

## CHAPTER 261

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**PROFESSIONS AND OCCUPATIONS**

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**HOUSE BILL 99-1368**

BY REPRESENTATIVES Spradley, Kester, Larson, May, Tate, Coleman, Leyba, and Stengel;  
also SENATORS Anderson and Tebedo.

**AN ACT**

CONCERNING THE DISCIPLINE OF REAL ESTATE LICENSEES USING INCENTIVES OR DISINCENTIVES TO  
EFFECT REFERRALS TO CERTAIN TITLE INSURANCE ENTITIES.

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

**SECTION 1.** Part 1 of article 61 of title 12, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

**12-61-113.2. Rule-making required - prohibition of certain referrals.** (1) ON OR BEFORE JULY 1, 1999, THE REAL ESTATE COMMISSION SHALL COMMENCE THE PROMULGATION OF RULES THAT:

(a) PROHIBIT A REAL ESTATE BROKER ASSOCIATE OR REAL ESTATE BROKER FROM OFFERING INCENTIVES, IMPOSING DISINCENTIVES, OR GIVING REMUNERATION TO ANOTHER ACTIVE LICENSED REAL ESTATE BROKER OR REAL ESTATE BROKER ASSOCIATE FOR THE PURPOSE OF INFLUENCING THE REFERRAL OF TITLE INSURANCE BUSINESS TO A CERTAIN TITLE COMPANY OR TITLE INSURANCE AGENT;

(b) REQUIRE A WRITTEN DISCLOSURE TO BE PROVIDED TO THE BUYER OR SELLER AT EITHER THE TIME THE REAL ESTATE LISTING AGREEMENT IS SIGNED OR AGENCY DISCLOSURE IS GIVEN IF THE BUYER OR SELLER HAS BEEN OR WILL BE REFERRED TO A TITLE COMPANY IN WHICH THE REAL ESTATE BROKER OR REAL ESTATE BROKER ASSOCIATE HAS A FINANCIAL INTEREST;

(c) INCLUDE DISCIPLINARY MEASURES TO BE TAKEN AGAINST ANY REAL ESTATE BROKER ASSOCIATE OR REAL ESTATE BROKER WHO VIOLATES THE PRESCRIBED CONDUCT.

(2) THE RULES REQUIRED BY THIS SECTION SHALL NOT BE MORE RESTRICTIVE THAN

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

THE RULES ADOPTED BY THE DIVISION OF INSURANCE CONCERNING PROHIBITIONS APPLICABLE TO TITLE INSURANCE COMPANIES.

**SECTION 2. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: May 29, 1999