

**First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 13-0818.01 Duane Gall x4335

HOUSE BILL 13-1277

HOUSE SPONSORSHIP

Williams,

SENATE SPONSORSHIP

Carroll and Todd,

House Committees

Business, Labor, Economic, & Workforce Development
Appropriations

Senate Committees

Local Government
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE REGULATION OF PERSONS WHO MANAGE THE**
102 **AFFAIRS OF COMMON INTEREST COMMUNITIES UNDER THE**
103 **"COLORADO COMMON INTEREST OWNERSHIP ACT".**

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://www.leg.state.co.us/billsummaries>.)

Under current law, common interest communities and their unit owners' associations (HOAs) are not subject to regulation by any state agency. The bill requires any person who manages the affairs of a common interest community on behalf of an HOA for compensation, on

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

HOUSE
3rd Reading Unamended
April 19, 2013

HOUSE
Amended 2nd Reading
April 18, 2013

or after July 1, 2014, to meet minimum qualifications and obtain a license from the director of the division of real estate in the department of regulatory agencies. Licensees are identified as "community association managers".

The licensing requirement does not apply to persons who perform clerical, ministerial, accounting, or maintenance functions, not requiring substantially specialized knowledge, judgment, or managerial skill, under the supervision of a licensed community manager or directly for an HOA's governing board. Licensing examinations will be developed and administered by the director of the division of real estate or by a person or entity under contract with the director.

The bill grants the director powers and duties similar to, but less detailed than, the powers and duties of the real estate commission under existing statutes governing the licensing and supervision of real estate brokers. The director is to monitor the operation of the licensing program during its first year and make recommendations for improvements to the general assembly on or before January 1, 2016. The regulatory scheme is also subject to review after 5 years under the existing sunset law.

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

2 **SECTION 1.** In Colorado Revised Statutes, 38-33.3-209.4,
3 **amend** (1) (b) as follows:

4 **38-33.3-209.4. Public disclosures required - identity of**
5 **association - agent - manager - contact information.** (1) Within ninety
6 days after assuming control from the declarant pursuant to section
7 38-33.3-303 (5), the association shall make the following information
8 available to unit owners upon reasonable notice in accordance with
9 subsection (3) of this section. In addition, if the association's address,
10 designated agent, or management company changes, the association shall
11 make updated information available within ninety days after the change:

12 (b) The name of the association's designated agent or management
13 company, if any, TOGETHER WITH THE AGENT'S OR MANAGEMENT
14 COMPANY'S LICENSE NUMBER IF THE AGENT OR MANAGEMENT COMPANY
15 IS SUBJECT TO LICENSURE UNDER PART 10 OF ARTICLE 61 OF TITLE 12,

1 C.R.S.;

2 **SECTION 2.** In Colorado Revised Statutes, **add** 38-33.3-402 as
3 follows:

4 **38-33.3-402. Manager licensing - condition precedent for**
5 **enforcement of contract terms.** A PERSON THAT IS SUBJECT TO
6 LICENSURE AS A COMMUNITY ASSOCIATION MANAGER UNDER PART 10 OF
7 ARTICLE 61 OF TITLE 12, C.R.S., SHALL AT ALL TIMES HAVE AND MAINTAIN
8 A VALID LICENSE WHEN ACTING OR PURPORTING TO ACT ON BEHALF OF THE
9 ASSOCIATION. THE ASSOCIATION'S AGREEMENT TO PAY A FEE FOR THE
10 SERVICES OF A COMMUNITY MANAGER OR TO HOLD HARMLESS OR
11 INDEMNIFY THE COMMUNITY MANAGER FOR ANY ACT OR OMISSION IN THE
12 COURSE OF PROVIDING THOSE SERVICES, IS VOID AND UNENFORCEABLE FOR
13 ANY PERIOD IN WHICH THE LICENSE IS EXPIRED, SUSPENDED, OR REVOKED.

14 **SECTION 3.** In Colorado Revised Statutes, **add** part 10 of article
15 61 of title 12 as follows:

16 PART 10

17 COMMUNITY ASSOCIATION MANAGERS

18 **12-61-1001. Definitions.** AS USED IN THIS PART 10, UNLESS THE
19 CONTEXT OTHERWISE REQUIRES:

20 (1) "CCIOA" MEANS THE "COLORADO COMMON INTEREST
21 OWNERSHIP ACT", ARTICLE 33.3 OF TITLE 38, C.R.S.

22 (2) "COMMON INTEREST COMMUNITY" HAS THE MEANING SET
23 FORTH IN SECTION 38-33.3-103 (8), C.R.S.

24 (3) "COMMUNITY ASSOCIATION MANAGEMENT" MEANS ANY OF THE
25 FOLLOWING PRACTICES RELATING TO THE MANAGEMENT OF A COMMON
26 INTEREST COMMUNITY, AT THE DIRECTION OF ITS EXECUTIVE BOARD:

27 (a) RECEIVING, DEPOSITING, CONTROLLING, OR DISBURSING FUNDS

1 OF THE COMMON INTEREST COMMUNITY, PREPARING BUDGETS, OR
2 PREPARING OTHER FINANCIAL DOCUMENTS;

3 (b) ASSISTING IN THE CREATION AND IMPLEMENTATION OF A
4 RESERVE PROGRAM FOR THE REPLACEMENT OF CAPITAL ASSETS;

5 (c) ASSISTING IN THE PROVISION OF NOTICE OR CONDUCT OF
6 MEETINGS OF BOARD MEMBERS OR UNIT OWNERS;

7 (d) CONTRACTING FOR OR COORDINATING MAINTENANCE OF
8 PROPERTY AND FACILITIES OF THE COMMON INTEREST COMMUNITY;

9 (e) CONDUCTING PROPERTY INSPECTIONS, ADMINISTERING
10 APPLICATIONS FOR ARCHITECTURAL REVIEW, AND KEEPING RECORDS OF
11 VIOLATIONS OF THE GOVERNING DOCUMENTS OF THE COMMON INTEREST
12 COMMUNITY; AND

13 (f) PERFORMING OTHER SERVICES RELATING TO THE DAY-TO-DAY
14 OPERATION OF THE COMMON INTEREST COMMUNITY.

15 (4) (a) "COMMUNITY ASSOCIATION MANAGER" OR "MANAGER"
16 MEANS ANY PERSON, FIRM, PARTNERSHIP, LIMITED LIABILITY COMPANY,
17 ASSOCIATION, OR CORPORATION THAT, IN CONSIDERATION OF
18 COMPENSATION BY FEE, COMMISSION, SALARY, OR ANYTHING ELSE OF
19 VALUE OR WITH THE INTENTION OF RECEIVING OR COLLECTING SUCH
20 COMPENSATION, ENGAGES IN OR OFFERS OR ATTEMPTS TO ENGAGE IN
21 COMMUNITY MANAGEMENT IN COLORADO. THE TERM INCLUDES:

22 (I) THE CHIEF EXECUTIVE OFFICER OF A BUSINESS ENTITY THAT
23 EMPLOYS INDIVIDUALS OR CONTRACTS WITH OTHER BUSINESS ENTITIES TO
24 PERFORM COMMUNITY ASSOCIATION MANAGEMENT SERVICES; AND

25 (II) ANY EXECUTIVE OF A BUSINESS ENTITY WHO HAS DIRECT
26 SUPERVISION OR OVERSIGHT OF AN INDIVIDUAL WHO PERFORMS
27 COMMUNITY ASSOCIATION MANAGEMENT SERVICES.

1 (b) "COMMUNITY ASSOCIATION MANAGER" OR "MANAGER" DOES
2 NOT INCLUDE:

3 (I) A PERSON WHO PERFORMS NOT MORE THAN ONE OF THE
4 PRACTICES LISTED IN PARAGRAPHS (a) TO (g) OF SUBSECTION (3) OF THIS
5 SECTION, OR ANY CLERICAL, MINISTERIAL, ACCOUNTING, OR MAINTENANCE
6 FUNCTION NOT REQUIRING SUBSTANTIALLY SPECIALIZED KNOWLEDGE,
7 JUDGMENT, OR MANAGERIAL SKILL, UNDER THE DIRECT SUPERVISION AND
8 CONTROL OF A LICENSED COMMUNITY ASSOCIATION MANAGER OR OF A
9 CONTRACTOR EMPLOYED BY A LICENSED COMMUNITY ASSOCIATION
10 MANAGER OR BY THE COMMON INTEREST COMMUNITY'S EXECUTIVE
11 BOARD;

12 (II) ANY PUBLIC OFFICIAL IN THE CONDUCT OF HIS OR HER OFFICIAL
13 DUTIES;

14 (III) A RECEIVER, TRUSTEE, ADMINISTRATOR, CONSERVATOR,
15 EXECUTOR, OR GUARDIAN ACTING UNDER PROPER AUTHORIZATION;

16 (IV) A PERSON, FIRM, PARTNERSHIP, LIMITED LIABILITY COMPANY,
17 OR ASSOCIATION ACTING PERSONALLY OR A CORPORATION ACTING
18 THROUGH ITS OFFICERS OR REGULAR SALARIED EMPLOYEES, ON BEHALF OF
19 THAT PERSON OR ON ITS OWN BEHALF AS PRINCIPAL IN ACQUIRING OR IN
20 NEGOTIATING TO ACQUIRE ANY INTEREST IN REAL ESTATE;

21 (V) AN ATTORNEY-AT-LAW IN CONNECTION WITH HIS OR HER
22 REPRESENTATION OF CLIENTS IN THE PRACTICE OF LAW;

23 (VI) A CORPORATION WITH RESPECT TO PROPERTY OWNED OR
24 LEASED BY IT, ACTING THROUGH ITS OFFICERS OR REGULAR SALARIED
25 EMPLOYEES, WHEN SUCH ACTS ARE INCIDENTAL AND NECESSARY IN THE
26 ORDINARY COURSE OF THE CORPORATION'S BUSINESS ACTIVITIES OF A
27 NON-PROPERTY MANAGEMENT NATURE. FOR THE PURPOSES OF THIS

1 PARAGRAPH (b), THE TERM "OFFICERS OR REGULAR SALARIED EMPLOYEES"
2 MEANS PERSONS REGULARLY EMPLOYED WHO DERIVE NOT LESS THAN
3 SEVENTY-FIVE PERCENT OF THEIR COMPENSATION FROM THE
4 CORPORATION IN THE FORM OF SALARIES.

5 (5) "DIRECTOR" MEANS THE DIRECTOR OF THE DIVISION.

6 (6) "DIVISION" MEANS THE DIVISION OF REAL ESTATE IN THE
7 DEPARTMENT OF REGULATORY AGENCIES.

8 (7) "EXECUTIVE BOARD" HAS THE MEANING SET FORTH IN SECTION
9 38-33.3-103 (16), C.R.S.

10 (8) "HOA" OR "HOMEOWNERS' ASSOCIATION" MEANS AN
11 ASSOCIATION OR UNIT OWNERS' ASSOCIATION, AS DEFINED IN SECTION
12 38-33.3-103 (3), WHETHER ORGANIZED BEFORE, ON, OR AFTER JULY 1,
13 1992.

14 (9) "LIMITED LIABILITY COMPANY" HAS THE MEANING SET FORTH
15 IN SECTION 7-80-102 (7), C.R.S.

16 **12-61-1002. License required - rule-making authority -**
17 **violations - administrative and legal remedies.** (1) EFFECTIVE JULY 1,
18 2015, IT IS UNLAWFUL FOR ANY PERSON TO ENGAGE IN, OR TO HOLD OUT
19 HIMSELF, HERSELF, OR ITSELF AS QUALIFIED TO ENGAGE IN, THE BUSINESS
20 OF COMMUNITY ASSOCIATION MANAGEMENT WITHOUT FIRST HAVING
21 OBTAINED A LICENSE FROM THE DIRECTOR IN ACCORDANCE WITH SECTION
22 12-61-1003 OR DURING ANY PERIOD IN WHICH THE MANAGER'S LICENSE IS
23 REVOKED OR SUSPENDED.

24 (2) THE DIRECTOR MAY PROMULGATE RULES AS NECESSARY TO
25 ENABLE THE DIRECTOR TO CARRY OUT THE DIRECTOR'S DUTIES UNDER THIS
26 PART 10.

27 (3) IN ADDITION TO CONDUCTING HEARINGS AS PROVIDED IN

1 SECTION 12-61-1011, THE DIRECTOR MAY ENFORCE THIS PART 10 AND
2 RULES ADOPTED UNDER THIS PART 10 BY TAKING ONE OR MORE OF THE
3 FOLLOWING ACTIONS:

4 (a) IF THE DIRECTOR HAS REASONABLE CAUSE TO BELIEVE THAT A
5 PERSON IS VIOLATING PART 10 OF THIS ARTICLE OR OF A RULE ADOPTED
6 UNDER THIS PART 10, THE DIRECTOR MAY ENTER AN ORDER REQUIRING
7 THE PERSON TO CEASE AND DESIST THE VIOLATIONS.

8 (b) THE DIRECTOR MAY APPLY TO A COURT OF COMPETENT
9 JURISDICTION FOR AN ORDER ENJOINING ANY ACT OR PRACTICE THAT
10 CONSTITUTES A VIOLATION OF THIS PART 10 OR OF A RULE ADOPTED
11 UNDER THIS PART 10, AND, UPON A SHOWING THAT A PERSON IS ENGAGING
12 OR INTENDS TO ENGAGE IN ANY SUCH ACT OR PRACTICE, THE COURT SHALL
13 GRANT AN INJUNCTION, RESTRAINING ORDER, OR OTHER APPROPRIATE
14 ORDER REGARDLESS OF THE EXISTENCE OF ANOTHER REMEDY THEREFOR.
15 ANY NOTICE, HEARING, OR DURATION OF ANY INJUNCTION OR
16 RESTRAINING ORDER SHALL BE MADE IN ACCORDANCE WITH THE
17 COLORADO RULES OF CIVIL PROCEDURE.

18 (c) THE DIRECTOR MAY CONDUCT AUDITS OF BUSINESS RECORDS
19 AND ACCOUNTS OF LICENSEES.

20 **12-61-1003. Application for license - criminal history record**
21 **check - examination - rules.** (1) (a) A PERSON DESIRING TO BECOME A
22 COMMUNITY ASSOCIATION MANAGER MUST APPLY TO THE DIRECTOR FOR
23 A LICENSE IN THE FORM AND MANNER PRESCRIBED BY THE DIRECTOR.

24 (b) (I) BEFORE SUBMITTING AN APPLICATION FOR A LICENSE
25 PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (1), EACH APPLICANT
26 MUST SUBMIT A SET OF FINGERPRINTS TO THE COLORADO BUREAU OF
27 INVESTIGATION FOR THE PURPOSE OF CONDUCTING A STATE AND NATIONAL

1 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK UTILIZING
2 RECORDS OF THE COLORADO BUREAU OF INVESTIGATION AND THE
3 FEDERAL BUREAU OF INVESTIGATION. THE APPLICANT SHALL PAY THE FEE
4 ESTABLISHED BY THE COLORADO BUREAU OF INVESTIGATION FOR
5 CONDUCTING THE FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK
6 TO THE BUREAU. UPON COMPLETION OF THE CRIMINAL HISTORY RECORD
7 CHECK, THE BUREAU SHALL FORWARD THE RESULTS TO THE DIRECTOR.
8 THE DIRECTOR MAY ACQUIRE A NAME-BASED CRIMINAL HISTORY RECORD
9 CHECK FOR AN APPLICANT WHO HAS TWICE SUBMITTED TO A
10 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK AND WHOSE
11 FINGERPRINTS ARE UNCLASSIFIABLE.

12 (II) IF A PERSON HAS COMPLIED WITH THIS PARAGRAPH (b) AND
13 HAS SUBMITTED AN OTHERWISE COMPLETE APPLICATION FOR A LICENSE
14 BEFORE JULY 1, 2014, BUT, AS OF JULY 1, 2015, THE RESULTS OF THE
15 PERSON'S FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK HAVE
16 NOT BEEN FORWARDED TO THE DIRECTOR, THE DIRECTOR MAY ISSUE A
17 TEMPORARY LICENSE PENDING THE RECEIPT OF THE RESULTS. THE
18 DIRECTOR MAY ADOPT RULES TO IMPLEMENT THIS SUBPARAGRAPH (II),
19 BUT MAY NOT IMPOSE A FIXED EXPIRATION DATE FOR THE TEMPORARY
20 LICENSE.

21 (2) EVERY COMMUNITY ASSOCIATION MANAGER LICENSED UNDER
22 THIS PART 10 SHALL MAINTAIN A PLACE OF BUSINESS WITHIN THIS STATE,
23 EXCEPT AS PROVIDED IN SECTION 12-61-1006. IF A COMMUNITY
24 ASSOCIATION MANAGER MAINTAINS MORE THAN ONE PLACE OF BUSINESS
25 WITHIN THE STATE, THE MANAGER IS RESPONSIBLE FOR SUPERVISING ALL
26 LICENSED ACTIVITIES ORIGINATING IN THOSE OFFICES.

27 (3) (a) THE DIRECTOR MAY REQUIRE AND PROCURE ANY PROOF

1 NECESSARY IN REFERENCE TO THE TRUTHFULNESS, HONESTY, AND GOOD
2 MORAL CHARACTER OF ANY APPLICANT FOR A COMMUNITY ASSOCIATION
3 MANAGER'S LICENSE OR, IF THE APPLICANT IS A PARTNERSHIP, LIMITED
4 LIABILITY COMPANY, OR CORPORATION, OF ANY PARTNER, MANAGER,
5 DIRECTOR, OFFICER, MEMBER, OR STOCKHOLDER IF SUCH PERSON HAS,
6 EITHER DIRECTLY OR INDIRECTLY, A SUBSTANTIAL INTEREST IN THE
7 APPLICANT PRIOR TO THE ISSUANCE OF THE LICENSE.

8 (b) AN APPLICANT IS INELIGIBLE FOR A LICENSE IF THE PERSON
9 HAS, WITHIN THE IMMEDIATELY PRECEDING TEN YEARS:

10 (I) BEEN CONVICTED OF OR PLED GUILTY TO:

11 (A) ANY FELONY; OR

12 (B) ANY CRIME INVOLVING DISHONESTY, BREACH OF FIDUCIARY
13 DUTY, NEGLIGENCE OR MALFEASANCE IN FINANCIAL MATTERS, OR MORAL
14 TURPITUDE; OR

15 (II) HAD A LICENSE OR CERTIFICATION AS A COMMUNITY
16 ASSOCIATION MANAGER REVOKED OR SUSPENDED IN COLORADO OR ANY
17 OTHER JURISDICTION THAT REGULATES COMMUNITY ASSOCIATION
18 MANAGERS; EXCEPT THAT THE _____ DIRECTOR HAS THE DISCRETION TO
19 ACCEPT THE PERSON'S APPLICATION IF AT LEAST TWO YEARS HAVE
20 ELAPSED SINCE THE DATE OF THE REVOCATION OR SUSPENSION AND THE
21 APPLICANT HAS PROVED TO THE DIRECTOR THAT HE OR SHE IS FIT TO BE
22 LICENSED AS A COMMUNITY MANAGER IN COLORADO.

23 (4) AN APPLICANT FOR A MANAGER'S LICENSE MUST BE AT LEAST
24 EIGHTEEN YEARS OF AGE AND MUST FURNISH PROOF SATISFACTORY TO THE
25 DIRECTOR THAT THE APPLICANT HAS RECEIVED EITHER A HIGH SCHOOL
26 DIPLOMA OR THE EQUIVALENT GENERAL EDUCATION DEVELOPMENT
27 CERTIFICATION.

1 (5) (a) AN APPLICANT FOR A MANAGER'S LICENSE MUST:

2 (I) HOLD ONE OR MORE OF THE FOLLOWING CREDENTIALS:

3 (A) THE "CERTIFIED MANAGER OF COMMUNITY ASSOCIATIONS" OR
4 "CMCA" DESIGNATION AWARDED BY THE NATIONAL BOARD OF
5 CERTIFICATION FOR COMMUNITY ASSOCIATION MANAGERS;

6 (B) THE "ASSOCIATION MANAGEMENT SPECIALIST" OR "AMS"
7 DESIGNATION AWARDED BY THE COMMUNITY ASSOCIATIONS INSTITUTE;

8 (C) THE "PROFESSIONAL COMMUNITY ASSOCIATION MANAGER" OR
9 "PCAM" DESIGNATION AWARDED BY THE COMMUNITY ASSOCIATIONS
10 INSTITUTE; OR

11 (D) ANOTHER CREDENTIAL IDENTIFIED BY THE DIRECTOR IN RULES;

12 AND

13 (II) CERTIFY COMPLETION OF ANY EDUCATIONAL OR CONTINUING
14 EDUCATIONAL REQUIREMENTS AS DETERMINED BY THE DIRECTOR IN RULES
15 AND PUBLISHED ON THE DIVISION'S WEB SITE; AND

16 (III) SUBMIT TO AND PASS AN EXAMINATION DESIGNED TO
17 DETERMINE THE COMPETENCY OF THE APPLICANT AND PREPARED BY OR
18 UNDER THE SUPERVISION OF THE DIRECTOR OR THE DIRECTOR'S
19 DESIGNATED CONTRACTOR. THE DIRECTOR MAY CONTRACT WITH AN
20 INDEPENDENT TESTING SERVICE TO DEVELOP, ADMINISTER, OR GRADE
21 EXAMINATIONS OR TO ADMINISTER LICENSEE RECORDS. THE CONTRACT
22 MAY ALLOW THE TESTING SERVICE TO RECOVER FROM THE APPLICANT THE
23 COSTS OF THE EXAMINATION AND THE COSTS OF ADMINISTERING THE
24 EXAMINATION AND LICENSE RECORDS. THE DIRECTOR MAY CONTRACT
25 SEPARATELY FOR THESE FUNCTIONS AND ALLOW RECOVERED COSTS TO BE
26 COLLECTED AND RETAINED BY A SINGLE CONTRACTOR FOR DISTRIBUTION
27 TO OTHER CONTRACTORS. THE DIRECTOR SHALL HAVE THE AUTHORITY TO

1 SET THE MINIMUM PASSING SCORE THAT AN APPLICANT MUST RECEIVE ON
2 THE EXAMINATION, WHICH SCORE MUST REFLECT THE MINIMUM LEVEL OF
3 COMPETENCY REQUIRED TO BE A COMMUNITY ASSOCIATION MANAGER.
4 THE DIRECTOR SHALL PRESCRIBE THE TIMES AND PLACES AT WHICH THE
5 EXAMINATION IS GIVEN.

6 (b) THE EXAMINATION DEVELOPED UNDER SUBPARAGRAPH (III) OF
7 PARAGRAPH (a) OF THIS SUBSECTION (5) MUST ASSESS AN APPLICANT'S
8 COMPETENCY IN THE FOLLOWING SUBJECT MATTER AREAS:

9 (I) THE LEGAL DOCUMENTS AND STATUTES THAT ENABLE A
10 COMMUNITY ASSOCIATION TO OPERATE, INCLUDING THE "COLORADO
11 COMMON INTEREST OWNERSHIP ACT" AND OTHER APPLICABLE
12 PROVISIONS OF COLORADO LAW; AND

13 
14 (II) OTHER CORE COMPETENCIES AS SPECIFIED BY THE DIRECTOR.

15 (c) EXAMINATION RESULTS MEASURING AN APPLICANT'S
16 KNOWLEDGE OF THE MATTERS DESCRIBED IN SUBPARAGRAPH (I) OF
17 PARAGRAPH (b) OF THIS SUBSECTION (5) ARE VALID FOR ONE YEAR. A
18 PERSON WHO TAKES THE EXAMINATION AND DOES NOT APPLY FOR A
19 LICENSE WITHIN ONE YEAR THEREAFTER MUST RETAKE THAT PORTION OF
20 THE EXAMINATION BEFORE APPLYING.

21 (d) THE DIVISION MAY ISSUE A LICENSE TO AN APPLICANT WHO HAS
22 HELD A COMMUNITY ASSOCIATION MANAGER LICENSE IN ANOTHER
23 JURISDICTION THAT REGULATES COMMUNITY ASSOCIATION MANAGERS
24 AND WHO HAS BEEN LICENSED FOR TWO OR MORE YEARS PRIOR TO
25 APPLYING FOR A COLORADO LICENSE IF THE APPLICANT ESTABLISHES THAT
26 HE OR SHE POSSESSES CREDENTIALS AND QUALIFICATIONS THAT ARE
27 SUBSTANTIVELY EQUIVALENT TO THE REQUIREMENTS IN COLORADO FOR

1 LICENSURE BY EXAMINATION, AS DETERMINED BY THE DIRECTOR BY RULE.
2 THE DIRECTOR MAY REQUIRE A PERSON SO LICENSED TO TAKE THE
3 PORTION OF THE EXAMINATION PERTAINING TO THE MATTERS DESCRIBED
4 IN SUBPARAGRAPH (I) OF PARAGRAPH (b) OF THIS SUBSECTION (5) WITHIN
5 A SPECIFIED TIME AFTER FIRST RECEIVING A COLORADO LICENSE.

6 (6) (a) COMMUNITY ASSOCIATION MANAGERS' LICENSES MAY BE
7 GRANTED TO INDIVIDUALS, PARTNERSHIPS, LIMITED LIABILITY COMPANIES,
8 OR CORPORATIONS.

9 (b) A PARTNERSHIP, LIMITED LIABILITY COMPANY, OR
10 CORPORATION, IN ITS APPLICATION FOR A LICENSE, SHALL DESIGNATE A
11 QUALIFIED, ACTIVE MANAGER TO BE RESPONSIBLE FOR MANAGEMENT AND
12 SUPERVISION OF THE LICENSED ACTIONS OF THE ENTITY AND ALL PERSONS
13 EMPLOYED BY, OR ACTING AT ANY TIME ON BEHALF OF, THE ENTITY. A
14 LICENSE MAY NOT BE ISSUED TO THE ENTITY UNLESS THE MANAGER SO
15 DESIGNATED, AND ALL PERSONS THAT THE ENTITY EMPLOYS TO PERFORM
16 COMMUNITY ASSOCIATION MANAGEMENT DUTIES ON BEHALF OF THE
17 ENTITY, TAKE AND PASS THE EXAMINATION REQUIRED BY THIS PART 10.
18 UPON THESE PERSONS' SUCCESSFULLY PASSING THE EXAMINATION AND
19 UPON COMPLIANCE WITH ALL OTHER REQUIREMENTS OF LAW BY THE
20 ENTITY AS WELL AS BY THE DESIGNATED MANAGER, THE DIRECTOR SHALL
21 ISSUE A DESIGNATED MANAGER'S LICENSE TO THE DESIGNATED MANAGER.

22 (c) IF THE DESIGNATED MANAGER IS REFUSED A LICENSE BY THE
23 DIRECTOR OR CEASES TO BE THE DESIGNATED MANAGER OF THE ENTITY,
24 THE ENTITY MAY DESIGNATE ANOTHER PERSON TO APPLY FOR A LICENSE
25 AND THE DIRECTOR MAY ISSUE A TEMPORARY LICENSE TO PREVENT
26 HARDSHIP FOR A PERIOD NOT TO EXCEED NINETY DAYS TO THE PERSON SO
27 DESIGNATED.

1 (7) THE DESIGNATED MANAGER FOR ANY PARTNERSHIP, LIMITED
2 LIABILITY COMPANY, OR CORPORATION IS PERSONALLY RESPONSIBLE FOR
3 THE HANDLING OF ANY AND ALL COMMON INTEREST COMMUNITY FUNDS
4 RECEIVED OR DISBURSED BY THE ENTITY. IN THE EVENT OF ANY BREACH
5 OF DUTY BY THE ENTITY, ANY PERSON AGGRIEVED OR DAMAGED BY THE
6 BREACH MAY MAKE A CLAIM FOR RELIEF AGAINST THE ENTITY.

7 (8) A PERSON SHALL NOT:

8 (a) BE LICENSED AS A COMMUNITY ASSOCIATION MANAGER UNDER
9 MORE THAN ONE NAME; OR

10 (b) CONDUCT OR PROMOTE BUSINESS AS A COMMUNITY
11 ASSOCIATION MANAGER EXCEPT UNDER THE NAME UNDER WHICH THE
12 PERSON IS LICENSED.

13 **12-61-1004. Insurance required - rules.** EVERY LICENSEE UNDER
14 THIS PART 10, EXCEPT AN INACTIVE MANAGER OR AN ATTORNEY LICENSEE
15 WHO MAINTAINS A POLICY OF PROFESSIONAL MALPRACTICE INSURANCE
16 THAT PROVIDES COVERAGE FOR HIS OR HER ACTIVITIES UNDER THIS PART
17 10, SHALL MAINTAIN INSURANCE NECESSARY TO COVER ALL ACTIVITIES
18 CONTEMPLATED UNDER THIS PART 10 IN AN AMOUNT AND UNDER TERMS
19 AND CONDITIONS SPECIFIED BY THE DIRECTOR BY RULE. IN PROMULGATING
20 RULES UNDER THIS SECTION, THE DIRECTOR SHALL SOLICIT AND CONSIDER
21 INFORMATION AND COMMENTS FROM INTERESTED PERSONS.

22 **12-61-1005. Licenses - issuance - contents - display.** THE
23 DIRECTOR SHALL MAKE AVAILABLE FOR EACH LICENSEE A LICENSE IN SUCH
24 FORM AND SIZE AS THE DIRECTOR MAY PRESCRIBE. THE LICENSE MUST
25 SHOW THE NAME OF THE LICENSEE AND MAY CONTAIN SUCH OTHER
26 MATTER AS THE DIRECTOR PRESCRIBES.

27 **12-61-1006. Resident licensee - nonresident licensee - consent**

1 **to service.** (1) A NONRESIDENT OF THE STATE MAY BECOME A
2 COMMUNITY ASSOCIATION MANAGER IN THIS STATE BY CONFORMING TO
3 ALL THE CONDITIONS OF THIS PART 10; EXCEPT THAT THE NONRESIDENT
4 MANAGER SHALL NOT BE REQUIRED TO MAINTAIN A PLACE OF BUSINESS
5 WITHIN THIS STATE IF THAT MANAGER MAINTAINS A DEFINITE PLACE OF
6 BUSINESS IN ANOTHER STATE.

7 (2) IF A MANAGER HAS NO REGISTERED AGENT REGISTERED IN THIS
8 STATE AS CONTEMPLATED BY SECTION 7-90-701, C.R.S., THE REGISTERED
9 AGENT IS NOT LOCATED UNDER ITS REGISTERED AGENT NAME AT ITS
10 REGISTERED AGENT ADDRESS, OR THE REGISTERED AGENT CANNOT WITH
11 REASONABLE DILIGENCE BE SERVED, NOTWITHSTANDING SECTION
12 7-90-704, C.R.S., THE MANAGER MAY BE SERVED BY REGISTERED MAIL OR
13 BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, ADDRESSED TO THE
14 MANAGER AT THE MANAGER'S LAST-KNOWN ADDRESS. SERVICE IS
15 PERFECTED UNDER THIS SUBSECTION (2) AT THE EARLIEST OF:

16 (a) THE DATE THE MANAGER RECEIVES THE PROCESS, NOTICE, OR
17 DEMAND;

18 (b) THE DATE SHOWN ON THE RETURN RECEIPT, IF SIGNED BY OR
19 ON BEHALF OF THE MANAGER; OR

20 (c) FIVE DAYS AFTER MAILING.

21 (3) ALL APPLICATIONS MADE BY A DESIGNATED MANAGER ON
22 BEHALF OF A PARTNERSHIP, LIMITED LIABILITY COMPANY, OR
23 CORPORATION MUST CONTAIN A CERTIFICATION THAT THE MANAGER IS
24 AUTHORIZED TO ACT FOR THE ENTITY.

25 **12-61-1007. Record of licensees - publications.** THE DIRECTOR
26 SHALL MAINTAIN A RECORD OF THE NAMES AND ADDRESSES OF ALL
27 COMMUNITY ASSOCIATION MANAGERS LICENSED UNDER THIS PART 10,

1 TOGETHER WITH SUCH OTHER INFORMATION RELATIVE TO THE
2 ENFORCEMENT OF THIS PART 10 AS THE DIRECTOR DEEMS NECESSARY. THE
3 DIRECTOR SHALL PUBLISH THE NAME AND ADDRESS RECORD AND OTHER
4 NONPROPRIETARY INFORMATION THE DIRECTOR DEEMS USEFUL TO THE
5 PUBLIC ON THE DIVISION'S WEB SITE. PUBLICATION OF THE RECORD AND OF
6 ANY OTHER INFORMATION CIRCULATED IN QUANTITY OUTSIDE THE
7 EXECUTIVE BRANCH MUST BE IN ACCORDANCE WITH SECTION 24-1-136,
8 C.R.S.

9 **12-61-1008. Change of location or employment status - notice**
10 **required.** (1) A COMMUNITY ASSOCIATION MANAGER LICENSED UNDER
11 THIS PART 10 SHALL NOTIFY THE DIRECTOR WITHIN THIRTY DAYS AFTER
12 ANY CHANGE OF BUSINESS LOCATION OR EMPLOYMENT. A CHANGE OF
13 BUSINESS ADDRESS OR EMPLOYMENT STATUS WITHOUT NOTIFICATION TO
14 THE DIRECTOR AUTOMATICALLY INACTIVATES THE LICENSEE'S LICENSE.

15 (2) FOR PURPOSES OF THIS SECTION, A CHANGE IN EMPLOYMENT
16 STATUS INCLUDES THE DESIGNATION OF A LICENSED COMMUNITY
17 ASSOCIATION MANAGER AS A NEW OR SUCCESSOR MANAGER ACTING FOR
18 A PARTNERSHIP, LIMITED LIABILITY COMPANY, OR CORPORATION.

19 **12-61-1009. License fees - partnership, limited liability**
20 **company, and corporation licenses - rules.** (1) THE DIRECTOR SHALL
21 ESTABLISH, COLLECT, AND PERIODICALLY ADJUST IN ACCORDANCE WITH
22 SECTION 12-61-111.5, FEES FOR:

- 23 (a) EACH MANAGER'S EXAMINATION;
24 (b) EACH MANAGER'S ORIGINAL APPLICATION AND LICENSE;
25 (c) EACH RENEWAL OR REINSTATEMENT OF A MANAGER'S LICENSE;
26 AND
27 (d) ANY CHANGE OF NAME, ADDRESS, OR EMPLOYMENT STATUS

1 REQUIRING A CHANGE IN DIRECTOR RECORDS.

2 (2) THE DIRECTOR SHALL TRANSMIT ALL FEES TO THE STATE
3 TREASURER, WHO SHALL CREDIT THEM TO THE COMMUNITY ASSOCIATION
4 MANAGER LICENSING CASH FUND, CREATED IN SECTION 12-61-1012. FEES
5 COLLECTED UNDER PARAGRAPHS (b), (c), AND (d) OF SUBSECTION (1) OF
6 THIS SECTION ARE NONREFUNDABLE.

7 (3) LICENSES ARE VALID FOR UP TO THREE YEARS, SUBJECT TO
8 EXPIRATION AND RENEWAL ON A SCHEDULE DETERMINED BY THE
9 DIRECTOR. THE DIRECTOR SHALL ESTABLISH, BY RULE, THE REQUIREMENTS
10 FOR CONTINUING EDUCATION, REEXAMINATION, AND SUBSEQUENT
11 CRIMINAL HISTORY RECORD CHECKS; EXCEPT THAT THESE REQUIREMENTS
12 MUST NOT BE MORE STRINGENT THAN THE EQUIVALENT REQUIREMENTS
13 FOR REAL ESTATE BROKERS UNDER PART 1 OF THIS ARTICLE.

14 **12-61-1010. Investigation - revocation - actions against**
15 **licensee.** (1) THE DIRECTOR, UPON THE DIRECTOR'S OWN MOTION, MAY,
16 AND, UPON THE COMPLAINT IN WRITING OF ANY PERSON, SHALL,
17 INVESTIGATE THE ACTIVITIES OF ANY COMMUNITY ASSOCIATION MANAGER
18 OR ANY PERSON WHO ASSUMES TO ACT IN SUCH CAPACITY WITHIN THE
19 STATE. THE DIRECTOR, AFTER HOLDING A HEARING IN ACCORDANCE WITH
20 THE "STATE ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24,
21 C.R.S., MAY IMPOSE AN ADMINISTRATIVE FINE NOT TO EXCEED TWO
22 THOUSAND FIVE HUNDRED DOLLARS FOR EACH SEPARATE OFFENSE,
23 CENSURE A LICENSEE, PLACE THE LICENSEE ON PROBATION AND SET THE
24 TERMS OF PROBATION, OR TEMPORARILY SUSPEND OR PERMANENTLY
25 REVOKE A LICENSE WHEN THE LICENSEE HAS PERFORMED, IS PERFORMING,
26 OR IS ATTEMPTING TO PERFORM ANY OF THE FOLLOWING ACTS AND IS
27 GUILTY OF:

1 (a) KNOWINGLY MAKING ANY MISREPRESENTATION OR
2 KNOWINGLY MAKING USE OF ANY FALSE OR MISLEADING ADVERTISING;

3 (b) MAKING ANY PROMISE OF A CHARACTER THAT INFLUENCES,
4 PERSUADES, OR INDUCES ANOTHER PERSON WHEN HE OR SHE COULD NOT
5 OR DID NOT INTEND TO KEEP SUCH PROMISE;

6 (c) KNOWINGLY MISREPRESENTING OR MAKING FALSE PROMISES
7 THROUGH AGENTS, ADVERTISING, OR OTHERWISE;

8 [REDACTED]
9 (d) VIOLATING, DIRECTLY OR INDIRECTLY, ANY APPLICABLE
10 PROVISION OF COLORADO OR FEDERAL FAIR HOUSING LAWS;

11 (e) KNOWINGLY VIOLATING OR KNOWINGLY DIRECTING OTHERS TO
12 VIOLATE CCIOA;

13 (f) FAILING TO ACCOUNT FOR OR TO REMIT, WITHIN A REASONABLE
14 TIME, ANY MONEYS COMING INTO THE LICENSEE'S POSSESSION THAT
15 BELONG TO OTHERS, WHETHER ACTING AS A COMMUNITY ASSOCIATION
16 MANAGER OR OTHERWISE, AND FAILING TO KEEP RECORDS RELATIVE TO
17 SAID MONEYS, WHICH RECORDS MUST CONTAIN ANY INFORMATION
18 REQUIRED BY RULES OF THE DIRECTOR AND ARE SUBJECT TO AUDIT BY THE
19 DIRECTOR;

20 (g) CONVERTING FUNDS OF OTHERS, DIVERTING FUNDS OF OTHERS
21 WITHOUT PROPER AUTHORIZATION, COMMINGLING FUNDS OF OTHERS WITH
22 THE MANAGER'S OWN FUNDS, OR FAILING TO KEEP SUCH FUNDS OF OTHERS
23 IN A SEGREGATED ACCOUNT WITH SOME BANK OR RECOGNIZED
24 DEPOSITORY IN THIS STATE, WHICH ACCOUNT MAY BE ANY TYPE OF
25 CHECKING, DEMAND, PASSBOOK, OR STATEMENT ACCOUNT INSURED BY AN
26 AGENCY OF THE UNITED STATES GOVERNMENT, AND TO SO KEEP RECORDS
27 RELATIVE TO THE DEPOSIT THAT CONTAIN ANY INFORMATION REQUIRED BY

1 RULES OF THE DIRECTOR AND ARE SUBJECT TO AUDIT BY THE DIRECTOR;

2 (h) DISREGARDING OR VIOLATING, OR AIDING OR ABETTING ANY
3 VIOLATION OF, THIS PART 10 OR ANY APPLICABLE RULE OR ORDER OF THE
4 DIRECTOR;

5 (i) PERFORMING ANY ACT THAT LEADS TO A CONVICTION OF,
6 ENTRY OF A PLEA OF GUILTY TO, OR ENTRY OF A PLEA OF NOLO
7 CONTENDERE TO ANY CRIME IN ARTICLE 3 OF TITLE 18, C.R.S.; PARTS 1 TO
8 4 OF ARTICLE 4 OF TITLE 18, C.R.S.; PARTS 1 TO 5 AND 7 TO 9 OF ARTICLE
9 5 OF TITLE 18, C.R.S.; ARTICLE 5.5 OF TITLE 18, C.R.S.; PARTS 1, 3, 4, AND
10 6 TO 8 OF ARTICLE 6 OF TITLE 18, C.R.S.; PARTS 1 AND 3 TO 8 OF ARTICLE
11 7 OF TITLE 18, C.R.S.; PART 3 OF ARTICLE 8 OF TITLE 18, C.R.S.; ARTICLE
12 15 OF TITLE 18, C.R.S.; ARTICLE 17 OF TITLE 18, C.R.S.; SECTION
13 18-18-404, 18-18-405, 18-18-411, 18-18-412.5, 18-18-412.7,
14 18-18-412.8, 18-18-415, 18-18-416, 18-18-422, OR 18-18-423, C.R.S., OR
15 ANY OTHER LIKE CRIME UNDER COLORADO LAW, FEDERAL LAW, OR THE
16 LAWS OF OTHER STATES. A CERTIFIED COPY OF THE JUDGMENT OF A COURT
17 OF COMPETENT JURISDICTION OF SUCH CONVICTION OR OTHER OFFICIAL
18 RECORD INDICATING THAT SUCH PLEA WAS ENTERED IS CONCLUSIVE
19 EVIDENCE OF SUCH CONVICTION OR PLEA IN ANY HEARING UNDER THIS
20 PART 10.

21 (j) FAILING TO IMMEDIATELY NOTIFY THE DIRECTOR IN WRITING OF
22 A CONVICTION, PLEA, OR VIOLATION PURSUANT TO PARAGRAPH (i) OF THIS
23 SUBSECTION (1);

24 (k) HAVING DEMONSTRATED UNWORTHINESS OR INCOMPETENCY
25 TO ACT AS A COMMUNITY ASSOCIATION MANAGER BY CONDUCTING
26 BUSINESS IN SUCH A MANNER AS TO ENDANGER THE INTEREST OF THE
27 PUBLIC;

1 (l) IN THE CASE OF A MANAGER WHO EMPLOYS OTHERS OR IS
2 DESIGNATED TO ACT ON BEHALF OF A LICENSED ENTITY, FAILING TO
3 EXERCISE REASONABLE SUPERVISION OVER THE ACTIVITIES OF EMPLOYEES;

4 (m) PROCURING, OR ATTEMPTING TO PROCURE, A COMMUNITY
5 ASSOCIATION MANAGER'S LICENSE OR RENEWING, REINSTATING, OR
6 REACTIVATING, OR ATTEMPTING TO RENEW, REINSTATE, OR REACTIVATE,
7 A COMMUNITY ASSOCIATION MANAGER'S LICENSE BY FRAUD,
8 MISREPRESENTATION, OR DECEIT OR BY MAKING A MATERIAL
9 MISSTATEMENT OF FACT IN AN APPLICATION FOR SUCH LICENSE;

10 (n) CLAIMING, ARRANGING FOR, OR TAKING ANY SECRET OR
11 UNDISCLOSED AMOUNT OF COMPENSATION, COMMISSION, OR PROFIT OR
12 FAILING TO REVEAL TO THE LICENSEE'S PRINCIPAL OR EMPLOYER THE FULL
13 AMOUNT OF THE LICENSEE'S COMPENSATION, COMMISSION, OR PROFIT IN
14 CONNECTION WITH ANY ACTS FOR WHICH A LICENSE IS REQUIRED UNDER
15 THIS PART 10;

16 (o) HAVING HAD A COMMUNITY ASSOCIATION MANAGER'S OR A
17 SUBDIVISION DEVELOPER'S LICENSE SUSPENDED OR REVOKED IN ANY
18 JURISDICTION, OR HAVING HAD ANY DISCIPLINARY ACTION TAKEN AGAINST
19 THE MANAGER OR SUBDIVISION DEVELOPER IN ANY OTHER JURISDICTION
20 IF THE MANAGER'S OR SUBDIVISION DEVELOPER'S ACTION WOULD
21 CONSTITUTE A VIOLATION OF THIS SUBSECTION (1). A CERTIFIED COPY OF
22 THE ORDER OF DISCIPLINARY ACTION IS PRIMA FACIE EVIDENCE OF SUCH
23 DISCIPLINARY ACTION.

24 (p) WITHIN THE LAST FIVE YEARS, HAVING A LICENSE,
25 REGISTRATION, OR CERTIFICATION ISSUED BY COLORADO OR ANOTHER
26 STATE REVOKED OR SUSPENDED FOR FRAUD, DECEIT, MATERIAL
27 MISREPRESENTATION, THEFT, OR THE BREACH OF A FIDUCIARY DUTY, AND

1 SUCH DISCIPLINE DENIED THE PERSON AUTHORIZATION TO PRACTICE AS:

2 (I) A MORTGAGE BROKER OR MORTGAGE LOAN ORIGINATOR;

3 (II) A REAL ESTATE BROKER OR SALESPERSON;

4 (III) A REAL ESTATE APPRAISER, AS DEFINED BY SECTION
5 12-61-702 (5);

6 (IV) AN INSURANCE PRODUCER, AS DEFINED BY SECTION 10-2-103
7 (6), C.R.S.;

8 (V) AN ATTORNEY;

9 (VI) A SECURITIES BROKER-DEALER, AS DEFINED BY SECTION
10 11-51-201 (2), C.R.S.;

11 (VII) A SECURITIES SALES REPRESENTATIVE, AS DEFINED BY
12 SECTION 11-51-201 (14), C.R.S.;

13 (VIII) AN INVESTMENT ADVISOR, AS DEFINED BY SECTION
14 11-51-201 (9.5), C.R.S.; OR

15 (IX) AN INVESTMENT ADVISOR REPRESENTATIVE, AS DEFINED BY
16 SECTION 11-51-201 (9.6), C.R.S.; OR

17 (q) ANY OTHER CONDUCT, WHETHER OF THE SAME OR A DIFFERENT
18 CHARACTER THAN SPECIFIED IN THIS SUBSECTION (1), THAT CONSTITUTES
19 DISHONEST DEALING.

20 (2) IF A FIRM, PARTNERSHIP, LIMITED LIABILITY COMPANY,
21 ASSOCIATION, OR CORPORATION OPERATING UNDER THE LICENSE OF A
22 MANAGER DESIGNATED AND LICENSED AS A REPRESENTATIVE OF THE
23 ENTITY COMMITS ANY ACT OR PRACTICE LISTED IN SUBSECTION (1) OF THIS
24 SECTION, THE DIRECTOR MAY SUSPEND OR REVOKE THE RIGHT OF THE
25 ENTITY TO CONDUCT ITS BUSINESS UNDER THE LICENSE OF THE MANAGER,
26 WHETHER OR NOT THE DESIGNATED MANAGER HAD PERSONAL
27 KNOWLEDGE OF THE ACT OR PRACTICE AND WHETHER OR NOT THE

1 DIRECTOR SUSPENDS OR REVOKES THE INDIVIDUAL LICENSE OF ANY OTHER
2 PERSON.

3 (3) THIS PART 10 DOES NOT RELIEVE ANY PERSON FROM CIVIL
4 LIABILITY OR CRIMINAL PROSECUTION UNDER THE LAWS OF THIS STATE.

5 (4) COMPLAINTS OF RECORD IN THE OFFICE OF THE DIRECTOR AND
6 DIVISION INVESTIGATIONS, INCLUDING INVESTIGATIVE FILES, ARE CLOSED
7 TO PUBLIC INSPECTION. STIPULATIONS AND FINAL AGENCY ORDERS ARE
8 PUBLIC RECORDS SUBJECT TO SECTIONS 24-72-203 AND 24-72-204, C.R.S.

9 (5) WHEN A COMPLAINT OR AN INVESTIGATION DISCLOSES AN
10 INSTANCE OF MISCONDUCT THAT, IN THE OPINION OF THE DIRECTOR, DOES
11 NOT WARRANT FORMAL ACTION BY THE DIRECTOR BUT SHOULD NOT BE
12 DISMISSED AS BEING WITHOUT MERIT, THE DIRECTOR MAY SEND A LETTER
13 OF ADMONITION TO THE LICENSEE AGAINST WHOM THE COMPLAINT WAS
14 MADE AND A COPY OF THE LETTER TO THE PERSON MAKING THE
15 COMPLAINT, BUT THE LETTER MUST ADVISE THE LICENSEE THAT THE
16 LICENSEE HAS THE RIGHT TO REQUEST IN WRITING, WITHIN TWENTY DAYS
17 AFTER RECEIPT, THAT FORMAL DISCIPLINARY PROCEEDINGS BE INITIATED
18 TO ADJUDICATE THE PROPRIETY OF THE CONDUCT UPON WHICH THE LETTER
19 OF ADMONITION IS BASED. IF THE REQUEST IS TIMELY MADE, THE LETTER
20 OF ADMONITION IS VACATED, AND THE MATTER SHALL BE PROCESSED BY
21 MEANS OF FORMAL DISCIPLINARY PROCEEDINGS.

22 (6) ALL ADMINISTRATIVE FINES COLLECTED PURSUANT TO THIS
23 SECTION SHALL BE TRANSMITTED TO THE STATE TREASURER, WHO SHALL
24 CREDIT THE SAME TO THE COMMUNITY ASSOCIATION MANAGER LICENSING
25 CASH FUND, CREATED IN SECTION 12-61-1012.

26 (7) WHEN THE DIVISION BECOMES AWARE OF FACTS OR
27 CIRCUMSTANCES THAT FALL WITHIN THE JURISDICTION OF A CRIMINAL

1 JUSTICE OR OTHER LAW ENFORCEMENT AUTHORITY UPON INVESTIGATION
2 OF THE ACTIVITIES OF A LICENSEE, THE DIVISION SHALL, IN ADDITION TO
3 THE EXERCISE OF ITS AUTHORITY UNDER THIS PART 10, REFER AND
4 TRANSMIT SUCH INFORMATION, WHICH MAY INCLUDE ORIGINALS OR COPIES
5 OF DOCUMENTS AND MATERIALS, TO ONE OR MORE CRIMINAL JUSTICE OR
6 OTHER LAW ENFORCEMENT AUTHORITIES FOR INVESTIGATION AND
7 PROSECUTION AS AUTHORIZED BY LAW.

8 **12-61-1011. Hearings - use of administrative law judges -**
9 **subpoenas - judicial review - immunity.** (1) EXCEPT AS OTHERWISE
10 PROVIDED IN THIS SECTION, ALL PROCEEDINGS BEFORE THE DIRECTOR WITH
11 RESPECT TO DISCIPLINARY ACTIONS AND DENIAL OF LICENSURE UNDER
12 THIS PART 10, AT THE DISCRETION OF THE DIRECTOR, MAY BE CONDUCTED
13 BY AN AUTHORIZED REPRESENTATIVE OF THE DIRECTOR OR BY AN
14 ADMINISTRATIVE LAW JUDGE PURSUANT TO SECTIONS 24-4-104 AND
15 24-4-105, C.R.S.

16 (2) VENUE FOR PROCEEDINGS IS IN THE COUNTY WHERE THE
17 DIRECTOR HAS HIS OR HER OFFICE OR IN SUCH OTHER PLACE AS THE
18 DIRECTOR MAY DESIGNATE. IF THE LICENSEE IS EMPLOYED BY ANOTHER
19 LICENSED COMMUNITY ASSOCIATION MANAGER, THE DIRECTOR SHALL
20 ALSO NOTIFY THE LICENSEE'S EMPLOYER BY MAILING, BY FIRST-CLASS
21 MAIL, A COPY OF THE WRITTEN NOTICE REQUIRED UNDER SECTION
22 24-4-104 (3), C.R.S., TO THE EMPLOYER'S LAST-KNOWN BUSINESS
23 ADDRESS.

24 (3) THE DIRECTOR, AN AUTHORIZED REPRESENTATIVE OF THE
25 DIRECTOR, OR AN ADMINISTRATIVE LAW JUDGE SHALL CONDUCT ALL
26 HEARINGS FOR DENYING, SUSPENDING, OR REVOKING A LICENSE OR
27 CERTIFICATE ON BEHALF OF THE DIRECTOR, SUBJECT TO APPROPRIATIONS

1 MADE TO THE DEPARTMENT OF PERSONNEL. EACH ADMINISTRATIVE LAW
2 JUDGE SHALL BE APPOINTED PURSUANT TO PART 10 OF ARTICLE 30 OF
3 TITLE 24, C.R.S. THE ADMINISTRATIVE LAW JUDGE SHALL CONDUCT THE
4 HEARING IN ACCORDANCE WITH SECTIONS 24-4-104 AND 24-4-105, C.R.S.
5 NO LICENSE MAY BE DENIED, SUSPENDED, OR REVOKED UNTIL THE
6 DIRECTOR HAS MADE HIS OR HER DECISION.

7 (4) THE DIRECTOR, OR THE ADMINISTRATIVE LAW JUDGE
8 APPOINTED FOR HEARINGS, MAY ISSUE A SUBPOENA COMPELLING THE
9 ATTENDANCE AND TESTIMONY OF WITNESSES AND THE PRODUCTION OF
10 BOOKS, PAPERS, RECORDS OR OTHER EVIDENCE PURSUANT TO AN
11 INVESTIGATION OR HEARING. THESE SUBPOENAS MUST BE SERVED IN THE
12 SAME MANNER AS SUBPOENAS ISSUED BY DISTRICT COURTS AND ISSUED
13 WITHOUT DISCRIMINATION BETWEEN PUBLIC AND PRIVATE PARTIES
14 REQUIRING THE ATTENDANCE OF WITNESSES AND THE PRODUCTION OF
15 DOCUMENTS AT HEARINGS. IF A PERSON FAILS TO OBEY A SUBPOENA
16 ISSUED BY THE DIRECTOR OR THE APPOINTED ADMINISTRATIVE LAW JUDGE,
17 THE DIRECTOR MAY PETITION THE DISTRICT COURT OF THE CITY AND
18 COUNTY OF DENVER FOR ISSUANCE OF AN ORDER COMPELLING A WITNESS
19 TO ATTEND AND TESTIFY OR PRODUCE BOOKS, PAPERS, RECORDS OR OTHER
20 EVIDENCE UNDER PENALTY OF PUNISHMENT FOR CONTEMPT.

21 (5) THE DECISION OF THE DIRECTOR IN ANY DISCIPLINARY ACTION
22 OR DENIAL OF LICENSURE UNDER THIS SECTION IS SUBJECT TO JUDICIAL
23 REVIEW BY THE COURT OF APPEALS. IN ORDER TO EFFECTUATE THE
24 PURPOSES OF THIS PART 10, THE DIRECTOR HAS THE POWER TO
25 PROMULGATE RULES IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S.

26 (6) IN A JUDICIAL REVIEW PROCEEDING, THE COURT MAY STAY THE
27 EXECUTION OR EFFECT OF ANY FINAL ORDER OF THE DIRECTOR; BUT A

1 HEARING SHALL BE HELD AFFORDING THE PARTIES AN OPPORTUNITY TO BE
2 HEARD FOR THE PURPOSE OF DETERMINING WHETHER THE PUBLIC HEALTH,
3 SAFETY, AND WELFARE WOULD BE ENDANGERED BY STAYING THE
4 DIRECTOR'S ORDER. IF THE COURT DETERMINES THAT THE ORDER SHOULD
5 BE STAYED, THE COURT SHALL ALSO DETERMINE AT THE HEARING
6 WHETHER THE PETITIONER SHOULD BE REQUIRED TO POST A BOND, THE
7 AMOUNT OF THE BOND AND ADEQUACY OF THE SURETY, WHICH BOND
8 MUST BE CONDITIONED UPON THE FAITHFUL PERFORMANCE BY THE
9 PETITIONER OF ALL OBLIGATIONS AS A COMMUNITY ASSOCIATION
10 MANAGER AND UPON THE PROMPT PAYMENT OF ALL DAMAGES ARISING
11 FROM OR CAUSED BY THE DELAY IN THE TAKING EFFECT OF OR
12 ENFORCEMENT OF THE ORDER COMPLAINED OF AND FOR ALL COSTS THAT
13 MAY BE ASSESSED OR REQUIRED TO BE PAID IN CONNECTION WITH THE
14 PROCEEDINGS.

15 (7) IN ANY HEARING CONDUCTED BY THE DIRECTOR OR AN
16 AUTHORIZED REPRESENTATIVE OF THE DIRECTOR IN WHICH THERE IS A
17 POSSIBILITY OF THE DENIAL, SUSPENSION, OR REVOCATION OF A LICENSE
18 BECAUSE OF THE CONVICTION OF A FELONY OR OF A CRIME INVOLVING
19 MORAL TURPITUDE, THE DIRECTOR OR THE DIRECTOR'S AUTHORIZED
20 REPRESENTATIVE IS GOVERNED BY SECTION 24-5-101, C.R.S.

21 (8) A PERSON PARTICIPATING IN GOOD FAITH IN THE FILING OF A
22 COMPLAINT OR REPORT OR PARTICIPATING IN AN INVESTIGATION OR
23 HEARING BEFORE THE DIRECTOR OR AN ADMINISTRATIVE LAW JUDGE
24 PURSUANT TO THIS PART 10 IS IMMUNE FROM ANY LIABILITY, CIVIL OR
25 CRIMINAL, THAT OTHERWISE MIGHT RESULT BY REASON OF SUCH ACTION.

26 **12-61-1012. Community association manager licensing cash**
27 **fund - creation.** THE DIRECT AND INDIRECT COSTS INCURRED BY THE

1 DIRECTOR IN ADMINISTERING THIS PART 10 ARE PAYABLE FROM THE
2 COMMUNITY ASSOCIATION MANAGER LICENSING CASH FUND, WHICH FUND
3 IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF FEES
4 PAID BY COMMUNITY ASSOCIATION MANAGERS AND APPLICANTS FOR
5 LICENSURE UNDER SECTION 12-61-1009. INTEREST EARNED ON MONEYS IN
6 THE FUND REMAIN IN THE FUND, AND ANY UNEXPENDED AND
7 UNENCUMBERED MONEYS IN THE FUND AT THE END OF ANY FISCAL YEAR
8 DO NOT REVERT TO THE GENERAL FUND OR ANY OTHER FUND. PAYMENTS
9 FROM THE FUND ARE SUBJECT TO ANNUAL APPROPRIATION BY THE
10 GENERAL ASSEMBLY.

11 **12-61-1013. Review and report by director - report - repeal.**

12 (1) THE DIRECTOR SHALL REVIEW THE OPERATION OF THIS PART 10
13 DURING THE FIRST YEAR OF ITS IMPLEMENTATION AND SHALL REPORT TO
14 THE SENATE COMMITTEE ON BUSINESS, LABOR, AND TECHNOLOGY AND THE
15 HOUSE COMMITTEE ON BUSINESS, LABOR, AND ECONOMIC AND
16 WORKFORCE DEVELOPMENT, OR THEIR SUCCESSOR COMMITTEES, ON OR
17 BEFORE JANUARY 1, 2016, CONCERNING THE DIRECTOR'S FINDINGS AND
18 RECOMMENDATIONS FOR LEGISLATIVE CHANGES, IF ANY. THE MATTERS
19 INCLUDED IN THE DIRECTOR'S REPORT MAY INCLUDE:

20 (a) REFINEMENT OF THE SCOPE, COVERAGE, AND DEFINITION OF
21 KEY TERMS IN THIS PART 10;

22 (b) WHETHER IT WOULD BE ADVISABLE TO CODIFY, IN STATUTES
23 OR RULES, A CODE OF ETHICS FOR COMMUNITY ASSOCIATION MANAGERS;

24 (c) WHETHER IT WOULD BE ADVISABLE TO MODIFY THE
25 CONTINUING EDUCATION REQUIREMENTS;

26 (d) ANY SIGNIFICANT CHANGE IN THE NUMBER OR TYPES OF
27 COMPLAINTS REPORTED TO THE HOA INFORMATION AND RESOURCE

1 CENTER CREATED IN SECTION 12-61-406.5 SINCE THE ADOPTION OF THIS
2 PART 10;

3 (e) THE ADEQUACY OF EXISTING REMEDIES AND OF THE DIRECTOR'S
4 AUTHORITY UNDER THIS PART 10; AND

5 (f) THE ESTIMATED COST SAVINGS TO THE PUBLIC RESULTING FROM
6 EXERCISE OF THE DIRECTOR'S AUTHORITY UNDER THIS PART 10 AS
7 COMPARED TO PRIVATE ENFORCEMENT OF RIGHTS AND REMEDIES UNDER
8 CCIOA BY INDIVIDUAL UNIT OWNERS.

9 (2) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2016.

10 **12-61-1014. Repeal of part.** THIS PART 10 IS REPEALED, EFFECTIVE
11 JULY 1, 2018. PRIOR TO THE REPEAL, THE FUNCTIONS OF THE DIRECTOR
12 UNDER THIS PART 10 ARE SUBJECT TO REVIEW AS PROVIDED IN SECTION
13 24-34-104 (8), C.R.S.

14 **SECTION 4.** In Colorado Revised Statutes, 13-4-102, **add** (2)
15 (m.5) as follows:

16 **13-4-102. Jurisdiction - repeal.** (2) The court of appeals has
17 initial jurisdiction to:

18 (m.5) REVIEW FINAL DECISIONS OR ORDERS OF THE DIRECTOR OF
19 THE DIVISION OF REAL ESTATE, AS PROVIDED IN PART 10 OF ARTICLE 61 OF
20 TITLE 12, C.R.S.;

21 **SECTION 5.** In Colorado Revised Statutes, 12-61-111.5, **amend**
22 (1) and (2) (a) (I) as follows:

23 **12-61-111.5. Fee adjustments.** (1) This section shall apply to all
24 activities of the division under parts 1, 3, 4, ~~and~~ 7, AND 10 of this article.

25 (2) (a) (I) The division shall propose, as part of its annual budget
26 request, an adjustment in the amount of each fee that it is authorized by
27 law to collect under parts 1, 3, 4, ~~and~~ 7, AND 10 of this article. The budget

1 request and the adjusted fees for the division shall reflect direct and
2 indirect costs.

3 **SECTION 6.** In Colorado Revised Statutes, 24-34-104, **amend**
4 (49.5) introductory portion; and **add** (49.5) (e) as follows:

5 **24-34-104. General assembly review of regulatory agencies**
6 **and functions for termination, continuation, or reestablishment.**

7 (49.5) The following agencies, functions, or both, ~~shall~~ terminate on
8 September 1, 2018:

9 (e) THE LICENSING OF COMMUNITY ASSOCIATION MANAGERS BY
10 THE DIRECTOR OF THE DIVISION OF REAL ESTATE IN ACCORDANCE WITH
11 PART 10 OF ARTICLE 61 OF TITLE 12, C.R.S.;

12 **SECTION 7. Act subject to petition - effective date.** This act
13 takes effect January 1, 2015; except that, if a referendum petition is filed
14 pursuant to section 1 (3) of article V of the state constitution against this
15 act or an item, section, or part of this act within the ninety-day period
16 after final adjournment of the general assembly, then the act, item,
17 section, or part will not take effect unless approved by the people at the
18 general election to be held in November 2014 and, in such case, will take
19 effect on the date of the official declaration of the vote thereon by the
20 governor.