

STATE OF COLORADO

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NEWS RELEASE

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Naturopathic Physicians, Qualified Intermediaries and Real Estate Closing Agents - Sunrise Reviews Released – State Regulation Proposed

Denver, Colorado --- The Department of Regulatory Agencies' Office of Policy, Research and Regulatory Reform has released three sunrise reviews examining the need for state regulation of Naturopathic Physicians, Qualified Intermediaries and Real Estate Closing Agents. A sunrise review is required when any interested party proposes state regulation of a currently unregulated occupation or profession. Sunrise reviews determine whether the public is being harmed by the unregulated practice of an occupation or profession and whether there are less burdensome alternatives. These reviews are presented to the General Assembly to better enable it to evaluate the need for the regulation and to determine the least restrictive regulatory alternative consistent with the public interest.

The recently released 2008 sunrise reviews found that:

Naturopathic Physicians

Harm can be caused by naturopathic practitioners engaging in certain types of practice and that a licensing scheme should be implemented, since it would offer the public the greatest level of regulatory protection. The review further found that only those individuals who have fulfilled the requirements for licensure should be allowed to engage in the scope of practice for naturopathic physicians, thus ensuring a minimum level of competency for those tasks deemed most risky.

Qualified Intermediaries

Qualified Intermediaries (QI) facilitating exchanges in Colorado under section 1031 of the Internal Revenue Code should be required to register with the Division of Registrations. Additionally, the review found that dual signatures for both the QI and the investment property owner in order for 1031 exchange funds to be transferred should be required. Additionally, QIs should be required to maintain a bond worth at least \$1 million and at least \$250,000 of errors and omissions insurance prior to facilitating 1031 exchanges in Colorado. The review also recommended that QIs provide a consent form highlighting where an investment property owner's 1031 exchange funds will be invested and that QIs, officers within a 1031 exchange company and company shareholders of 10 percent or more equity be required to complete a criminal background check prior to providing services in Colorado.

Closing Agents

Closing agents are responsible for a variety of administrative functions in real estate transactions. The closing agent handles the legal transfer of title and ownership of a property from the seller to the buyer. Based on the potential for financial harm to Colorado consumers, the Department of Regulatory Agencies recommended adding a layer of consumer protection by either imposing a bond requirement on closing agents or imposing liability and/or responsibility on title companies by operation of law for the actions of the closing agents with which they contract.

Please visit <http://www.dora.state.co.us/opr/oprpublications.htm> for the complete reviews.



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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