



# Dora

Department of Regulatory Agencies

Bill Ritter, Jr., Governor  
D. Rico Munn, Executive Director

## Fiscal Year 2007-2008 Annual Report on Colorado's Regulatory Environment



Greetings,

We are pleased to present this first report in a series of reports to the public that introduces DORA and its positive impact on Colorado's economy. DORA is committed to playing an active role in improving Colorado's economic environment by creating a regulatory framework that protects consumers, while fostering fair and rigorous standards for professionals and businesses.

We invite policy-makers, economic development agencies, trade associations and consumer groups to engage DORA early and often in dialogue regarding Colorado's economic and regulatory environment. More often than not, the conversation about regulation is considered at the tail end of policy making, and when it is discussed, it is typically about how to avoid regulation. We propose that you think differently about regulation, as several professions do annually when they apply to DORA's sunrise process seeking regulation for their respective occupations. We view regulation as a flexible boundary that preserves the integrity of the marketplace, where consumers are protected and businesses can compete effectively.

In addition to playing an active role in Colorado's economic environment, DORA is committed to educating consumers about their rights, and educating businesses and professionals about their responsibilities. We hope this report demonstrates this commitment.

I encourage you to learn more about DORA and its ten divisions in this report and on our website at [www.dora.state.co.us](http://www.dora.state.co.us). DORA's mission is simple: Consumer Protection. Everything we do has that mission in mind.

Sincerely,



D. Rico Munn

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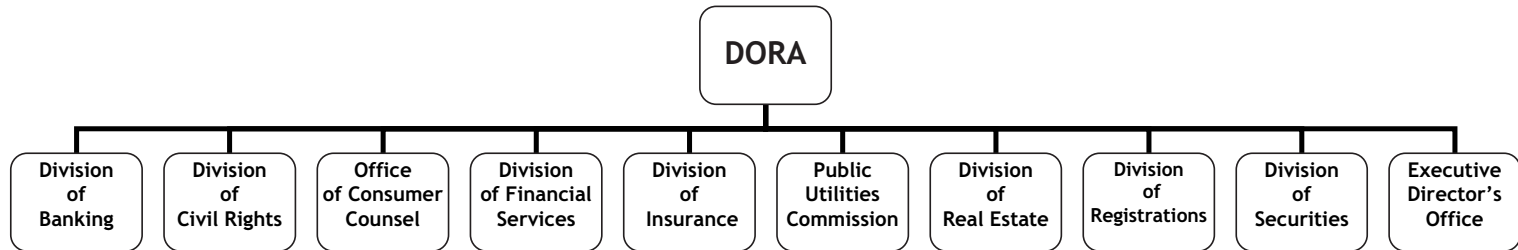
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**DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.**

# Colorado's Regulatory Environment: Good for Consumers, Good for Business

## DORA: Colorado's Consumer Protection Agency

The Colorado Department of Regulatory Agencies (DORA) is an umbrella agency comprised of ten divisions: Banking, Civil Rights, the Office of Consumer Counsel, Financial Services, Insurance, the Public Utilities Commission, Real Estate, Registrations, Securities, and the Executive Director's Office. DORA also includes the Office of Policy, Research and Regulatory Reform, which independently reviews new regulation requests and the continued need for regulation throughout the state. With all of its diverse regulatory activities, DORA seeks to fulfill a single mission: Consumer Protection.



Typical discussions of government regulation assume that the public interest and business interests are invariably at odds, that more regulation always benefits consumers, and less regulation always benefits business.

DORA takes a different approach. Effective regulation creates a level playing field, where consumers are safe and businesses flourish. In the long run, what is good for consumers is good for business: consumer protection leads to consumer confidence, and confident consumers are more likely to invest in goods and services.

Effective regulation creates a level playing field, where consumers are safe and businesses flourish.

It is easy to find facts and figures that demonstrate the strength of Colorado's economy and these statistics are unquestionably meaningful. Harder to quantify, however, is the confidence that consumers feel when their elderly parents are protected from scam artists, their mortgage is in the hands of a reputable company, their children are cared for by a licensed physician, or their money is safe in the bank. DORA believes that this confidence represents the key to ongoing economic prosperity, and effective regulation helps build this confidence.

# Regulation Matters: Colorado's Economy and Impact of Regulation

Despite a national economic downturn, Colorado's economy remains relatively strong. This is reflected in the growth of Colorado's gross domestic product (GDP)—an average of 4 percent per year since 2004—and in per capita GDP of \$41,798, making Colorado the 8th fastest growing state.<sup>1</sup> Colorado ranks 3rd in the nation in the number of new companies, and is one of the top creators nationwide of initial public offerings.<sup>2</sup>

A wide variety of publications, foundations, think tanks, and government agencies consistently rank Colorado as a good place to do business. Over the past five years, Colorado has been ranked in the top five states for growth prospects, economic freedom, entrepreneurial activity, number of start-up businesses per capita, and best states for business.<sup>3</sup> One example includes Xcel Energy being upgraded by Standard & Poor's Ratings Services, citing a strengthened business profile partially attributable to Colorado's regulatory environment.<sup>4</sup>

Colorado has been ranked in the top five for growth prospects, economic freedom, entrepreneurial activity, number of start-up businesses per capita, and best states for business.

DORA is committed to protecting consumers and promoting a fair and competitive business environment, where both consumers and businesses thrive.

As a testament to Colorado's consumer- and business-friendly climate, small businesses form the backbone of the state's economy. According to data from the federal Small Business Administration (SBA), Colorado is home to an estimated 550,100 small businesses. These small firms employ nearly one million Coloradans, or more than half of the state's non-farm private sector employment.<sup>5</sup>

Colorado's economic reliance upon small business underscores the need for thoughtful, appropriate regulation. Every year, new industries or professions seek regulation for a variety of reasons, such as improving the public trust in the industry, protecting consumer safety, or enhancing the professionalism within the field. DORA reviews all requests thoroughly and engages in dialogue with industry representatives and consumer groups to determine what, if any, regulation is most appropriate.

DORA is committed to protecting consumers and promoting a fair and competitive business environment, where both consumers and businesses thrive. DORA strives to meet these goals through its regulatory activities, outreach to consumers as well as regulated businesses and professionals, and rigorous, ongoing evaluation of regulatory programs spanning all areas of state government.

1. Source: U.S. Bureau of Economic Analysis, 2007.

2. Toward a More Competitive Colorado, Third Edition, Metro Denver Economic Development Corporation, 2008, P.31.

3. Colorado Rankings, Colorado Office of Economic Development and International Trade.

4. S&P Raises Xcel's Energy Credit Rating, Associated Press, October 17, 2007.

5. Small Business Profile: Colorado, Small Business Administration Office of Advocacy, 2007.

# Taking Action

DORA is committed to conducting proactive outreach to the professions about their responsibilities. Nevertheless, sometimes DORA's boards and commissions must take enforcement action to protect consumers. These actions vary in nature. Many actions DORA takes result in consumer recovery through restitution or stopping illegal activity. DORA also collects fines following misconduct by professionals or businesses. Other actions taken at DORA are more administrative in nature and can not be quantified by an exact dollar amount, although they help to protect Colorado consumers and the economy.

## **Consumer Savings: Restitution and Rate Reviews**

The **Public Utilities Commission**, the **Office of Consumer Counsel** and the **Division of Insurance** take action on behalf of consumers when reviewing the rates charged by regulated utilities and insurance carriers.

After a September 2007 hearing, Colorado's Insurance Commissioner ordered that a 7.5 percent decrease to the base rate for workers compensation insurance was justified and appropriate. This action is estimated to reduce aggregate workers compensation premiums paid in calendar year 2008 by as much as \$80 million. DORA's **Division of Insurance** also reviewed and contested rate filings for two insurance companies resulting in consumer savings of \$3.9 million. In addition, the division successfully negotiated a \$1 million settlement from an industry association to licensed professionals and CoverColorado.

### **Insurance Commissioner Orders \$155 Million for Consumers of Kaiser Permanente**

When Kaiser Permanente's increasing net worth reached hundreds of millions of dollars and the non-profit health care provider sent a large portion of those reserves out-of-state, Commissioner Morrison stepped in to demand that the reserves be returned to benefit Colorado. The Commissioner and the division staff negotiated a \$155 million financial relief agreement for Kaiser Permanente's customers in Colorado and called for expansion of services in underserved areas of the state. This agreement, which was applauded by Governor Ritter and announced on June 24, 2008, was the most significant agreement of its kind with a health care provider in Colorado.

- The **Public Utilities Commission** reviewed and contested rate filings that resulted in consumer savings of over \$124.6 million during fiscal year 07-08.
- In 2008, the **Public Utilities Commission** found that a gas utility over-collected gas payments from its customers from July 1, 2006 through June 30, 2007. The Commission approved a plan directing the utility to return about \$8.85 million to its natural gas customers.
- In fiscal year 07-08, the **Office of Consumer Counsel** saved consumers \$3.2 million due to its sole efforts, and shared responsibility for an additional estimated \$38.9 million in savings with the **Public Utilities Commission**.

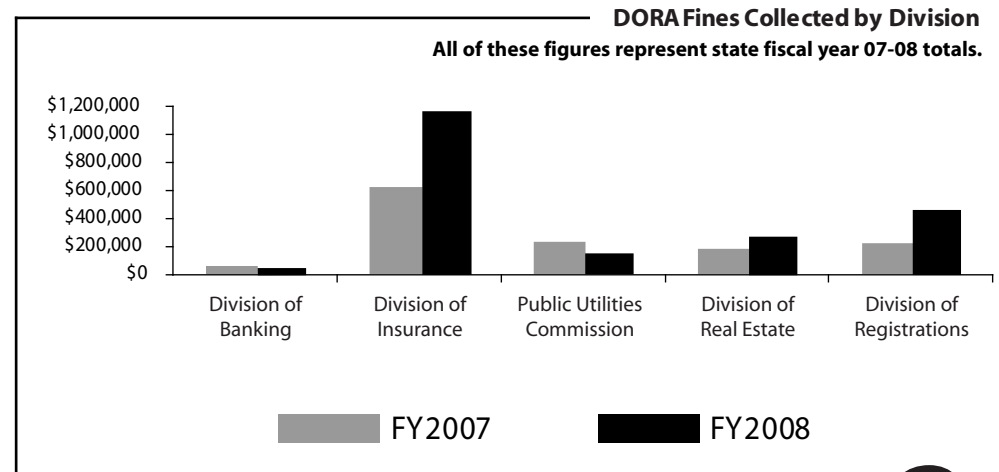
<b>Consumer Savings FY 2007-08</b>	
<b>Division of Insurance</b>	
Consumer Affairs	\$ 8,821,765
Market Regulation and Compliance	\$1,091,075
Premium Tax Interest & Penalty	\$122,288
Industry Penalties	\$1,013,670
Rates & Actuarial	\$85,623,349
Total	<b>\$96,672,147</b>
<b>Office of Consumer Counsel</b>	
Rate Case Activity, sole responsibility	\$ 3,236,368
<b>Public Utilities Commission</b>	
Rate Case Activity	
Electric	\$74,470,147
Gas	\$26,531,342
Steam	\$7,740,314
Telecommunications	\$124,037
Water	\$80,090
Refunds/Miscellaneous	\$15,559,142
Enforcement	\$71,971
<b>Total</b>	<b>\$124,577,043</b>
<b>Total Savings</b>	<b>\$224,485,558</b>

All of these figures represent state fiscal year 07-08 totals

## ***Fines Assessed Due to Misconduct***

Other actions are more punitive in nature. These actions occur when DORA uncovers a violation of the law and must take action to protect the integrity of the marketplace. DORA fines a number of varying businesses and professionals, and the fines divisions assess are determined in different ways. Some professions within the **Division of Registrations**, for example, have a large number of practitioners, so the total fines may be large although the individual fines may be for small amounts. On the other hand, a settlement of a single case in the **Division of Securities** may result in a large total.

- **The Division of Insurance** assessed over \$1,091,075 in fines against insurance companies in fiscal year 07-08 for violations of Colorado law through performance audit functions called market conduct actions. The market conduct violations include non-compliance with contract form requirements, untimely payment of claims for consumers, inappropriate denial of benefits, and non-compliance with Colorado regulations.



## ***Administrative Actions***

Often actions taken at DORA are administrative and not financially quantifiable, but they help to ensure a healthy economy and benefit consumers.

- After an emergency meeting held in November 2007, the **Colorado State Banking Board** ordered the involuntary liquidation of a foreign capital depository. The Board found that an emergency situation existed that could result in serious losses to depositors and ordered that the Banking Commissioner take immediate possession and control of the entity.
- In 2007, the **Division of Financial Services**, together with the National Credit Union Administration, placed Norlarco Credit Union into conservatorship to protect the assets of its 45,000 members. The credit union remained open for business and members continue to be served today as a result. Not one member lost money as a result of Norlarco's problems.
- The **Division of Real Estate** has taken action against licensees found to have overvalued properties for the purpose of defrauding Colorado's taxpayers as part of the conservation easement program.
- In fiscal year 07-08, the **Division of Registrations** revoked, suspended, restricted the licenses or wrote a letter of admonition to more than 1,300 licensed professionals found to have violated the law or regulations.
- In January 2008, the **Colorado Securities Commissioner** entered a final cease and desist order against a Wyoming oil and gas company for allegedly violating the securities registration, licensing, and anti-fraud provisions of the Colorado Securities Act. The company was alleged to have engaged in a scheme to defraud potential oil and gas investors by failing to disclose the company's financial status as well as not disclosing the risks associated with an investment of this type.

### **Securities Commissioner Catches Crooks**

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In 2007, an investment promoter and his wife were arrested when an investigation found they had cheated investors out of more than \$500,000. Colorado Securities Commissioner Fred Joseph uncovered the fraudulent activity after receiving a tip from a newspaper reporter.

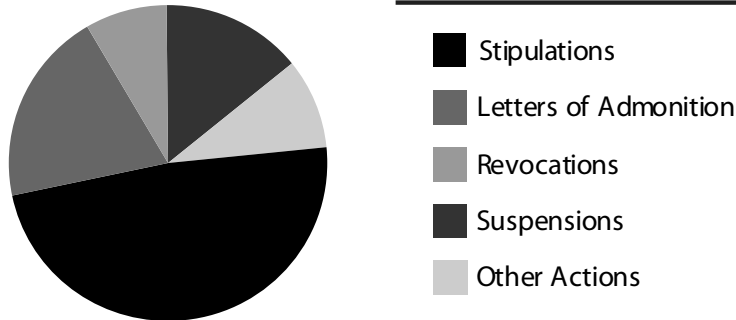
Ronald McLain, 57, was charged with defrauding over 100 investors from Pueblo and 20 other states. McLain was convicted of securities fraud and theft, sentenced to six years in prison, and ordered to pay restitution totaling \$202,800.

The Colorado Division of Securities helps to protect investors from investment swindlers and con artists, and maintains public confidence in the securities market. Victims of securities fraud should contact the Division of Securities at 303-894-2320.

Taking decisive action against regulated professionals or businesses that have clearly broken the law is crucial to preserving consumers' trust. Although professional and occupational licensing occurs throughout DORA, the highest concentration of this occurs in the **Division of Registrations**, which oversees approximately 300,000 of DORA's licensees. Data on the frequency and nature of actions against licensees is shown in the following chart:

**DORA - Division of Registrations  
Disciplinary Actions**

*Fiscal Year 07-08*



**Expedited Settlement Savings**

The Expedited Settlement Program, created by DORA, allows the **Division of Registrations** to efficiently implement a board's decision regarding disciplinary action against a licensee through a settlement process rather than send the case directly to the Office of the Attorney General. When a settlement can be reached, it saves the Division of Registrations valuable time and legal fees and gets a quicker resolution for the complaining consumer.

To minimize the cost of legal services, the Division of Registrations and the Office of the Attorney General began exploring alternatives to traditional means of providing legal services related to disciplinary actions. The goal was to stem rising legal costs, but also enable resolution of complaints in a faster manner. The Board of Nursing, within the Division of Registrations, responded to the mandate by designing and implementing a pilot project called the Expedited Settlement Program.

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
<b>Expedited Settlement Spending</b>	<b>\$138,592</b>	<b>\$ 156,549</b>	<b>\$ 188,008</b>	<b>\$ 252,345</b>
Opened Cases	682	752	598	779
Settled Cases	570	723	551	618
Settlement Rate	83.6%	96.1%	92.1%	79.3%
Cost per Settled Case	\$ 243.14	\$ 216.53	\$ 341.21	\$ 408.33
<b>Office of the Attorney General</b>				
Hourly Rate	\$ 61.57	\$ 64.45	\$ 67.77	\$ 72.03
Estimated Cost per Case	\$ 615.70	\$ 644.50	\$ 677.70	\$ 720.30
Total Estimated Cost	<b>\$350,949</b>	<b>\$ 465,974</b>	<b>\$ 373,413</b>	<b>\$ 445,145</b>
<b>Total Net Cost Avoidance</b>	<b>\$212,357</b>	<b>\$ 309,425</b>	<b>\$ 185,405</b>	<b>\$ 192,800</b>
Estimated Cost Avoidance per Case	\$ 372.56	\$ 427.97	\$ 336.49	\$ 311.97

The following table shows Expedited Settlement Program case performance as compared to the costs of processing the same matter in the Office of the Attorney General, presuming the attorneys take a minimum of 10 hours for each matter – a very conservative assumption as matters often exceed 10 legal hours regardless of whether they are settled or adjudicated.

The table to the left shows that in each actual year, the Expedited Settlement Program successfully avoided a minimum of \$311 per case in fiscal year 07-08 – meaning that it would have cost an extra \$311 to resolve the same matter without the program. In that same year, DORA actually conserved a full \$445,145 in total legal expenditures (and \$899,987 in 4 years) – a very significant achievement in light of the fact that DORA has the highest concentration of legal hours in the State.



## Mediation

The **Division of Civil Rights** offers mediation as a time and cost savings alternative. Prior to the initiation of an alleged discrimination investigation, the division provides the parties the opportunity to participate in a voluntary mediation. This is an informal meeting held between both parties and affords the parties with an opportunity to resolve the claim prior to an investigation or litigation. The mediation conference may result in a settlement agreement.

In fiscal year 07-08, the Alternative Dispute Resolution unit conducted 77 mediations and resolved 46 for a 60 percent settlement rate. In addition, there were 54 conciliations conducted and 22 (41 percent) were resolved.

The **Division of Civil Rights** settled 111 cases as follows:

- 46 employment Alternative Dispute Resolution
- 22 conciliations (after probable cause found)
- 34 settlements by investigation unit – employment
- 9 settlements by investigation unit – housing

The total settlement amount in fiscal year 07-08 was \$1,336,691.28.

## Knowledge Is Power: Reaching Out to Stakeholders

DORA believes that outreach and education are critical components of effective regulation. Educated consumers know their rights and make informed decisions. Informed businesses know their responsibilities and develop proactive practices.

There are many ways that DORA's divisions reach out to the public and to regulated businesses and professionals, including conducting training sessions and open meetings, developing publications and brochures, and offering a wealth of information via the Internet.

Following are examples of how DORA keeps stakeholders informed.

- The **Public Utilities Commission** and the **Office of Consumer Counsel** jointly conducted eight town hall meetings with ratepayers around the state in 2007. The purpose of these meetings was twofold: to solicit consumer input and to orient consumers regarding Colorado's New Energy Economy. A report on this joint town hall initiative can be found at [www.dora.state.co.us/puc/index/publichearing](http://www.dora.state.co.us/puc/index/publichearing)

(continued)

- The **Public Utilities Commission** broadcasts the proceedings of all Commission meetings and hearings via the Internet. Consumers in the Denver metro area can request that a representative of the Public Utilities Commission come to speak to their clubs and organizations via the Public Utilities Commission's Speakers Bureau.
  - ❖ To find out about town hall meetings, visit [www.dora.state.co.us/puc/noticesmain](http://www.dora.state.co.us/puc/noticesmain)
  - ❖ To request a speaker, visit: [www.dora.state.co.us/puc/consumer/speakersbureau](http://www.dora.state.co.us/puc/consumer/speakersbureau)
- The **Divisions of Insurance, Real Estate and Registrations** have real-time online verification systems, which allow consumers to verify that professionals—from doctors and architects to mortgage brokers and real estate appraisers—have active licenses in good standing before seeking their services.
  - ❖ To verify a license for these professions and others visit: [www.dora.state.co.us/library/databases3](http://www.dora.state.co.us/library/databases3)
- The **Divisions of Banking, Financial Services, Insurance, and Securities** collaboratively developed a comprehensive brochure called *Identity Theft & Identity Fraud*, to inform consumers of the steps to take when they suspect personal information has been compromised, and help prevent identity theft.
  - ❖ For a copy of "*Identity Theft & Identity Fraud*," visit: [www.dora.state.co.us](http://www.dora.state.co.us)
- The **Division of Civil Rights** offers free training sessions statewide for employees, human resource professionals, housing providers, community organizations and consumers. Topics include Employment 101, Sexual Harassment, Fair Housing 101 and Discrimination in Mortgage Lending.
  - ❖ To find out about Civil Rights training, visit: [www.dora.state.co.us/civil-rights](http://www.dora.state.co.us/civil-rights)
- The **Division of Registrations** provides monthly training seminars for barber and cosmetology professionals, providing instruction in proper sanitation and disinfection practices and universal precautions to prevent the spread of disease. Consumers benefit from clean and safe environments. Salons avoid fines and disciplinary actions by complying with the law.
  - ❖ To view barber and cosmetology seminar schedules, visit: [www.dora.state.co.us/barbers\\_cosmetologists](http://www.dora.state.co.us/barbers_cosmetologists)
- The **Division of Insurance** offers information on insurance fraud to both consumers and the industry: how the law defines it, how to avoid it, and what to do if it happens. The Division of Insurance also regularly publishes premium comparison guides for health, auto, title, and homeowner insurance.
  - ❖ For consumer and industry information, visit: [www.dora.state.co.us/insurance](http://www.dora.state.co.us/insurance)

(continued)

- The **Office of Consumer Counsel** publishes a comparison of long-distance telephone rates for residential consumers in Colorado. The office publishes the rate comparison as part of its OCC Consumer News, which also includes “helpful hints” and advice on how to be a smart shopper.

❖ For a copy of OCC Consumer News, visit: [www.dora.state.co.us/occ](http://www.dora.state.co.us/occ) and click on “Consumer News” in the left-hand margin.

Encouraging consumers to make good use of the information available to them and helping regulated businesses understand the laws governing their operation fosters a regulatory environment that benefits consumers and businesses. Informed consumers are empowered to comparison shop for the best services, and informed businesses are more likely to comply with the law, thus avoiding fines, litigation and disciplinary action.

### ***House Bill 08-1216 – Consumer Outreach Fund***

DORA is creating a new outreach program to increase public awareness of consumer protection issues. The program is designed to educate professionals on how to prevent regulatory violations and consumers on how to avoid becoming victims of fraud.

The program will be funded by assessing surcharges up to \$200,000 annually on fines paid in the current year. Part of the outreach effort will be dedicated to the professions that are paying these fines to educate others about the significance of the violations. The other part is the outreach to consumers about the violations occurring and how they may impact consumers.

## **Smart Regulation: Sunset, Sunrise, Mandatory Continuing Education and Rules Review**

Colorado has long been at the forefront of initiatives that encourage smart government. These initiatives include sunset, sunrise, continuing education and rules review.

### ***Sunset Reviews***

Enacted in 1976, Colorado’s sunset law was the first of its kind in the United States. A sunset provision repeals all or part of a law after a specific date, unless the legislature affirmatively acts to extend it. During the sunset review process, DORA conducts a thorough evaluation of state government advisory committees, boards, programs and functions, based upon specific statutory criteria<sup>6</sup> and solicits diverse input from a broad spectrum of stakeholders including consumers, government agencies, public advocacy groups, and professional associations.

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6. Criteria may be found at §24-34-104, C.R.S.

2007/2008 Sunset Recommendations	
Review	Recommendation
Bingo and Games of Chance Bingo-Raffle Advisory Board	Continue regulation and allow bingo raffle licensees to conduct an unlimited number of bingo occasions yearly. Repeal the restriction on cash promotional prizes.
Collection Agencies	Continue regulation and eliminate the collection managers examination and require collection agencies to notify debtors of their right to request no further contact.
Community Contracted Health Care Providers	Continue and update the definition of “health care provider” so that communities may contract with all health care professionals.
CoverColorado Program	Continue the authority to impose special assessment, and create a task force to explore long-term funding solutions.
Domestic Violence Offender Management Board	Continue and give the board the authority to receive complaints, conduct investigations and remove domestic violence treatment providers from the approved provider list and renew approved providers.
In-Home Support Services	Continue and implement a periodic training seminar for single entry point case managers regarding in-home support services.
Insurance Producers	Continue and allow insurance producers to obtain a crop hail line of authority in Colorado. Require insurance producers who have their licenses revoked or who surrender their licenses to wait two years before applying for new licenses.
Multiple Employer Welfare Arrangements	Repeal program
Passenger Tramway Safety Board	Continue and establish a standard fine for area operators who fail to return deficiency statements to the board on time. Eliminate the notary requirement verifying that deficiencies identified during an inspection have been corrected.
Public Utilities Commission	Continue the Commission. Require cooperative electric associations and municipal utilities to offer customer-sited generation incentives and net metering. Remove the burden of proof on applicants for new taxi service. Include investor-owned water and sewer corporations in the definition of a public utility. Impose a surcharge on Voice Over Internet Protocol carriers to more equitably fund the Colorado High Cost Support Mechanism.

The table on the left highlights some of the major recommendations made during the 2008 Legislative Session.

Having government agencies an boards periodically justify their existence holds them accountable for their actions and compels them to focus on their core goals, especially consumer protection.

Types of sunset recommendations reflecting DORA’s regulatory philosophy include:

- **Eliminating regulation that increases costs to regulated professionals/businesses without enhancing public protection**
- **Establishing consistent standards for similar professions**
- **Assuring there is sufficient public representation on boards and advisory committees and strong prohibitions against conflicts of interest**

## Sunrise Reviews

The sunrise law compels currently unregulated occupations and professions seeking regulation to submit an application to DORA. Guided by statutory criteria, DORA evaluates the application to determine whether the lack of regulation has resulted in harm to the health, safety or welfare of Colorado citizens.<sup>7</sup> Colorado's sunrise law emphasizes that professional regulation should exist to protect the public. Self-serving regulation for a profession effectively curbs competition by limiting the number of people who can practice in a given profession, thereby driving up costs to the consumer. Alternatively, regulation that establishes or defines standards within a profession may provide consumer protection.

2007/2008 Sunrise Recommendations		
Occupation	Recommendation	Comments
Athletic Agents*	Sunrise review rejected	Number of practitioners too small
Athletic Trainers	Sunrise review rejected	No harm to public
Dietitians	Sunrise review rejected	No new evidence was provided to show harm to public
Hair Braiders/Natural Hair Stylists	Regulation	No harm to public if practitioners take sanitation and disinfection seminar
Naturopathic Physicians	Regulation	May pose harm to public; competency should be demonstrated
Qualified Intermediaries	Registration	May pose harm to public
Massage Therapists*	Do not regulate	No harm to the public that can be reduced by regulation
Animal Massage Practitioners	Sunrise review rejected	Number of practitioners too small
Real Estate Closing Agents	Regulate	Bond requirement or liability and/or responsibility by operation of law on title companies
Human Trackers	Do not regulate	An effective and efficient system is already in place
Photovoltaic Solar Installers	Do not regulate	Lack of harm to consumers, as well as the local government permit process, illustrates that there is an adequate level of regulation
Funeral Service Practitioners	Register	Require a funeral director within each funeral establishment to register, as well as require disclosure statements to enable Coloradans to better utilize the protection offered under current law

\*The General Assembly passed legislation that enacted regulation of these professions despite DORA's recommendations.

7. §24-34-104.1(4)(b)(I), C.R.S..

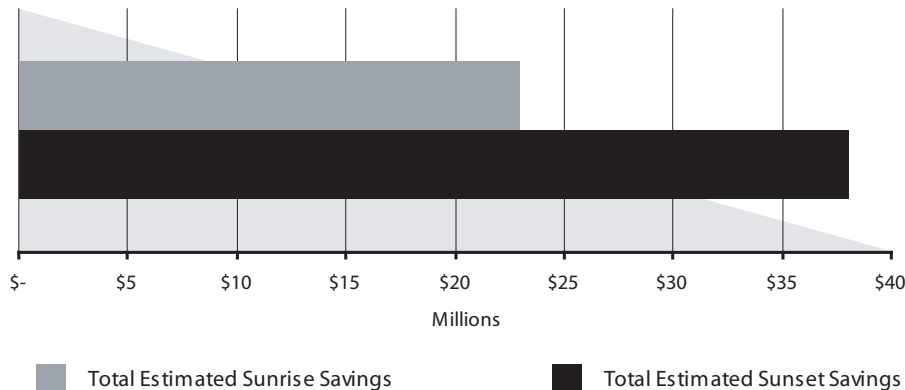
The sunrise process helps legislators make informed decisions when creating new regulatory programs. Types of sunrise recommendations reflecting DORA's regulatory philosophy include:

- **Tailor regulation to respond to changes in the marketplace**
- **If potential harm to the public is limited, do not regulate and allow the market to effectively serve the public interest**
- **Focus professional regulation on consumer protection**

Other states regulate professions where the risk of public harm seems insignificant, such as appliance repairmen, cabinetmakers, flower arrangers, fortune tellers, and motion picture projectionists. None of these would likely survive Colorado's sunrise process given DORA's regulatory philosophy.

**Anyone can submit input on any upcoming sunrise or sunset reviews via DORA's website at:**  
[www.dora.state.co.us/pls/real/OPR\\_Review\\_Comments.Main](http://www.dora.state.co.us/pls/real/OPR_Review_Comments.Main)

## Sunrise - Sunset Savings 1976 - 2007



*Since 1976, the sunset and sunrise review processes have saved Coloradans an estimated \$60 million through the elimination of unnecessary boards, programs, and functions and the prevention of new, unnecessary regulatory programs. Estimates were based on \$50,000 annually to administer small regulatory programs and \$500 annually for advisory committees or boards multiplied by the years they would have operated.*

## ***Mandatory Continuing Education Review***

Any proposed mandatory continuing education requirement and/or continuing competency requirement for any regulated occupation or profession, in any bill before the General Assembly, must first be reviewed by the Department of Regulatory Agencies. The Office of Policy, Research and Regulatory Reform reviews and analyzes the evidence and the proposal, and reports in writing to the General Assembly whether mandatory continuing education would likely protect the public served by the practitioners. In practice, DORA strongly supports efforts to maintain competency, which includes mandatory continuing education.

**Complete Sunset, Sunrise and Mandatory Continuing Education reviews can be found at [www.dora.state.co.us/opr/index](http://www.dora.state.co.us/opr/index)**

## ***Rules Review***

The underlying objective of the rules review process is to ensure that new government regulations exist to protect the public interest without placing unnecessary hardships upon small business. The law requires all state agencies to send a copy of all proposed rules to DORA. DORA then evaluates each rule to assess its relevance and necessity, as well as any potential direct and indirect costs it might entail. If the potential cost to small business is appreciable, the agency submitting the proposed rule may be required to submit a cost-benefit analysis of the rule.

Rule review recommendations reflecting DORA's regulatory philosophy include:

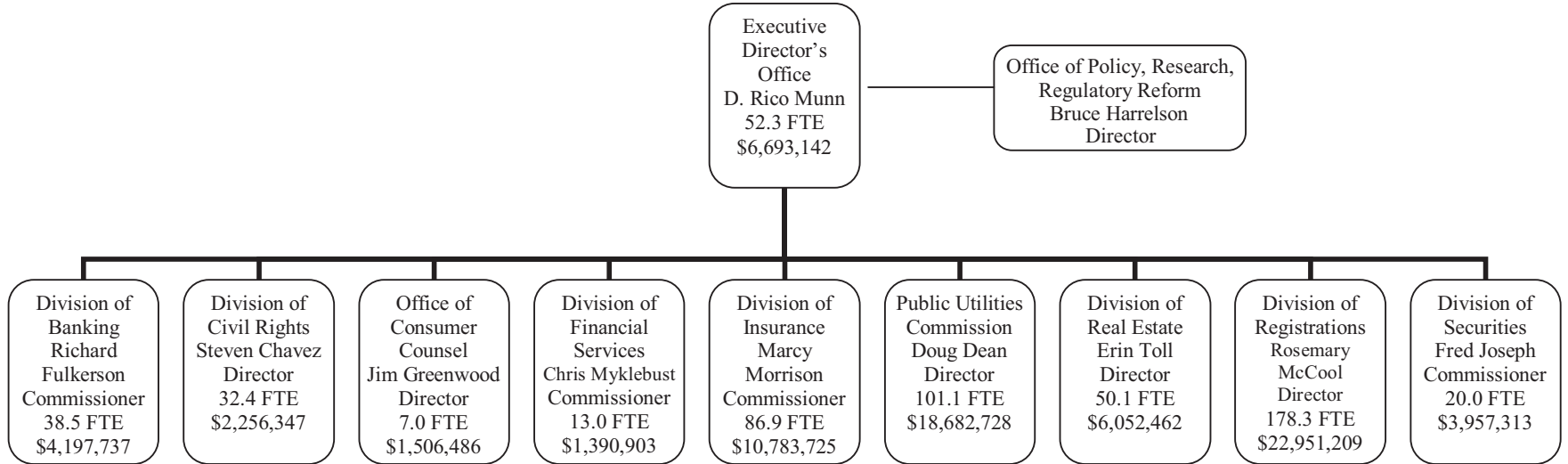
- **Limiting the creation of cumbersome administrative requirements**
- **Preventing the creation of rules that overstep an agency's statutory authority**
- **Preventing the creation of costly regulations that do not enhance public protection**

Unnecessary regulations are those that do not play a meaningful role in public protection. They can also cost time and money, which businesses pass on to consumers in the form of higher prices. DORA's rule review process compels state agencies to take a proactive approach, and consider the potential impact of rules before they are put into place.

To keep abreast of rule changes, consumers and businesses may sign up to receive DORA regulatory notices. This free service alerts subscribers via email whenever a draft proposed rule or amendment to an existing rule in area(s) of interest is submitted for review.

**Anyone can receive notices of state agency rulemaking hearings by signing up via DORA's website at:  
[www.dora.state.co.us/pls/real/sb121\\_web.signup\\_form](http://www.dora.state.co.us/pls/real/sb121_web.signup_form)**

# DORA Budget and Staffing



**Department of Regulatory Agencies  
Organizational Chart  
FY 08-09  
579.6 FTE  
\$78,772,052**





## Boards & Commissions

DORA has approximately 50 boards, commissions or advisory committees made up of representatives from various professions and the general public, most of which are appointed by the Governor. The vast majority of members serve on a voluntary basis.

List of DORA Boards, Commissions, Advisory Committees & Task Forces

Accountancy Board	Landscape Architects Board	Podiatry Board
Addiction Counselor Advisory Committee	Licensed Professional Counselors Examiners	Producer Advisory Council (Insurance)
Architects, Professional Engineers, & Professional Land Surveyors Licensing Board	Mandated Health Benefits Commission	Psychologist Examiners Board
Bail Bonds Advisory Committee	Marriage & Family Therapists Examiners Board	Public Utilities Commission
Banking Board	Medical Examiners Board	Real Estate Appraisers Board
Barber & Cosmetology Licensing Advisory Committee	Mortgage Broker Education Task Force	Real Estate Appraiser Education Task Force
Boxing Commission	Mortgage Broker Rulemaking Task Force	Real Estate Broker Education Task Force
Chiropractic Examiners Board	Municipal Bond Supervision Advisory Board	Real Estate Commission
Civil Rights Commission	Nurse Aide Advisory Committee	Real Estate Commission Forms Committee
Conservation Easement Oversight Commission	Nursing Board	Securities Board
Consumer Insurance Council	Nursing Home Administrators Examiners Board	Social Work Examiners Board
Dental Examiners Board	Optometric Examiners Board	Title Insurance Advisory Council
Electrical Board	Outfitter Registration Advisory Committee	Unlicensed Psychotherapists Grievance Board
Financial Services Board	Passenger Tramway Safety Board	Utility Consumers Board
	Pharmacy Board	Veterinary Medicine Board
	Physical Therapy Advisory Committee	Workers Compensation Appeals Board
	Plumbers Examining Board	

## Conclusion

Consumer protection is paramount in Colorado's regulatory environment. When consumers are confident that their interests are protected, they are more likely to engage in the marketplace and utilize the goods and services available.

DORA preserves the integrity of the marketplace by:

- Taking decisive action when regulated professionals and businesses step outside the boundaries. Enforcement actions demonstrate to consumers that their interests are protected and prove to regulated entities that there are clear consequences for non-compliance.
- Regulating proactively, by reaching out to consumers as well as regulated professionals and businesses. Education and outreach help consumers make good decisions, and encourage businesses to comply with the law.
- Implementing "good government" initiatives such as sunset, sunrise, and rules review. These processes assure regulation is necessary, relevant, and not unduly restrictive. These processes also foster stakeholder involvement and hold government agencies accountable to their statutory mandate.

Colorado's flexible regulatory framework is uniquely suited to the evolving marketplace. As new industries emerge and consumers' needs change, DORA will continue to preserve the public health, safety and welfare; nurture innovation; and foster Colorado's economic prosperity.

## What businesses and professions does DORA regulate?

The Colorado Department of Regulatory Agencies (DORA) is comprised of ten divisions: Banking, Civil Rights, Financial Services, Insurance, Real Estate, Registrations, Securities, the Office of Consumer Counsel, the Public Utilities Commission and the Executive Director's Office.

DORA's regulated professions and businesses are listed here. Also noted are the approximate number of licenses for each profession.

<b>Professions</b>	<b>FY 07-08 No. of Licenses</b>	<b>Businesses</b>
Acupuncturists	935	Accounting Firms
Architects/Engineers/Land Surveyors	29,578	Banks (Commercial)
Athlete Agents	New	Banks (Institutional)
Bail Bonding Agents	558	Barber Shops
Barbers/Cosmetologists	47,815	Barber/Cosmetology Shops and Salons
Boxers	1,014	Drug Limited License
Certified Nurse Aides	26,033	Drug Manufacturer License
Certified Public Accountants	18,062	Credit Unions
Chiropractors	2,488	Drug Wholesalers
Dentists	8,374	Electrical Contractors
Electricians and Electrical Contractors	20,102	Insurance Agencies
Hearing Aid Providers/Audiologists	513	Insurance Companies (Life, Health, Property & Casualty, Title, HMOs, Captives, Risk Retention Groups)
Insurance Producers (Agents)	115,229	Insurance Intermediaries
Investment Advisor Representatives	9,163	Insurance Purchasing Groups
Landscape Architects	469	Investment Advisory Firms
Massage Therapists	New	Life Care Institutions
Medical (Physicians)	21,360	Manufacturer Drug Outlets
Mental Health Professionals	13,088	Money Transmitters
Midwives	58	Preneed Funeral Contract Sellers
Mortgage Brokers	9,806	Prescription Drug Outlets
Nurses (LPN,RN)	67,245	Savings and Loan Associations
Nursing Home Administrators	437	Securities Brokerage Firms
Occupational Therapists	New	Self Insurance Pools
Optometrists	1,167	Tramways
Outfitters (Hunting and Fishing)	732	Transportation Companies
Pharmacists	8,937	Trust Companies
Physical Therapists	5,689	Utilities
Plumbers and Plumbing Contractors	8,382	
Podiatrists	201	
Real Estate Brokers	47,572	
Real Estate Appraisers	4,447	
Respiratory Therapists	2,481	
Stockbrokers	154,580	
Veterinarians	4,242	

# Other Government Agencies Responsible for Regulating Professions and Businesses in Colorado

## **Department of Education**

*Administrators, teachers, K-12, interpreters*

(303) 866-6628

[www.cde.state.co.us](http://www.cde.state.co.us)

## **State Supreme Court**

*Attorneys*

(303) 866-6554

[www.courts.state.co.us](http://www.courts.state.co.us)

## **Department of Revenue**

*Gaming, liquor licenses, motor vehicle dealers and salespersons, racing*

Gaming: (303) 205-1333

Liquor: Denver (303) 205-2300

Colorado Springs (719) 594-8702

Greeley (970) 356-3992

Grand Junction (970) 248-7133

Motor Vehicle: (303) 205-5604

Racing: (303) 205-2990

[www.revenue.state.co.us](http://www.revenue.state.co.us)

## **Department of Agriculture**

*Nursery businesses, pesticide applicators, pet animal care facilities and sale of farm products, slaughterers, processors, eggs, seeds, etc.*

Animal Industry: (303) 239-4168

Plant Industry: (303) 239-4140

[www.colorado.gov/ag](http://www.colorado.gov/ag)

## **Department of Law**

*Collection agencies, debt management companies*

Licensing: (303) 866-5706

Complaints: (303) 866-5304

[www.ago.state.co.us](http://www.ago.state.co.us)

## **Department of Public Health and Environment**

*Emergency medical technicians, health facilities, hospitals, restaurants, water treatment plant operators, and environmental permits to companies which produce air, water, or hazardous waste pollution*

(303) 692-2000

[www.cdphe.state.co.us](http://www.cdphe.state.co.us)

## **Department of Local Affairs**

*Emergency/disaster management*

(303) 866-2033

[www.dola.state.co.us](http://www.dola.state.co.us)

## **Secretary of State**

*Register business names, bingo, charities, and notaries public*

(303) 894-2200

[www.sos.state.co.us](http://www.sos.state.co.us)

## Department of Regulatory Agencies

1560 Broadway, Suite 1550

Denver, Colorado 80202

(303) 894-7855 • (800) 886-7675 • (303) 894-7885 fax

Division of Banking	<a href="http://www.dora.state.co.us/banking">www.dora.state.co.us/banking</a>	(303) 894-7575
Civil Rights Division	<a href="http://www.dora.state.co.us/civil-rights">www.dora.state.co.us/civil-rights</a>	(303) 894-2997
Office of Consumer Counsel	<a href="http://www.dora.state.co.us/occ">www.dora.state.co.us/occ</a>	(303) 894-2121
Executive Director's Office	<a href="http://www.dora.state.co.us/edo">www.dora.state.co.us/edo</a>	(303) 894-7855
Division of Financial Services	<a href="http://www.dora.state.co.us/financial-services">www.dora.state.co.us/financial-services</a>	(303) 894-2336
Division of Insurance	<a href="http://www.dora.state.co.us/insurance">www.dora.state.co.us/insurance</a>	(303) 894-7499
Public Utilities Commission	<a href="http://www.dora.state.co.us/puc">www.dora.state.co.us/puc</a>	(303) 894-2000
Division of Real Estate	<a href="http://www.dora.state.co.us/real-estate">www.dora.state.co.us/real-estate</a>	(303) 894-2166
Division of Registrations	<a href="http://www.dora.state.co.us/registrations">www.dora.state.co.us/registrations</a>	(303) 894-7800
Division of Securities	<a href="http://www.dora.state.co.us/securities">www.dora.state.co.us/securities</a>	(303) 894-2320
Office of Policy, Research & Regulatory Reform	<a href="http://www.dora.state.co.us/opr">www.dora.state.co.us/opr</a>	(303) 894-2992





# **Dora**

Department of Regulatory Agencies

**DORA is dedicated to preserving the integrity of the marketplace and is committed to promoting a fair and competitive business environment in Colorado. Consumer protection is our mission.**



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