committee referred the bill, unamended, to the House Committee of the Whole.

**House Second Reading (February 9, 2015).** The House Committee of the Whole adopted the bill, unamended, on second reading.

**House Third Reading (February 10, 2015).** The House adopted the bill, unamended, on third reading.

## **Senate Action**

**Senate Business, Labor, & Technology Committee (March 4, 2015).** At the hearing, a representative from the Colorado Nonprofit Association testified in support of the bill. The committee referred the bill, unamended, to the Senate Committee of the Whole consent calendar.

**Senate Second Reading (March 9, 2015).** The Senate Committee of the Whole adopted the bill, unamended, on second reading.

**Senate Third Reading (March 10, 2015).** The Senate adopted the bill, unamended, on third reading.

**Date:** 9/4/2015

**Version:** Final



# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1095

**Short Title:** *Common Int Exempt Small Limited Expense Community*

**Prime Sponsors:** Representative Carver  
Senator Lundberg

**Research Analyst:** Jessika Shipley (x3528)

### Current Status

This research note reflects the final version of the bill, which was signed by the Governor on April 21, 2015, and became effective on August 5, 2015.

### Summary

### Background

### House Action

*House State, Veterans, and Military Affairs Committee (March 4, 2015).*

*House second reading (March 9, 2015).*

*House third reading (March 10, 2015).*

### Senate Action

*Senate Local Government Committee (March 17, 2015).*

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***Senate second reading (April 7, 2015).***

***Senate third reading (April 8, 2015).***

**Relevant Research**

**Date:** 9/4/2015

**Version:** Final

**Date:** 8/21/2015

**Version:** Final



# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1071

**Short Title:** *Surviving Entity Owns Attorney-client Privilege*

**Prime Sponsors:** Representative Keyser  
Senator Hill

**Research Analyst:** Luisa Altmann (x3518)

### Current Status

This research note reflects the final version of the bill, which becomes effective on September 1, 2015, assuming no referendum petition is filed.

### Summary

The bill clarifies that attorney-client privilege is among the privileges that vest in a surviving entity when entities merge.

### Background

Current law specifies that when entities merge, all of the privileges of each of the individuals entities in the merger vest as a matter of law in the surviving entity.

**Date:** 8/21/2015

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## House Action

**House Business Affairs and Labor Committee (January 20, 2015).** The committee referred the bill, unamended, to the House Committee of the Whole.

**House Second Reading (January 23, 2015).** The House Committee of the Whole adopted the bill, unamended, on second reading.

**House Third Reading (January 26, 2015).** The House adopted the bill, unamended, on third reading.

## Senate Action

**Senate Business, Labor, & Technology Committee (February 25, 2015).** The committee referred the bill, unamended, to the Senate Committee of the Whole consent calendar.

**Senate Second Reading (March 2, 2015).** The Senate Committee of the Whole adopted the bill, unamended, on second reading.

**Senate Third Reading (March 3, 2015).** The Senate adopted the bill, unamended, on third reading.

**Date:** 8/21/2015

**Version:** Final



# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1063

**Short Title:** *Prohibited Communications Concerning Patents*

**Prime Sponsors:** Representative Pabon  
Senator Balmer

**Research Analyst:** Luisa Altmann (x3518)

### Current Status

This research note reflects the final version of the bill, which became effective on August 5, 2015.

### Summary

**Prohibition.** The bill prohibits written or electronic communication that states that a person is infringing or has infringed on a patent and bears liability or owes compensation to another person if the communication is in bad faith. A court may consider the following in determining whether a claim of patent infringement was made in bad faith:

- the communication falsely states that litigation has been filed; and
- the assertions lack a reasonable basis in fact or law because:
  - the person sending the communication does not have the current right to license the patent to, or to enforce the patent against, the person receiving the communication;
  - the communication seeks compensation for a patent that has been held invalid or unenforceable in a final judicial or administrative decision;
  - the communication seeks compensation for a patent that has expired; or
  - the communication does not include any of the following information:
    - the identity of the person bringing the claims;
    - the official patent number; or
    - the specific ways the accused's product, service, or technology infringed the patent.

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**Exclusions.** A person who owns or has the right of license or enforcement of a patent is allowed to:

- notify another person of their ownership or right of license or enforcement;
- notify another person that a patent is available for license or sale;
- notify another person of an infringement of their patent; or
- seek compensation for infringement after a good faith investigation determines compensation is owed.

The bill does not apply to communications sent by:

- patent owners who are using the patent in connection with substantial research, development, production, manufacturing, processing, or delivery of products or materials;
- higher education institutions; or
- any technology transfer organization whose primary purpose is to facilitate the commercialization of technology developed by an institution of higher education.

The bill does not apply to actions seeking relief for patent infringements investigated in good faith.

**Enforcement.** The bill gives the Attorney General the authority to conduct civil investigations and bring civil actions for violations. The Attorney General may apply for temporary restraining orders or injunctions prohibiting persons who are suspected of engaging in activities prohibited by the bill from continuing such practices. Violators of the bill must pay a civil penalty of up to \$5,000 for each violation. The court must award costs, attorney fees, and expert witness fees in successful enforcement actions.

## **Background**

The United States Patent and Trademark Office is responsible for issuing patents within the United States. According to the bill's legislative declaration, the intent of the bill is to protect Colorado businesses from false claims of patent infringement while not interfering with federal law and regulations.

Over the past several years, there has been a significant increase in patent litigation, particularly from non-practicing entities (NPEs). A NPE is commonly defined as "any entity that earns or plans to earn the majority of its revenue from the licensing or enforcement of its patents." These companies often have no intention of ever developing the product the patent covers. According to a recent analysis by RPX Corporation, NPEs filed 67 percent of all new patent infringement cases in 2013, compared to 28 percent in 2009. However, many of these cases filed by NPEs are settled without a court decision. Patent cases often involve high litigation costs which encourage parties to settle out of court, regardless of actual patent infringement.

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## House Action

**House Business Affairs and Labor Committee (January 29, 2015).** At the committee hearing, representatives from the Colorado Bankers Association, Colorado Association of Commerce and Industry (CACI), Colorado Competitive Council (C3), Colorado BioScience Association, and the Attorney General's Office testified in support of the bill. The committee referred the bill, unamended, to the House Appropriations Committee.

**House Appropriations Committee (April 10, 2015).** The committee adopted amendment J.001 which provides an appropriation of \$94,441 and 0.8 FTE to the Department of Law from the General Fund for fiscal year 2015-16. The committee referred the bill, as amended, to the House Committee of the Whole.

**House Second Reading (April 14, 2015).** The House Committee of the Whole (COW) adopted the Appropriations Committee report as well as amendment 2, that further defines the roles and responsibilities of the Attorney General regarding the enforcement of the bill, changes the penalty for violations of the bill, adds a requirement that the communications prohibited by the bill must have been made in bad faith, and strikes a provision of the bill regarding threats of litigations. The COW adopted the bill, as amended, on second reading.

**House Third Reading (April 15, 2015).** The House adopted the bill, unamended, on third reading.

## Senate Action

**Senate Business, Labor, & Technology Committee (April 22, 2015).** At the committee hearing, representatives from the Colorado Bankers Association, CACI, and C3 testified in support of the bill. A representative from the Attorney General's Office also testified from a neutral position. The committee referred the bill, unamended, to the Senate Finance Committee.

**Senate Finance Committee (April 28, 2015).** At the committee hearing, a representative from CACI testified in support of the bill. The committee referred the bill, unamended, to the Senate Appropriations Committee.

**Senate Appropriations Committee (May 1, 2015).** The committee referred the bill, unamended, to the Senate Committee of the Whole consent calendar.

**Senate Second Reading (May 5, 2015).** The Senate Committee of the Whole adopted the bill and an amendment that further clarifies the section of United States Code applicable to patent infringement notifications.

**Senate Third Reading (May 6, 2015).** The Senate adopted the bill, unamended, on third reading.

**Date:** 8/21/2015

**Version:** Final



# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1047

**Short Title:** *Internet Sweepstakes Cafes Simulated Gambling*

**Prime Sponsors:** Representative Lawrence and Representative K. Becker  
Senator Grantham and Senator Neville

**Research Analyst:** Luisa Altmann (x3518)

### Current Status

This research note reflects the final version of the bill, which was signed by the Governor and became effective on March 13, 2015.

### Summary

The bill bans internet sweepstakes cafes and other similar establishments in which simulated gambling devices are used to award prizes to customers. Offering or providing the use of a simulated gambling device in exchange for any type of consideration is punishable as a class 3 misdemeanor or by civil penalties and remedies. The bill exempts internet service providers and other suppliers from penalty unless their primary purpose is to support the conduct of gambling as a business.

### Background

The Colorado Attorney General's Office has published two opinions related to the legality of internet sweepstakes cafes. The opinion issued on December 13, 2013, concluded that online gambling is not currently legal in Colorado. Additionally, the opinion issued on October 9, 2014, expanded upon the earlier 2013 opinion and specified that internet sweepstakes cafes are not legal under the Colorado Constitution and do not comply with Colorado's anti-gambling laws.

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## House Action

**House Business Affairs and Labor Committee (January 29, 2015).** At the hearing, several people testified in support of the bill, including representatives from the Attorney General's Office, the Colorado Department of Revenue, Colorado Municipal League, Jefferson County Sheriff's Office, Colorado Gaming Association, Colorado Association of Chiefs of Police, city of Aurora, and county sheriffs. A representative from the Colorado Charitable Bingo Association testified in support of the bill with amendments. There were also several people who testified in opposition to the bill, including representatives from the Fraternal Order of Eagles and local business owners. The committee adopted amendment L.005 which clarifies that gaming wagering activities that are already authorized by Colorado law are not a violation of this bill. The committee referred the bill, as amended, to the House Committee of the Whole.

**House Second Reading (February 5, 2015).** The House Committee of the Whole adopted the Business Affairs and Labor Committee report and adopted the bill with no additional amendments on second reading.

**House Third Reading (February 6, 2015).** The House adopted the bill, unamended, on third reading.

## Senate Action

**Senate Finance Committee (February 19, 2015).** At the hearing, several people testified in support of the bill, including representatives from the Colorado Municipal League, County Sheriffs of Colorado, Colorado Department of Revenue, Attorney General's Office, and the Colorado Gaming Association. One individual business owner testified in opposition to the bill. The committee adopted amendment L.010, as amended, which added a petition clause, in place of the safety clause, with an effective date of January 1, 2016. The committee referred the bill to the Senate Committee of the Whole.

**Senate Second Reading (February 24, 2015).** The Senate Committee of the Whole rejected the Senate Finance committee report, thereby removing the petition clause, and adopted the bill, unamended, on second reading.

**Senate Third Reading (February 26, 2015).** The Senate adopted the bill, unamended, on third reading.

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# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1031

**Short Title:** *Ban Use Sale Possession Of Powdered Alcohol*

**Prime Sponsors:** Representative Windholz  
Senator Todd

**Research Analyst:** Jessika Shipley (x3528)

### Current Status

This research note reflects the final version of the bill, which was signed by the Governor and became effective on March 30, 2015.

### Summary

The bill defines "powdered alcohol" as alcohol that is prepared or sold in a powder or crystalline form for either direct use or reconstitution. Powdered alcohol is considered a "spirituous liquor."

In the event that the federal government approves the purchase, sale, possession, or manufacturing of powdered alcohol in the United States, the bill requires the Colorado Department of Revenue (DOR), as the state alcohol licensing authority, to adopt rules establishing a mechanism for regulating the manufacture, purchase, sale, possession, and use of powdered alcohol. The DOR is also required to promulgate rules concerning the excise tax on powdered alcohol.

### Background

The federal Alcohol and Tobacco Tax and Trade Bureau granted approval of powdered alcohol on March 10, 2015. One company is currently producing powdered alcohol under the trade name Palcohol. It will be available for purchase beginning in the summer of 2015, and it will come in a four-inch by six-inch sealable pouch as vodka, rum, or one of several flavors of mixed drinks.

As of May 2015, Alaska, Georgia, Indiana, Louisiana, North Dakota, Tennessee, Utah, Vermont, Virginia, and Washington statutorily prohibit the sale of powdered alcohol. Maryland, Minnesota, and South Carolina created temporary one-year bans. Colorado, Delaware, Michigan,

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and New Mexico have included powdered alcohol in their statutory definitions of alcohol so that the product is regulated under their existing alcohol statutes.

## House Action

**House State, Veterans, and Military Affairs Committee (January 26, 2015).** The committee heard testimony in support of the introduced bill (which banned powdered alcohol in Colorado for anything other than research purposes) from a private citizen and representatives of the Colorado Wyoming Petroleum Marketers Association, the Colorado Restaurant Association, the County Sheriffs of Colorado, the Liquor Enforcement Division of DOR, the Colorado Department of Public Health and Environment, and the Colorado Bar Owners Association. The committee adopted amendments L.002, L.003, and a portion of L.004 and referred the bill to the House Committee of the Whole. Together, the amendments clarified that the definition of powdered alcohol includes crystalline forms and that the outright ban would be repealed if and when the federal Alcohol and Tobacco Tax and Trade Bureau granted approval of powdered alcohol.

**House second reading (January 29, 2015).** The House Committee of the Whole adopted the State, Veterans, and Military Affairs Committee report and passed the bill without further amendments.

**House third reading (February 2, 2015).** The House adopted the bill without further amendments.

**House consideration of Senate amendments (March 19, 2015).** The House voted to concur with Senate amendments and repass the bill.

## Senate Action

**Senate Judiciary Committee (February 24, 2015).** The committee heard testimony in support of the bill from representatives of the Colorado Wyoming Petroleum Marketers Association, the Colorado Restaurant Association, the County Sheriffs of Colorado, the Liquor Enforcement Division of DOR, the Wine and Spirits Wholesalers of Colorado, the Colorado Municipal League, and the Colorado Bar Owners Association. The committee referred the bill unamended to the Senate Committee of the Whole.

**Senate second reading (February 27, 2015).** The Senate Committee of the Whole adopted a strike-below amendment that removed the ban on powdered alcohol and associated penalties from the bill. It allowed the DOR to propose a regulatory structure for powdered alcohol to be implemented after the federal government approves the substance, and added the provision concerning excise taxes.

**Senate third reading (March 2, 2015).** The Senate adopted the bill without further amendments.

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# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1028

**Short Title:** *Repeal Merchant Licensing*

**Prime Sponsors:** Representative Keyser  
Senator Jahn

**Research Analyst:** Luisa Altmann (x3518)

### Current Status

This research note reflects the final version of the bill, which was signed by the Governor and became effective on March 18, 2015.

### Summary

The bill repeals the Colorado statute that requires and regulates mercantile licenses.

### Background

Under current state law, no person, auctioneer, or corporation may sell, vend, or retail, either at private sale or public auction, any goods, wares, or merchandise without first obtaining a mercantile license. The law also applies to any theatre, circus, or show where an admission fee is charged.

According to witness testimony in committee, of the ten Colorado counties that responded to a survey done by the Jefferson County Commissioners, none of them currently issue mercantile licenses.

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## House Action

**House Business Affairs and Labor Committee (January 20, 2015).** At the hearing, a representative of the Jefferson County Commissioners testified in support of the bill. The committee referred the bill, unamended, to the House Committee of the Whole.

**House Second Reading (January 23, 2015).** The House Committee of the Whole adopted the bill, unamended, on second reading.

**House Third Reading (January 26, 2015).** The House adopted the bill, unamended, on third reading.

## Senate Action

**Senate Business, Labor, & Technology Committee (January 25, 2015).** At the hearing, a representative from the Jefferson County Attorney's Office testified in support of the bill. The committee referred the bill, unamended, to the Senate Committee of the Whole consent calendar.

**Senate Second Reading (March 2, 2015).** The Senate Committee of the Whole adopted the bill, unamended, on second reading.

**Senate Third Reading (March 3, 2015).** The Senate adopted the bill, unamended, on third reading.

**Date:** 10/5/2015

**Version:** Final



# Legislative Council Staff

## Research Note

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**Bill Number:** HB15-1010

**Short Title:** *Trustee Notice System Presume Notify Beneficiary*

**Prime Sponsors:** Representative Kraft-Tharp and Representative Nordberg  
Senator Jahn

**Research Analyst:** Luisa Altmann (x3518)

### Current Status

This research note reflects the final version of the bill, which became effective on August 5, 2015.

### Summary

The bill creates an assumption in statute that a trust beneficiary is presumed to have received information or an account statement if the trustee has beneficiary notification procedures in place. The bill also clarifies that the delivery of information or an account statement may occur electronically if the beneficiary has agreed to receive electronic notifications.

### Background

Current state law specifies that a trustee has a duty to keep beneficiaries of the trust reasonably informed of the trust and its administration. This bill creates a presumption that a beneficiary has received information sent by a trustee, either through a mailing or electronically, and therefore precludes the trustee from having to acquire an affirmation of receipt from the beneficiary. According to witness testimony from the committee hearings, 27 other states have passed similar legislation.

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## House Action

**House Business Affairs and Labor Committee (January 20, 2015).** At the hearing, a representative with the Colorado Bankers Association testified in support of the bill. The committee referred the bill, unamended, to the House Committee of the Whole.

**House Second Reading (January 23, 2015).** The House Committee of the Whole adopted the bill, unamended, on second reading.

**House Third Reading (January 26, 2015).** The House adopted the bill, unamended, on third reading.

## Senate Action

**Senate Business, Labor, & Technology Committee (February 25, 2015).** At the hearing, a representative with the Colorado Bankers Association testified in support of the bill. The committee referred the bill, unamended, to the Senate Committee of the Whole consent calendar.

**Senate Second Reading (March 2, 2015).** The Senate Committee of the Whole adopted the bill, unamended, on second reading.

**Senate Third Reading (March 3, 2015).** The Senate adopted the bill, unamended, on third reading.



# Legislative Council Staff

## Research Note

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**Bill Number:** SB15-209

**Short Title:** *HOA Manager License Debt Collection Exclude Time Shares*

**Prime Sponsors:** Senator Balmer  
Representative Williams

**Research Analyst:** Jeanette Chapman (x4657)

### Current Status

This research note reflects the final version of the bill, which was signed by the Governor and became effective on June 5, 2015.

### Summary

The bill exempts communities in which a majority of the units in the community are designated as time share units from state laws governing licensing of community association managers.

### Background

In the 2013 legislative session, the General Assembly passed House Bill 13-1277, which requires community association managers to be licensed through the Department of Regulatory Agencies (DORA) by July 1, 2015. During the 2015 session, the General Assembly passed House Bill 15-1343, which made several changes concerning association manager licensing.

In order to obtain a community association managers license from DORA, the manager must:

- provide a \$205 community association manager license application fee;
- submit fingerprints for a criminal history background check;
- pass the state license exam; and
- maintain errors and omissions insurance and a crime fidelity insurance policy.

In addition, managers must meet the following education requirements:

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- have a high school diploma or GED;
- have either a Certified Manager of Community Associations (CMCA), Association Management Specialist (AMS), or Professional Community Association Manager (PCAM) credential, or complete a 24-hour course through the DORA Division of Real Estate; and
- complete eight hours of continuing education courses in an approved subject matter each year.

## **Senate Action**

**Senate Business, Labor, and Technology Committee (March 25, 2015).** At the hearing, the American Resort Development Association spoke in support of a clarifying amendment regarding the types of facilities exempt from regulation under House Bill 13-1277. Representatives of the Division of Real Estate within DORA responded to questions from the committee. The committee passed amendment L.004 that included language clarifying that developments registered with the Division of Real Estate as time share subdivisions are not subject to licensing requirements for paid managers of homeowners' associations. In addition, the amendment affirmed that an association may still pursue collection of past due assessments from the time share and added a safety clause to the bill. The committee referred the bill, as amended, to the Senate Committee of the Whole.

**Senate second reading (April 14, 2015).** The Committee of the Whole amended the Business, Labor, and Technology Committee report to remove the committee report's and the bill's language regarding collection of past-due assessments from time share units and adopted the bill on second reading.

**Senate third reading (April 15, 2015).** The Senate adopted the bill, unamended, on third reading.

## **House Action**

**House State, Veteran's, and Military Affairs Committee (April 29, 2015).** The committee referred the bill, unamended, to the House Business Affairs and Labor committee.

**House Business Affairs and Labor Committee (April 30, 2015).** At the hearing, a representative with the American Resort Development Association testified in support of the bill. The committee referred the bill, unamended, to the House Committee of the Whole.

**House second reading (April 30, 2015).** The House Committee of the Whole adopted the bill, unamended, on second reading.

**House third reading (May 1, 2015).** The House adopted the bill, unamended, on third reading.

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# Legislative Council Staff

## Research Note

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**Bill Number:** SB15-203

**Short Title:** *Sunset Debt-management Service Providers*

**Prime Sponsors:** Senator Cooke  
Representative Pabon

**Research Analyst:** Conrad Imel (x2756)

### Current Status

This research note reflects the final version of the bill, which was signed by the Governor and became effective on June 5, 2015.

### Summary

Senate Bill 15-203 continues the Uniform Debt-Management Services Act (act) until September 1, 2024, and requires the Department of Regulatory Agencies (DORA) to review the Act prior to its repeal. The bill also allows the administrator of the Uniform Consumer Credit Code to set a variable provider registration fee depending on the type of debt-management service provided.

### Background

Under the act, Section 12-14.5-201, *et seq.*, C.R.S., debt-management service providers are prohibited from serving as an intermediary between a state resident and one or more creditors of the resident without being registered. Debt-management service providers are registered by an administrator who is an assistant attorney general designated by the Attorney General. Prior to enactment of the bill, the act was scheduled to sunset on July 1, 2015.

### Senate Action

***Senate Judiciary Committee sunset review (February 18, 2015).*** The Senate Judiciary Committee reviewed the recommendations from DORA's sunset review report, which included continuing the act. The committee heard testimony on the report from representatives of Freedom Debt Relief, the American Fair Credit Counsel, The Bell Policy Center, and a private citizen, and

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received written testimony from the Center for Responsible Lending. A representative of the Attorney General's Office responded to committee questions. The committee adopted a draft bill that reflected the recommendations made by DORA and assigned Senator Cooke as the prime sponsor of the bill.

**Senate Judiciary Committee (March 25, 2015).** The committee heard testimony in support of the bill from representatives of the American Fair Credit Counsel, The Bell Policy Center, and the Center for Responsible Lending. Representatives from DORA and the Attorney General's Office made themselves available for questions. There was no testimony in opposition to the bill.

The committee adopted amendment L.002, which removed sections of the bill relating to fees and other charges, and transmittal of fees to the state General Fund. The committee referred the bill, as amended, to the Senate Appropriations Committee.

**Senate Appropriations Committee (April 10, 2015).** The Appropriations Committee referred the bill, without further amendment, to the Senate Committee of the Whole, with a recommendation that it be placed on the consent calendar.

**Senate second reading (April 13, 2015).** The Senate Committee of the Whole adopted the Senate Judiciary Committee report, and passed the bill, as amended, on second reading.

**Senate third reading (April 14, 2015).** The Senate adopted the bill on third reading.

## House Action

**House Business Affairs and Labor Committee (April 21, 2015).** The committee heard testimony in support of the bill from representatives of the American Fair Credit Counsel and The Bell Policy Center. A representative of the Attorney General's Office responded to questions from the committee. There was no testimony in opposition to the bill. The committee referred the bill, unamended, to the House Committee of the Whole.

**House second reading (April 23, 2015).** The House Committee of the Whole passed the bill on second reading.

**House third reading (April 27, 2015).** The House adopted the bill on third reading.

## Relevant Research

2014 Debt-management Services Sunset Review (DORA): <http://tinyurl.com/o6qlbhl>.

Sunrise and Sunset Process (Issue Brief): <http://tinyurl.com/ow6ok4g>.

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# Legislative Council Staff

## Research Note

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**Bill Number:** SB15-202

**Short Title:** *Exclude Water Conditioning Appliance From Plumbing*

**Prime Sponsors:** Senator Balmer  
Representative Pabon

**Research Analyst:** Jeanette Chapman (x4657)

### Current Status

This research note reflects the final version of the bill, which was signed by the Governor and became effective on June 5, 2015.

### Summary

The bill creates three new categories of registered water conditioning appliance occupations under the law:

- **water conditioning contractors**, defined as individuals who plan, lay out, supervise, install, or make additions, alterations, or repairs in the installation of water conditioning appliances in one-, two-, three-, or four-family dwellings not over two stories;
- **water conditioning installers**, defined as individuals with the training of a water conditioning contractor (described above), who are certified by a national water conditioning association recognized by the State Plumbing Board (board), and who are not licensed plumbers; and
- **water conditioning principals**, defined as individuals with the training and certification of water conditioning installers (described above), and who are also authorized to supervise such work in accordance with standards adopted by the board, except that they may supervise no more than one water conditioning installer at a time.

As of April 1, 2016, the bill requires such professionals to register with the board.

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## Background

Under current law, all water conditioning appliances connected to the potable water system are included in the definition of plumbing. As such, the law requires a person working on a water conditioning appliance be licensed as a plumber.

## Senate Action

**Senate Business, Labor, and Technology Committee (March 11, 2015).** At the hearing, representatives from the National Water Quality Association and private citizens testified in support of the bill, and representatives of the Colorado Association of Master Plumbing Contractors, the Colorado Chapter of the International Code Council, the Colorado Municipal League, and private citizens testified in opposition to the bill. The committee adopted amendment L.001, which removes language exempting a person who subcontracts with a plumber from the definition of "plumber" and adds language exempting retailers or suppliers of water conditioning appliances from plumbing contractor registration requirements. The committee referred the bill, as amended, to the Committee of the Whole.

**Senate Second Reading (March 17, 2015).** The Senate Committee of the Whole adopted the Business, Labor, and Technology Committee report and passed the bill on second reading.

**Senate Third Reading (March 18, 2015).** The Senate adopted the bill, unamended, on third reading.

## House Action

**House Local Government Committee (April 29, 2015).** At the hearing, representatives of the Water Quality Association testified in support of the bill, and a representative of the Department of Regulatory Agencies responded to committee questions. The committee adopted amendment L.010, which strikes everything below the enacting clause. The amendment creates three new categories of registered water conditioners and exclude these categories from the definition of "plumbing contractor." The committee also adopted amendment L.011, which amends amendment L.010 to change the date by which water conditioners must register with the State Board of Plumbing from August 1, 2015, to April 1, 2016. The committee referred the bill, as amended, to the House Committee of the Whole.

**House Second Reading (April 30, 2015).** The House adopted the House Local Government Committee report and amendment No. 2, which amended the committee report to specify that the bill does not limit the ability of licensed plumbers, plumbing apprentices, and registered plumbing contractors to practice within their areas with respect to water conditioning appliances. The House passed the bill, as amended, on second reading.

**House Third Reading (May 1, 2015).** The House passed the bill, unamended, on third reading.

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**Version:** Final

**Date:** 9/16/2015

**Version:** Final



# Legislative Council Staff

## Research Note

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**Bill Number:** SB15-186

**Short Title:** *Yoga Teacher Training Private Occupational School*

**Prime Sponsors:** Senator Woods  
Representative Dore

**Research Analyst:** Rachel Kurtz-Phelan (x3028)

### Current Status

This research note reflects the final version of the bill, which was signed by the Governor and became effective on April 16, 2015.

### Summary

The bill exempts yoga teacher training courses, programs, and schools from laws regulating private occupational schools and from oversight by the Division of Private Occupational Schools in the Department of Higher Education.

### Background

Previously, courses, programs, and schools that provide yoga teacher-training were required to pay fees to and be certified by the state, and regulated by the Division of Private Occupational Schools. The Division of Private Occupational Schools is responsible for providing consumer protections to students who enroll in for-profit occupational education programs, and for approving all for-profit schools that provide vocational training programs designed to prepare an individual for employment, an occupation, trade, or career opportunity.

### Senate Action

**Senate Education Committee (February 25, 2015).** At the hearing, representatives from yoga schools and yoga-teacher training programs spoke in support of the bill. The committee referred the bill, unamended, to the Senate Appropriations Committee.

**Date:** 9/16/2015

**Version:** Final

**Senate Appropriations Committee (March 3, 2015).** The committee adopted amendment J.001 and referred the bill to the Senate Committee of the Whole. The amendment reduces the appropriation to the Department of Higher Education for the Division of Occupational Schools by \$13,349.

**Senate Second Reading (March 5, 2015).** The Senate Committee of the Whole adopted the Senate Appropriations Committee report and passed the bill with no further amendments.

**Senate Third Reading (March 6, 2015).** The Senate adopted the bill with no further amendments.

**Senate Consideration of House Amendments (March 25, 2015).** The Senate concurred with House amendments to the bill.

## **House Action**

**House Education Committee (March 18, 2015).** At the hearing, several witnesses testified in opposition to the bill, and representatives from yoga schools and teacher-training programs testified in support of the bill. A representative from the Division of Private Occupational Schools responded to questions from the committee. The committee referred the bill, unamended, to the House Appropriations Committee.

**House Appropriations Committee (March 20, 2015).** The committee adopted amendment J.003 and referred the bill to the House Committee of the Whole. The amendment makes a small technical addition to the bill.

**House Second Reading (March 23, 2015).** The House Committee of the Whole adopted the House Appropriations Committee report and passed the bill with no further amendments.

**House Third Reading (March 24, 2015).** The House adopted the bill with no further amendments.

**Date:** 9/16/2015

**Version:** Final

**Date:** 8/21/2015

**Version:** Final



# Legislative Council Staff

## Research Note

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**Bill Number:** SB15-122

**Short Title:** *Sunset Massage Parlor Regulation*

**Prime Sponsors:** Senator Newell  
Representative Moreno

**Research Analyst:** Jeanette Chapman (x4657)

### Current Status

This research note reflects the final version of the bill, which became effective on August 5, 2015.

### Summary

This bill repeals the ability of certain local governments to license massage parlors.

### Background

In 1977, the General Assembly established the basic regulatory structure over massage parlors in the state. The Massage Parlor Code (code) authorizes local governments to license massage parlors and creates a rough framework under which such regulation could occur, but such licensure is not required.

In 2014, the Department of Regulatory Agencies (DORA) conducted a sunset review of the code, and explored the extent to which local governments use the authority the code grants to them. The department found that approximately ten municipalities have enacted ordinances pursuant to the code, three of which do not actively enforce the ordinances because there are no licensed massage parlors within their jurisdictions. Further, seven of those ten municipalities are home rule municipalities, meaning they can retain their ordinances even without the code. The department concluded that relatively few local governments have availed themselves of the grant of authority under the code and that repealing the code would have no real impact. Based on these conclusions, DORA recommended the General Assembly sunset the code.

**Date:** 8/21/2015

**Version:** Final

## Senate Action

**Senate Business, Labor, and Technology Committee (February 4, 2015).** At the hearing, a DORA representative discussed the results of the department's sunset review and the recommendation that the code be sunset. The committee referred the bill, unamended, to the Senate Committee of the Whole with a recommendation that it be placed on the consent calendar.

**Senate Business, Labor, and Technology Committee (March 4, 2015).** The Senate Committee of the Whole re-referred the bill to the committee. At the second hearing, the committee heard testimony from a private citizen explaining that concerns about the bill's impact on human trafficking, which had initiated the bill being returned to the committee for another hearing for a possible amendment, had been allayed by the sponsor and DORA. The committee again referred the bill, unamended, to the Committee of the Whole with a recommendation that the bill be placed on the consent calendar.

**Senate second reading (March 9, 2015).** The Senate Committee of the Whole adopted the bill, unamended, on second reading.

**Senate third reading (March 10, 2015).** The Senate adopted the bill, unamended, on third reading.

## House Action

**House Business Affairs and Labor Committee (March 24, 2015).** At the hearing, a DORA representative explained the results of the department's sunset review and the recommendation that the Code be sunset. The committee referred the bill, unamended, to the House Committee of the Whole.

**House second reading (March 27, 2015).** The House Committee of the Whole adopted the bill, unamended, on second reading.

**House third reading (March 30, 2015).** The House adopted the bill, unamended, on third reading.

## Relevant Research

*Department of Regulatory Agencies, 2014 Sunset Review: Colorado Massage Parlor Code:*  
<http://tinyurl.com/qcoegsp>

**Date:** 8/21/2015

**Version:** Final



# Legislative Council Staff

## Research Note

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**Bill Number:** SB15-110

**Short Title:** *Sunset Mortuary Science Regulation*

**Prime Sponsors:** Senator Baumgardner  
Representative Ginal

**Research Analyst:** Jeanette Chapman (x4657)

### Current Status

This research note reflects the final version of the bill, which became effective July 1, 2015.

### Summary

This bill continues the regulation of funeral establishments and crematories by the Department of Regulatory Agencies (DORA) until September 1, 2024. It requires a funeral establishment to embalm, refrigerate, cremate, bury, or entomb human remains within 24 hours of taking custody of the remains. It also prohibits funeral establishments and crematories from taking custody of human remains without an attestation of positive identification and requires these entities to identify and track human remains from the time they take custody until final disposition has occurred or the remains are released.

### Background

In 2009, the General Assembly adopted a registration requirement for funeral establishments and crematories, and title protection for mortuary science practitioners and cremationists. In 2014, DORA conducted a sunset review of portions of the Mortuary Science Code. The review recommended that the registration program for funeral establishments and crematories be continued through 2024, and that it should be a violation of the code for a registered facility to take possession of human remains without proper identification of those remains.

**Date:** 8/21/2015

**Version:** Final

## Senate Action

**Senate Business, Labor, and Technology Committee (February 18, 2015).** At the hearing, representatives from the Colorado Funeral Directors Association and DORA testified in support of the bill. The committee adopted amendment L.001, which requires that a funeral establishment process remains within 24 hours of taking custody of the remains and clarifies the proper chain of custody from the time a facility takes custody of human remains until either final disposition or release to another person or establishment in accordance with instructions given by the person who has the right of final disposition. The committee referred the bill, as amended, to the Senate Appropriations Committee.

**Senate Appropriations Committee (March 3, 2015).** At the hearing, the committee adopted J.001, which adds an appropriation of \$4,726 to DORA from the Division of Professions and Occupations Cash Fund for the purchase of legal services from the Department of Law. The committee referred the bill, as amended, to the Senate Committee of the Whole with a recommendation that it be placed on the consent calendar.

**Senate second reading (March 5, 2015).** The Senate adopted Senate Business, Labor, and Technology and the Appropriations committee reports, and passed the bill on second reading.

**Senate third reading (March 6, 2016).** The Senate adopted the bill, unamended on third reading.

## House Action

**House Business Affairs and Labor Committee (March 24, 2015).** At the hearing, a representative from the Colorado Funeral Directors Association testified in support of the bill. The committee adopted amendment L.004, which requires DORA to adopt rules to prescribe minimum standards for the identification and chain of custody of human remains and allows a funeral establishment or crematory to use its own procedures if the procedures meet or exceed the minimum standards. The committee referred the bill, as amended, to the House Appropriations Committee.

**House Appropriations Committee (April 2, 2015).** The committee referred the bill, unamended, to the House Committee of the Whole.

**House second reading (April 6, 2015).** The House adopted the House Business Affairs and Labor Committee report and passed the bill on second reading.

**House third reading (April 7, 2015).** The House adopted the bill, unamended, on third reading.

## Relevant Research

*Department of Regulatory Agencies, 2014 Sunset Review: Portions of the Mortuary Science Code: <http://tinyurl.com/qes7a4o>*

**Date:** August 21, 2015

**Version:** Final



# Legislative Council Staff

## Research Note

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**Bill Number:** SB15-106

**Short Title:** *Sunset Barber & Cosmetologist Act & Committee*

**Prime Sponsors:** Senator Woods  
Representative Arndt

**Research Analyst:** Jeanette Chapman (x4657)

### Current Status

This research note reflects the final version of the bill, which was signed by the Governor and became effective on May 1, 2015.

### Summary

The bill modifies and continues the regulation of barbers and cosmetologists by the Department of Regulatory Agencies (DORA) until September 1, 2026.

### Background

The Barber and Cosmetologist Act requires barbers, cosmetologists, estheticians, hairstylists, and nail technicians to be licensed to provide services in Colorado. In 2014, the Department of Regulatory Agencies conducted a sunset review of the act and of the Barber and Cosmetology Advisory Committee, which is a five-member committee that assists the director of the Division of Professions and Occupations in implementing the act. In the review, DORA recommended that the General Assembly repeal the sunset provision specific to the advisory committee, which has historically been reviewed at the same time as the act making it unnecessary to have a separate sunset provision for the committee, and continue the act until 2026. The department made several additional recommendations regarding the oversight and training requirements of barbers and cosmetologists including clarifying that individual businesses must register with the Division of Professions and Occupations (division) and that the division may take disciplinary action against registrants, modifying the training hour requirements for licensing from credit hours to contact hours, exempting practitioners of natural hair braiding from regulation under the act, and establishing certain disciplinary standards.

<b>Date:</b>	<b>August 21, 2015</b>
<b>Version:</b>	<b>Final</b>

## Senate Action

**Senate Business, Labor, and Technology Committee (February 4, 2015).** At the hearing, a representative of the Colorado Association of Career Colleges and Schools testified in support of the bill. The committee referred the bill, unamended, to Senate Finance Committee.

**Senate Finance Committee (February 10, 2015).** At the hearing, a representative of the Colorado Association of Career Colleges and Schools testified in support of the bill. The committee adopted amendment L.005, which expands the Barber and Cosmetology Advisory Committee from five to six members and clarified that at least one member of the committee must be an owner or operator of a licensed private occupational school that provides training for licensees in the industry. The committee also adopted amendment L.007, which further increased the number of contact hours required for licensees beyond the recommendations of the sunset report. The committee referred the bill, as amended, to the Senate Appropriations Committee.

**Senate Appropriations (February 20, 2015).** At the hearing, the committee adopted amendment J.001, which added an appropriation of \$8,506 to the Department of Regulatory Agencies from the Division of Professions and Occupations Cash Fund for the purchase of legal services from the Department of Law. The committee referred the bill, as amended, to the Senate Committee of the Whole.

**Senate Second Reading (February 24, 2015).** The Senate Committee of the Whole adopted the Senate Finance and Appropriations Committee reports and passed the bill on second reading.

**Senate Third Reading (February 26, 2015).** The Senate adopted the bill, unamended, on third reading.

## House Action

**House Business Affairs and Labor Committee (March 10, 2015).** The committee referred the bill, unamended, to the House Appropriations Committee.

**House Appropriations Committee (March 20, 2015).** The committee referred the bill, unamended, to the House Committee of the Whole.

**House Second Reading (March 24, 2015).** The House Committee of the Whole adopted amendment No. 1, which further increased the number of contact hours required to obtain a license, and adopted the bill on second reading.

**House Third Reading (March 25, 2015).** The House adopted the bill, unamended, on third reading.

## Relevant Research

*Department of Regulatory Agencies, 2014 Sunset Review: Barber and Cosmetologist Act and*

**Date:** *August 21, 2015*

**Version:** *Final*

*Barber and Cosmetology Advisory Committee:* <http://tinyurl.com/nlqau9q>.

**Date:** 5/20/2015

**Version:** Final



# Legislative Council Staff

## Research Note

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**Bill Number:** SB15-104

**Short Title:** *Sunset CO Division Of Securities*

**Prime Sponsors:** Senator Holbert  
Representative Lee

**Research Analyst:** Kori Donaldson (x4976)

### Current Status

The bill was signed into law by the Governor and took effect May 11, 2015.

### Summary

The bill implements the recommendations included in the Department of Regulatory Agencies (DORA) sunset report on the Colorado Division of Securities by continuing the division to 2026, repealing the \$25 license fee cap for sales representatives and investment advisor representatives, and making technical changes to conform with federal law, current practices, conventions, and technology.

### Background

The Colorado Division of Securities, within DORA, investigates cases of alleged investment fraud, examines licensed investment advisors and stockbrokers, and conducts educational outreach programs. It also registers securities, licenses broker-dealers, sales representatives, investment advisors, and investment-advisor representatives. The division is headed by a Securities Commissioner, who is in turn aided and advised by the Colorado Securities Board.

### Senate Action

***Senate Finance Committee (February 5, 2015).*** At the hearing, a representative of DORA answered questions about the sunset review report. The committee referred the bill, unamended, to the Senate Appropriations Committee.

**Date:** 5/20/2015

**Version:** Final

**Senate Appropriations Committee (February 20, 2015).** The committee referred the bill, unamended and with a recommendation that it be placed on the consent calendar, to the Senate Committee of the Whole.

**Senate second reading (February 24, 2015).** The Senate Committee of the Whole passed the bill with no amendments.

**Senate third reading (March 6, 2015).** The full Senate adopted the bill with no amendments.

## House Action

**House Finance Committee (April 15, 2015).** The committee referred the bill, unamended, to the House Committee of the Whole. No witness testimony was heard on the bill.

**House second reading (April 17, 2015).** The House Committee of the Whole passed the bill with no amendments.

**House third reading (April 20, 2015).** The full House adopted the bill with no amendments.

## Relevant Research

2014 Sunset Review: <http://tinyurl.com/mtw8zzf>

Division of Securities website: <http://tinyurl.com/le7uxas>

**Date:** 5/20/2015

**Version:** Final



# Legislative Council Staff

## Research Note

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**Bill Number:** SB15-102

**Short Title:** *Sunset Securities Board*

**Prime Sponsors:** Senator Holbert  
Representative Lee

**Research Analyst:** Kori Donaldson (x4976)

### Current Status

The bill was signed into law by the Governor and took effect May 29, 2015.

### Summary

The bill implements the recommendations included in the Department of Regulatory Agencies (DORA) sunset report on the Colorado Securities Board by making technical changes and continuing the board to 2026.

### Background

The Colorado Division of Securities, within DORA, investigates cases of alleged investment fraud, examines licensed investment advisors and stockbrokers, and conducts educational outreach programs. It also registers securities, licenses broker-dealers, sales representatives, investment advisors, and investment-advisor representatives. The division is headed by a Securities Commissioner, who is in turn aided and advised by the Colorado Securities Board. The board is made up of five individuals appointed by the Governor, including two persons licensed to practice law in the state and familiar with securities law, one certified public accountant, and two members of the public. The board meets at least quarterly and members are appointed to three-year terms.

### Senate Action

**Senate Finance Committee (February 5, 2015).** At the hearing, a representative of DORA answered questions about the sunset review report. The committee referred the bill, unamended, to the Senate Appropriations Committee.

**Date:** 5/20/2015

**Version:** Final

**Senate Appropriations Committee (February 20, 2015).** The committee referred the bill, unamended and with a recommendation that it be placed on the consent calendar, to the Senate Committee of the Whole.

**Senate second reading (February 24, 2015).** The Senate Committee of the Whole passed the bill with no amendments.

**Senate third reading (March 5, 2015).** The full Senate adopted the bill with no amendments.

### **House Action**

**House Finance Committee (April 15, 2015).** The committee referred the bill, unamended, to the House Committee of the Whole. No witness testimony was heard on the bill.

**House second reading (April 17, 2015).** The House Committee of the Whole passed the bill with no amendments.

**House third reading (April 20, 2015).** The full House adopted the bill with no amendments.

### **Relevant Research**

2014 Sunset Review: <http://tinyurl.com/mtw8zzf>

Division of Securities website: <http://tinyurl.com/le7uxas>