



Dora

Department of Regulatory Agencies
Executive Director's Office

NEWS RELEASE

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DORA Recommends Collection Agencies Be Required to Disclose Locations to Consumers

DENVER – Rico Munn, Executive Director of the Colorado Department of Regulatory Agencies (DORA) announces today the release of a regulatory sunset review that recommends continuing to require that out-of-state collection agencies that collect debts in Colorado maintain an office in Colorado, and take further action to inform debtors of the physical locations of those offices.

While collection agencies have been required to maintain in-state offices in Colorado since 1941, the review found that while out-of-state collection agencies have complied with this requirement, they have done so by rarely letting consumers know of their location or existence.

In July 2009, there were a total of 642 licensed collection agencies in Colorado. Of these, 509 – or 79 percent – were based out of state, and are required to maintain an in-state office despite the fact that their businesses are based elsewhere. Numerous law offices and office-sharing businesses provide shared office space to out-of-state collection agencies in exchange for a monthly fee. Several of these businesses currently serve as the in-state office for over 100 different collection agencies.

“The law requires an in-state presence, and as long as that law is in place, collection agencies should not be allowed to hide from consumers,” said Munn. “What we found is that the one time one of these companies let consumers know where they were located, Coloradans showed up in numbers to pay their bills. A local presence that is actually publicized and accessible to Colorado consumers, is not only in the spirit of the law, but is in the best interests of consumers.”

Sunset reviews, available on DORA's website (www.dora.state.co.us/opr/oprpublications.htm) provide recommendations to the Colorado Legislature to repeal unnecessary regulation in state government programs or divisions, and enhance the performance of programs that are continued. Colorado was the first state in the country to pass a regulatory sunset law in 1976, and by 1982, 36 other states followed suit. The sunset process was one of the first accountability tools designed to examine the need for and impact of state regulation on the economy and the effectiveness of state regulation in protecting consumers.

On October 15, DORA will release 15 more sunset reviews on the following governmental programs and advisory committees:

Advisory Committee Reviews

- Forestry Advisory Board
- High Technology Scholarship Program Advisory Committee
- Wildlife Habitat Stamp Committee, Colorado
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Sunset Reviews

- Accountancy, State Board of
- Boxing, Office of, including the Colorado State Boxing Commission
- Deaf and Hard of Hearing, Colorado Commission for the
- Electrical Board
- Medical Examiners, Board of
- Obesity Treatment Pilot Program
- Podiatry Board
- Functions of the Division of Insurance related to regulation of property and casualty, automobile, and any other entity or function that does not offer health, life, property, casualty, or automobile insurance by the Division
- River Outfitters, Licensing of
- Sex Offender Management Board
- Telemedicine Pilot Programs by the Department of Health Care Policy and Financing, Administration of
- Workers' Compensation Classification Appeals Board

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