

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

LLS NO. 26-0360.01 Richard Sweetman x4333

**HOUSE BILL 26-1287**

**HOUSE SPONSORSHIP**

**Boesenecker and Brooks**, Bacon, Jackson, Ricks

**SENATE SPONSORSHIP**

**Kolker and Jodeh**, Coleman

**House Committees**

Transportation, Housing & Local Government  
Appropriations

**Senate Committees**

State, Veterans, & Military Affairs  
Appropriations

**A BILL FOR AN ACT**

101 **CONCERNING THE CONTINUATION OF CERTAIN REGULATORY**  
102 **FUNCTIONS OF THE DIVISION OF REAL ESTATE, AND, IN**  
103 **CONNECTION THEREWITH, IMPLEMENTING THE**  
104 **RECOMMENDATIONS CONTAINED IN THE 2025 SUNSET REPORT**  
105 **BY THE DEPARTMENT OF REGULATORY AGENCIES.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)*

**Sunset Process - House Transportation, Housing, and Local Government Committee.** The bill implements the recommendations of

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.*  
*Dashes through the words or numbers indicate deletions from existing law.*

SENATE  
3rd Reading Unamended  
May 8, 2026

SENATE  
2nd Reading Unamended  
May 7, 2026

HOUSE  
3rd Reading Unamended  
April 24, 2026

HOUSE  
Amended 2nd Reading  
April 22, 2026

the department of regulatory agencies in its sunset review and report concerning certain regulatory functions of the division of real estate (division), including the real estate commission (commission), the registration of subdivision developers, and requirements for home warranty service contracts. Specifically:

- **Sections 1 through 5** of the bill continue the division, including the commission and subdivision developers, for 11 years, until 2037, and remove home warranty service contracts from the sunset schedule;
- **Section 6** authorizes the commission to deny a license to an applicant who has committed any of certain offenses;
- **Section 7** authorizes the commission to order a licensee who commits any of certain offenses to pay restitution. **Section 7** also extends the time that must elapse before the commission may consider an application for licensure from a person whose license was revoked from one year to 2 years. **Section 7** also updates gendered language to gender-neutral language.
- **Sections 7, 13, 14, and 21** allow the commission to communicate with licensees via electronic mail for certain purposes;
- **Section 8** authorizes the commission to inactivate the license of a licensee who fails to comply with continuing education requirements. **Section 8** also allows the division to charge a fee to each provider that submits a continuing education course.
- **Section 9** clarifies that any licensed broker may elect to have a license issued in a previously used legal name. **Section 9** also updates gendered language to gender-neutral language.
- **Sections 10 and 11** remove language requiring the commission to serve subpoenas in the same manner as subpoenas issued by a district court and substitute language stating that subpoenas may be enforced by a court with jurisdiction;
- **Section 12** requires the division to establish protocols addressing the security of electronic correspondence; and
- **Sections 15 through 21** update gendered language to gender-neutral language.

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

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 12-10-227 as

1 follows:

2 **12-10-227. Repeal of part - subject to review.**

3 This part 2 is repealed, effective ~~September 1, 2026~~ SEPTEMBER  
4 1, 2037. Before the repeal, the division, including the commission, is  
5 scheduled for review in accordance with section 24-34-104.

6 **SECTION 2.** In Colorado Revised Statutes, **amend** 12-10-305 as  
7 follows:

8 **12-10-305. Repeal of part - subject to review.**

9 This part 3 is repealed, effective ~~September 1, 2026~~ SEPTEMBER  
10 1, 2037. Before the repeal, this part 3 is scheduled for review in  
11 accordance with section 24-34-104.

12 **SECTION 3.** In Colorado Revised Statutes, **amend** 12-10-508 as  
13 follows:

14 **12-10-508. Repeal of part - subject to review.**

15 This part 5 is repealed, effective ~~September 1, 2026~~ SEPTEMBER  
16 1, 2037. Before the repeal, this part 5 is scheduled for review in  
17 accordance with section 24-34-104.

18 **SECTION 4.** In Colorado Revised Statutes, **repeal** 12-10-906 as  
19 follows:

20 **12-10-906. Repeal of part - subject to review.**

21 ~~This part 9 is repealed, effective September 1, 2026. Before the~~  
22 ~~repeal, this part 9 is scheduled for review in accordance with section~~  
23 ~~24-34-104.~~

24 **SECTION 5.** In Colorado Revised Statutes, 24-34-104, **repeal**  
25 (27)(a)(VI) and (27)(a)(XVII); and **add** (38)(a)(II) as follows:

26 **24-34-104. General assembly review of regulatory agencies**  
27 **and functions for repeal, continuation, or reestablishment - legislative**

1     **declaration - repeal.**

2           (27) (a) The following agencies, functions, or both, are scheduled  
3 for repeal on September 1, 2026:

4           (VI) ~~The division of real estate, including the real estate~~  
5 ~~commission, created in part 2 of article 10 of title 12, and its functions~~  
6 ~~under parts 2, 3, and 5 of article 10 of title 12;~~

7           (XVII) ~~The legal requirements pertaining to home warranty~~  
8 ~~service contracts under part 9 of article 10 of title 12.~~

9           (38) (a) The following agencies, functions, or both, are scheduled  
10 for repeal on September 1, 2037:

11           (II) THE DIVISION OF REAL ESTATE, INCLUDING THE REAL ESTATE  
12 COMMISSION, CREATED IN PART 2 OF ARTICLE 10 OF TITLE 12, AND ITS  
13 FUNCTIONS UNDER PARTS 2, 3, AND 5 OF ARTICLE 10 OF TITLE 12.

14           **SECTION 6.** In Colorado Revised Statutes, **amend** 12-10-202 as  
15 follows:

16           **12-10-202. License required.**

17           (1) It is unlawful for ~~any~~ A person, A firm, A partnership, A limited  
18 liability company, AN association, or A corporation to engage in the  
19 business or capacity of real estate broker in this state without first having  
20 obtained a license from the commission. ~~No~~ THE COMMISSION SHALL NOT  
21 GRANT A person ~~shall be granted~~ a license until the person establishes  
22 compliance with the provisions of this part 2 concerning education,  
23 experience, and testing; truthfulness and honesty and otherwise good  
24 moral character; and, in addition to any other requirements of this section,  
25 competency to transact the business of a real estate broker in such A  
26 manner as to safeguard the interest of the public and only after  
27 satisfactory proof of the qualifications, together with the application for

1 the license, is filed in the office of the commission. In determining the  
2 person's character, the commission shall be governed by section 24-5-101.

3 (2) THE COMMISSION MAY DENY A LICENSE TO AN APPLICANT FOR  
4 LICENSURE IF THE APPLICANT IS GUILTY OF ANY OF THE OFFENSES LISTED  
5 IN SECTION 12-10-217 (1)(n)(I).

6 **SECTION 7.** In Colorado Revised Statutes, 12-10-217, **amend**  
7 (1) introductory portion, (1)(b), (1)(h), (1)(i), (7), and (9) as follows:

8 **12-10-217. Investigation - revocation - actions against licensee**  
9 **or applicant - definition.**

10 (1) The commission, upon its own motion, may, and, upon the  
11 complaint in writing of any person, shall, investigate the activities of any  
12 licensee or any person ~~who~~ THAT assumes to act in the capacity of a  
13 licensee within the state, and the commission, after holding a hearing  
14 pursuant to section 12-10-219, ~~has the power to~~ MAY impose an  
15 administrative fine not to exceed two thousand five hundred dollars for  
16 each separate offense, ~~and to~~   censure a licensee, ~~to place the~~ A  
17 licensee on probation and ~~to~~ set the terms of probation, or ~~to~~ temporarily  
18 suspend a license or ~~permanently~~ revoke a license ~~when~~ IF the licensee  
19 has performed, is performing, or is attempting to perform any of the  
20 following acts and is guilty of:

21 (b) Making any promise of a character that influences, persuades,  
22 or induces another person when ~~he or she~~ THE LICENSEE could not or did  
23 not intend to keep the promise;

24 (h)  Failing to account for or to remit, within a reasonable time,  
25  any money coming into the licensee's possession that belongs to others  
26  whether acting as real estate brokers or otherwise WHEN PERFORMING  
27  FUNCTIONS FOR WHICH A LICENSE IS REQUIRED PURSUANT TO SECTION

1 12-10-201 (6), and failing to keep records relative to the money, which  
2 records ~~shall~~ MUST contain such information as ~~may be~~ IS prescribed by  
3 ~~the rules of the commission relative thereto~~ and ~~shall be~~ ARE subject to  
4 audit by the commission;

5 (i) WHEN PERFORMING FUNCTIONS FOR WHICH A LICENSE IS  
6 REQUIRED PURSUANT TO SECTION 12-10-201 (6), converting funds of  
7 others, diverting funds of others without proper authorization,  
8 commingling funds of others with the broker's own funds, or failing to  
9 keep the funds of others in an escrow or a trustee account with some bank  
10 or recognized depository in this state, which account may be any type of  
11 checking, demand, passbook, or statement account insured by an agency  
12 of the United States government, and to keep records relative to the  
13 deposit that contain such information as may be prescribed by the rules  
14 of the commission, ~~relative thereto~~, which records ~~shall be~~ ARE subject to  
15 audit by the commission;

16 (7) When a complaint or an investigation discloses an instance of  
17 misconduct that, in the opinion of the commission, does not warrant  
18 formal action by the commission but that should not be dismissed as  
19 being without merit, the commission may send a letter of admonition by  
20 ELECTRONIC MAIL OR BY certified mail, return receipt requested, to the  
21 licensee against whom a complaint was made and a copy thereof to the  
22 person making the complaint. ~~but~~ The letter ~~shall~~ MUST advise the  
23 licensee that the licensee has the right to request, in writing, within twenty  
24 days after proven receipt, that formal disciplinary proceedings be initiated  
25 to adjudicate the propriety of the conduct upon which the letter of  
26 admonition is based. If the request is timely made, the letter of  
27 admonition shall be deemed vacated, and the matter shall be processed by

1 means of formal disciplinary proceedings.

2 (9) Any application for licensure from a person whose license has  
3 been revoked shall not be considered until the passage of ~~one year~~ TWO  
4 YEARS from the date of revocation.

5

6 **SECTION 8.** In Colorado Revised Statutes, 12-10-213, **amend**  
7 (5); and **add** (6) and (7) as follows:

8 **12-10-213. Renewal of license - continuing education**  
9 **requirement - rules.**

10 (5) The commission ~~shall promulgate rules to implement this~~  
11 ~~section~~ MAY INACTIVATE THE LICENSE OF A LICENSEE WHO FAILS TO  
12 COMPLY WITH THE REQUIREMENTS OF THIS SECTION.

13 (6) THE DIVISION MAY CHARGE A FEE TO EACH PROVIDER THAT  
14 SUBMITS A CONTINUING EDUCATION COURSE.

15 (7) THE COMMISSION SHALL ADOPT RULES TO IMPLEMENT THIS  
16 SECTION.

17 **SECTION 9.** In Colorado Revised Statutes, 12-10-203, **amend**  
18 (5)(b) and (8) as follows:

19 **12-10-203. Application for license - rules - definition.**

20 (5) (b) An applicant for a broker's license who has held a real  
21 estate license in another jurisdiction that administers a real estate broker's  
22 examination and who has been licensed for two or more years prior to  
23 applying for a Colorado license may be issued a broker's license if the  
24 applicant establishes that ~~he or she possesses~~ THEY POSSESS credentials  
25 and qualifications that are substantively equivalent to the requirements in  
26 Colorado for licensure by examination.

27 (8) ~~No~~ A license for a broker registered as being in the employ of

1 another broker shall NOT be issued to a partnership, a limited liability  
2 company, or a corporation or under a fictitious name or trade name;  
3 except that ~~a married woman~~ AN INDIVIDUAL may elect to use ~~her birth~~ A  
4 PREVIOUSLY USED LEGAL name.

5 **SECTION 10.** In Colorado Revised Statutes, **amend** 12-10-224  
6 as follows:

7 **12-10-224. Subpoena compelling attendance of witnesses and**  
8 **production of records and documents.**

9 The commission, the director, or the administrative law judge  
10 appointed for hearings may issue a subpoena compelling the attendance  
11 and testimony of witnesses and the production of books, papers, or  
12 records pursuant to an investigation or hearing of the commission. The  
13 subpoenas ~~shall be served in the same manner as subpoenas issued by~~  
14 ~~district courts~~ MAY BE ENFORCED BY A COURT OF COMPETENT  
15 JURISDICTION IF NOT OBEYED and shall be issued without discrimination  
16 between public or private parties requiring the attendance of witnesses  
17 and the production of documents at hearings. If a person fails or refuses  
18 to obey a subpoena issued by the commission, the director, or the  
19 appointed administrative law judge, the commission may petition the  
20 district court having jurisdiction for issuance of a subpoena in the  
21 premises, and the court shall, in a proper case, issue its subpoena. ~~Any~~ A  
22 person ~~who~~ THAT refuses to obey a subpoena shall be punished as  
23 provided in section 12-10-225.

24 **SECTION 11.** In Colorado Revised Statutes, 12-10-506, **amend**  
25 (4) as follows:

26 **12-10-506. Powers of commission - injunction - rules.**

27 (4) The commission, the director, or the administrative law judge

1 appointed for a hearing may issue a subpoena compelling the attendance  
2 and testimony of witnesses and the production of books, papers, or  
3 records pursuant to an investigation or hearing of the commission. Any  
4 such subpoena ~~shall be served in the same manner as for subpoenas~~  
5 ~~issued by district courts~~ MAY BE ENFORCED BY A COURT OF COMPETENT  
6 JURISDICTION IF NOT OBEYED.

7 **SECTION 12.** In Colorado Revised Statutes, 12-10-207, **amend**  
8 (2) as follows:

9 **12-10-207. Division of real estate - creation - director, clerks,**  
10 **and assistants.**

11 (2) It is the duty of the director, personally, or the director's  
12 designee to:

13 (a) Aid in the administration and enforcement of ~~parts 2~~ THIS PART  
14 2 and PART 5 of this article 10 and in the prosecution of all persons  
15 charged with violating any of their provisions; ~~to~~

16 (b) Conduct audits of business accounts of licensees; ~~to~~

17 (c) ESTABLISH PROTOCOLS TO ADDRESS THE SECURITY OF  
18 ELECTRONIC CORRESPONDENCE, INCLUDING WHEN ELECTRONIC  
19 CORRESPONDENCE MAY BE USED FOR THE PURPOSES OF THIS ARTICLE 10;

20 (d) Perform such duties of the commission as the commission  
21 prescribes; and ~~to~~

22 (e) Act ~~in~~ ON behalf of the commission on such occasions and in  
23 such circumstances as the commission directs.

24 **SECTION 13.** In Colorado Revised Statutes, 12-10-208, **amend**  
25 (2) as follows:

26 **12-10-208. Resident licensee - nonresident licensee - consent**  
27 **to service.**

1 (2) If a broker has no registered agent registered in this state, the  
2 registered agent is not located under its registered agent name at its  
3 registered agent address, or the registered agent cannot with reasonable  
4 diligence be served, the broker may be served by ELECTRONIC MAIL,  
5 registered mail, or ~~by~~ certified mail, return receipt requested, addressed  
6 to the entity at its principal address. Service is perfected under this  
7 subsection (2) at the earliest of:

- 8 (a) The date the broker receives the process, notice, or demand;
- 9 (b) The date shown on the return receipt, IF ANY, IF THE RETURN  
10 RECEIPT IS signed by or on behalf of the broker; or
- 11 (c) Five days after ~~mailing~~ THE SERVICE IS SENT.

12 **SECTION 14.** In Colorado Revised Statutes, 12-10-219, **amend**  
13 (2) as follows:

14 **12-10-219. Hearing - administrative law judge - review - rules.**

15 (2) The proceedings shall be held in the county where the  
16 commission has its office or in such other place as the commission may  
17 designate. If the licensee is an employed broker, the commission shall  
18 also notify the broker employing the licensee by mailing, by ELECTRONIC  
19 MAIL OR first-class mail, a copy of the written notice required under  
20 section 24-4-104 (3) to the employing broker's last-known business  
21 address.

22 **SECTION 15.** In Colorado Revised Statutes, 12-10-201, **amend**  
23 (6)(b)(II), (6)(b)(V), (6)(b)(XII), and (6)(b)(XIII) as follows:

24 **12-10-201. Definitions.**

25 As used in this part 2, unless the context otherwise requires:

26 (6) (b) "Real estate broker" or "broker" does not apply to any of  
27 the following:

1 (II) Any public official in the conduct of ~~his or her~~ THE PUBLIC  
2 OFFICIAL'S official duties;

3 (V) An attorney-at-law in connection with ~~his or her~~ THE  
4 ATTORNEY'S representation of clients in the practice of law;

5 (XII) A regularly salaried employee of an owner of an apartment  
6 building or complex who acts as an on-site manager of ~~such~~ an apartment  
7 building or complex. This exemption applies only ~~in~~ WITH respect to the  
8 customary duties of an on-site manager performed for ~~his or her~~ THE  
9 ON-SITE MANAGER'S employer.

10 (XIII) A regularly salaried employee of an owner of condominium  
11 units who acts as an on-site manager of ~~such~~ THE units. ~~For purposes of~~  
12 AS USED IN this subsection (6)(b)(XIII) only, the term "owner" includes  
13 ~~a homeowners' association~~ AN HOA formed and acting pursuant to its  
14 recorded condominium declaration and bylaws. This exemption applies  
15 only ~~in~~ WITH respect to the customary duties of an on-site manager  
16 performed for ~~his or her~~ THE ON-SITE MANAGER'S employer.

17 **SECTION 16.** In Colorado Revised Statutes, 12-10-212, **amend**  
18 (3) as follows:

19 **12-10-212. License fees - partnership, limited liability**  
20 **company, and corporation licenses - rules.**

21 (3) Each real estate broker's license ~~granted to an individual shall~~  
22 ~~entitle~~ ENTITLES the individual to perform all the acts contemplated by  
23 this part 2 without any further application on ~~his or her~~ THE INDIVIDUAL'S  
24 part and without the payment of any fee other than the fees specified in  
25 this section.

26 **SECTION 17.** In Colorado Revised Statutes, 12-10-218, **amend**  
27 (2)(b), (2)(g) introductory portion, and (2)(g)(II) as follows:

1           **12-10-218. Affiliated business arrangements - definitions -**  
2           **disclosures - enforcement and penalties - reporting - rules -**  
3           **investigation information shared with the division of insurance.**

4           (2) (b) If a licensee or the employing broker of a licensee is part  
5           of an affiliated business arrangement, ~~when an offer to purchase real~~  
6           ~~property is fully executed,~~ the licensee shall disclose ~~to all parties to the~~  
7           ~~real estate transaction the existence of the arrangement~~ THE EXISTENCE OF  
8           THE AFFILIATED BUSINESS ARRANGEMENT TO THE PARTY THE LICENSEE  
9           REPRESENTS AT THE TIME OF MAKING THE REFERRAL. The disclosure ~~shall~~  
10          ~~be written, shall be signed by all parties to the real estate transaction, and~~  
11          ~~shall~~ MUST comply with the federal "Real Estate Settlement Procedures  
12          Act of 1974", as amended, 12 U.S.C. sec. 2601 et seq.

13          (g) It ~~shall~~ IS not be a violation of this section for an affiliated  
14          business arrangement:

15          (II) If an attorney or law firm represents a client in a real estate  
16          transaction and issues or arranges for the issuance of a policy of title  
17          insurance in the transaction directly as agent or through a separate  
18          corporate title insurance agency that may be established by that attorney  
19          or law firm and operated as an adjunct to ~~his or her~~ THE ATTORNEY'S OR  
20          LAW FIRM'S law practice.

21          **SECTION 18.** In Colorado Revised Statutes, **amend** 12-10-225  
22          as follows:

23          **12-10-225. Failure to obey subpoena - penalty.**

24          ~~Any~~ A person ~~who~~ THAT willfully fails or neglects to appear and  
25          testify or to produce books, papers, or records required by subpoena, duly  
26          served upon ~~him or her~~ THE PERSON in any matter conducted under ~~parts~~  
27          ~~2 and~~ THIS PART 2 AND PART 5 of this article 10, commits a petty offense.

1 Each day a person so refuses or neglects constitutes a separate offense.

2 **SECTION 19.** In Colorado Revised Statutes, **amend** 12-10-302  
3 as follows:

4 **12-10-302. Objections on account of title.**

5 ~~No~~ A real estate agent or broker is NOT entitled to a commission  
6 when a proposed purchaser fails or refuses to complete ~~his or her~~ THE  
7 PROPOSED PURCHASER'S contract of purchase because of defects in the  
8 title of the owner, unless the owner, within a reasonable time, has the  
9 defects corrected by legal proceedings or otherwise.

10 **SECTION 20.** In Colorado Revised Statutes, **amend** 12-10-303  
11 as follows:

12 **12-10-303. When owner must perfect title.**

13 ~~The~~ AN owner ~~shall~~ IS not ~~be~~ required to begin legal or other  
14 proceedings for the correction of a title until the agent or broker secures  
15 from the proposed purchaser an enforceable contract in writing, binding  
16 ~~him or her~~ THE PROPOSED PURCHASER to complete the purchase whenever  
17 the defects in the title are corrected.

18 **SECTION 21.** In Colorado Revised Statutes, 12-10-403, **add** (9)  
19 as follows:

20 **12-10-403. Relationships between brokers and the public -**  
21 **definition - rules.**

22 (9) NOTWITHSTANDING SUBSECTION (6)(b) OF THIS SECTION, A  
23 BROKER WORKING WITH A BUYER, SELLER, LANDLORD, OR TENANT MAY  
24 DISCLOSE THE BUYER'S, SELLER'S, LANDLORD'S, OR TENANT'S  
25 CONFIDENTIAL INFORMATION TO THE BROKER'S EMPLOYING BROKER OR TO  
26 THE EMPLOYING BROKER'S DESIGNEE FOR THE PURPOSE OF PROPER  
27 SUPERVISION SO LONG AS THE EMPLOYING BROKER OR DESIGNEE DOES NOT

1 USE THE CONFIDENTIAL INFORMATION TO THE DETRIMENT OF THE BUYER,  
2 SELLER, LANDLORD, OR TENANT.

3 **SECTION 22.** In Colorado Revised Statutes, 12-10-404, **amend**  
4 (2) introductory portion as follows:

5 **12-10-404. Single agent engaged by seller or landlord.**

6 (2) EXCEPT AS DESCRIBED IN SECTION 12-10-403 (9), A BROKER  
7 ACTING AS A SELLER'S OR LANDLORD'S AGENT SHALL NOT DISCLOSE the  
8 following information ~~shall not be disclosed by a broker acting as a~~  
9 ~~seller's or landlord's agent~~ without the ~~informed~~ EXPRESS WRITTEN  
10 consent of the seller or landlord:

11 **SECTION 23.** In Colorado Revised Statutes, 12-10-405, **amend**  
12 (2) introductory portion as follows:

13 **12-10-405. Single agent engaged by buyer or tenant.**

14 (2) EXCEPT AS DESCRIBED IN SECTION 12-10-403 (9), A BROKER  
15 ACTING AS A BUYER'S OR TENANT'S AGENT SHALL NOT DISCLOSE the  
16 following information ~~shall not be disclosed by a broker acting as a~~  
17 ~~buyer's or tenant's agent~~ without the ~~informed~~ EXPRESS WRITTEN consent  
18 of the buyer or tenant:

19 **SECTION 24.** In Colorado Revised Statutes, 12-10-407, **amend**  
20 (3) introductory portion as follows:

21 **12-10-407. Transaction-broker.**

22 (3) EXCEPT AS DESCRIBED IN SECTION 12-10-403 (9), A  
23 TRANSACTION-BROKER SHALL NOT DISCLOSE the following information  
24 ~~shall not be disclosed by a transaction-broker~~ without the ~~informed~~  
25 EXPRESS WRITTEN consent of all parties:

26 **SECTION 25.** In Colorado Revised Statutes, 12-10-505, **amend**  
27 (1) introductory portion, (1)(a), and (4) as follows:

1           **12-10-505. Refusal, revocation, or suspension of registration**  
2           **- letter of admonition - probation.**

3           (1) The commission may impose an administrative fine not to  
4           exceed two thousand five hundred dollars for each separate offense; may  
5           issue a letter of admonition; may place a registrant on probation under its  
6           close supervision on such terms and for such time as ~~it~~ THE COMMISSION  
7           deems appropriate; and may refuse, revoke, or suspend the registration of  
8           any developer or registrant if, after an investigation and after notice and  
9           a hearing pursuant to ~~the provisions of~~ section 24-4-104, the commission  
10          determines that the developer or any director, officer, or stockholder with  
11          controlling interest in the corporation:

12          (a) Has used false or misleading advertising or has made a false  
13          or misleading statement or a concealment in ~~his or her~~ THE DEVELOPER'S  
14          OR OTHER PERSON'S application for registration;

15          (4) When a complaint or investigation discloses an instance of  
16          misconduct that, in the opinion of the commission, does not initially  
17          warrant formal action by the commission but ~~that~~ should not be dismissed  
18          as being without merit, the commission may send a letter of admonition  
19          by ELECTRONIC MAIL OR BY certified mail, return receipt requested, to the  
20          registrant who is the subject of the complaint or investigation and a copy  
21          thereof to any person making the complaint. The letter ~~shall~~ MUST advise  
22          the registrant that ~~he or she~~ THE REGISTRANT has the right to request in  
23          writing, within twenty days after proven receipt, that formal disciplinary  
24          proceedings be initiated against ~~him or her~~ THE REGISTRANT to adjudicate  
25          the propriety of the conduct upon which the letter of admonition is based.  
26          If the request is timely made, the letter of admonition shall be deemed  
27          vacated, and the matter shall be processed by means of formal

1 disciplinary proceedings.

2           **SECTION 26. Act subject to petition - effective date.** This act  
3 takes effect at 12:01 a.m. on the day following the expiration of the  
4 ninety-day period after final adjournment of the general assembly (August  
5 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a  
6 referendum petition is filed pursuant to section 1 (3) of article V of the  
7 state constitution against this act or an item, section, or part of this act  
8 within such period, then the act, item, section, or part will not take effect  
9 unless approved by the people at the general election to be held in  
10 November 2026 and, in such case, will take effect on the date of the  
11 official declaration of the vote thereon by the governor.