

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

Date

March 26, 2019

Committee on Transportation & Local Government.

After consideration on the merits, the Committee recommends the following:

HB19-1212 be amended as follows, and as so amended, be referred to the Committee on Finance with favorable recommendation:

1 Amend printed bill, page 4, line 11, after "COORDINATING" insert
2 "CONTRACTS FOR".

3 Page 4, strike line 13 and substitute:

4 "(V) EVALUATING APPLICATIONS FOR ARCHITECTURAL REVIEW
5 AND RECOMMENDING OR MAKING FINAL DECISIONS REGARDING THOSE
6 APPLICATIONS;"

7 Page 4, line 25, strike "THE" and substitute "AFTER CONSULTING WITH
8 THE ADVISORY COMMITTEE CREATED IN SECTION 12-61-1013, THE".

9 Page 5, line 14, strike "MANAGER," and substitute "MANAGER OR THE
10 EXECUTIVE BOARD,".

11 Page 7, line 19, strike "THE DIRECTOR MAY" and substitute "AFTER
12 CONSULTING WITH THE ADVISORY COMMITTEE CREATED IN SECTION
13 12-61-1013, THE DIRECTOR SHALL".

14 Page 7, line 24, strike "12-61-1012," and substitute "12-61-1014,".

15 Page 11, strike lines 6 and 7 and substitute:

16 "(I) (A) HOLD ONE OR MORE CREDENTIALS IDENTIFIED IN RULES
17 ADOPTED BY THE DIRECTOR IN CONSULTATION WITH THE ADVISORY

1 COMMITTEE CREATED IN SECTION 12-61-1013; OR".

2 Page 13, line 15, strike "GENERAL" and substitute "COLORADO LAW".

3 Page 16, strike lines 6 through 10 and substitute "UNLESS THE AMOUNT OF
4 THE FEE OR CHARGE IS EXPLICITLY DISCLOSED IN THE MANAGER'S
5 CONTRACT WITH THE HOA OR IN AN ADDENDUM TO THE CONTRACT."

6 Page 19, after line 15 insert:

7 **"12-61-1012. Investigation - revocation - actions against**
8 **licensee - rules.** (1) THE DIRECTOR, UPON THE DIRECTOR'S OWN MOTION,
9 MAY, AND, UPON THE COMPLAINT IN WRITING OF ANY PERSON, SHALL,
10 INVESTIGATE THE ACTIVITIES OF ANY LICENSEE OR ANY PERSON WHO
11 ASSUMES TO ACT IN THE CAPACITY OF A LICENSEE WITHIN THE STATE UPON
12 THE DIRECTOR'S DETERMINATION THAT THE COMPLAINT IS VALID. THE
13 DIRECTOR, AFTER HOLDING A HEARING IN ACCORDANCE WITH THE "STATE
14 ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24, MAY IMPOSE
15 AN ADMINISTRATIVE FINE NOT TO EXCEED TWO THOUSAND FIVE HUNDRED
16 DOLLARS FOR EACH SEPARATE OFFENSE, CENSURE A LICENSEE, PLACE THE
17 LICENSEE ON PROBATION AND SET THE TERMS OF PROBATION, OR
18 TEMPORARILY SUSPEND OR PERMANENTLY REVOKE A LICENSE WHEN THE
19 LICENSEE HAS PERFORMED, IS PERFORMING, OR IS ATTEMPTING TO
20 PERFORM ANY OF THE FOLLOWING ACTS AND IS GUILTY OF:

21 (a) KNOWINGLY MAKING ANY MISREPRESENTATION OR
22 KNOWINGLY MAKING USE OF ANY FALSE OR MISLEADING ADVERTISING;

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

26 (c) KNOWINGLY MISREPRESENTING OR MAKING FALSE PROMISES
27 THROUGH AGENTS, ADVERTISING, OR OTHERWISE;

28 (d) VIOLATING, DIRECTLY OR INDIRECTLY, ANY APPLICABLE
29 PROVISION OF COLORADO OR FEDERAL FAIR HOUSING LAWS;

30 (e) KNOWINGLY VIOLATING OR KNOWINGLY DIRECTING OTHERS TO
31 VIOLATE CCIOA;

32 (f) FAILING TO ACCOUNT FOR OR TO REMIT, WITHIN A REASONABLE
33 TIME, ANY MONEY COMING INTO THE LICENSEE'S POSSESSION THAT
34 BELONGS TO OTHERS, WHETHER ACTING AS A COMMUNITY ASSOCIATION
35 MANAGER, APPRENTICE, OR OTHERWISE, AND FAILING TO KEEP RECORDS
36 RELATIVE TO THE MONEY, WHICH RECORDS MUST CONTAIN ANY
37 INFORMATION REQUIRED BY RULES OF THE DIRECTOR AND ARE SUBJECT TO

1 AUDIT BY THE DIRECTOR;

2 (g) CONVERTING FUNDS OF OTHERS, DIVERTING FUNDS OF OTHERS
3 WITHOUT PROPER AUTHORIZATION, COMMINGLING FUNDS OF OTHERS WITH
4 THE MANAGER'S OWN FUNDS, OR FAILING TO KEEP SUCH FUNDS OF OTHERS
5 IN A SEGREGATED ACCOUNT WITH SOME BANK OR RECOGNIZED
6 DEPOSITORY IN THIS STATE, WHICH ACCOUNT MAY BE ANY TYPE OF
7 CHECKING, DEMAND, PASSBOOK, OR STATEMENT ACCOUNT INSURED BY AN
8 AGENCY OF THE UNITED STATES GOVERNMENT, AND TO SO KEEP RECORDS
9 RELATIVE TO THE DEPOSIT THAT CONTAIN ANY INFORMATION REQUIRED BY
10 RULES OF THE DIRECTOR AND ARE SUBJECT TO AUDIT BY THE DIRECTOR;

11 (h) DISREGARDING OR VIOLATING, OR AIDING OR ABETTING ANY
12 VIOLATION OF, THIS PART 10 OR ANY APPLICABLE RULE OR ORDER OF THE
13 DIRECTOR;

14 (i) PERFORMING ANY ACT THAT LEADS TO A CONVICTION OF,
15 ENTRY OF A PLEA OF GUILTY TO, OR ENTRY OF A PLEA OF NOLO
16 CONTENDERE TO ANY CRIME IN ARTICLE 3 OF TITLE 18; PARTS 1 TO 4 OF
17 ARTICLE 4 OF TITLE 18; PARTS 1 TO 5 AND 7 TO 9 OF ARTICLE 5 OF TITLE 18;
18 ARTICLE 5.5 OF TITLE 18; PARTS 3, 4, AND 6 TO 8 OF ARTICLE 6 OF TITLE 18;
19 PARTS 1 AND 3 TO 8 OF ARTICLE 7 OF TITLE 18; PART 3 OF ARTICLE 8 OF
20 TITLE 18; ARTICLE 15 OF TITLE 18; ARTICLE 17 OF TITLE 18; SECTION
21 18-18-405, 18-18-411, 18-18-412.5, 18-18-412.7, 18-18-415, 18-18-422,
22 OR 18-18-423; OR ANY OTHER LIKE CRIME UNDER COLORADO LAW,
23 FEDERAL LAW, OR THE LAWS OF OTHER STATES. A CERTIFIED COPY OF THE
24 JUDGMENT OF A COURT OF COMPETENT JURISDICTION OF SUCH CONVICTION
25 OR OTHER OFFICIAL RECORD INDICATING THAT SUCH PLEA WAS ENTERED
26 IS CONCLUSIVE EVIDENCE OF SUCH CONVICTION OR PLEA IN ANY HEARING
27 UNDER THIS PART 10.

28 (j) FAILING TO IMMEDIATELY NOTIFY THE DIRECTOR IN WRITING OF
29 A CONVICTION, PLEA, OR VIOLATION COVERED BY SUBSECTION (1)(i) OF
30 THIS SECTION;

31 (k) HAVING DEMONSTRATED UNWORTHINESS OR INCOMPETENCY
32 TO ACT AS A COMMUNITY ASSOCIATION MANAGER BY CONDUCTING
33 BUSINESS IN SUCH A MANNER AS TO SIGNIFICANTLY ENDANGER THE
34 INTEREST OF A COMMON INTEREST COMMUNITY OR OF THE PUBLIC;

35 (l) IN THE CASE OF A MANAGER WHO EMPLOYS OTHERS OR IS
36 DESIGNATED TO ACT ON BEHALF OF A LICENSED ENTITY, FAILING TO
37 EXERCISE REASONABLE SUPERVISION OVER THE ACTIVITIES OF EMPLOYEES
38 OR APPRENTICES;

39 (m) FAILING TO MAKE A FULL AND TRUE DISCLOSURE OF FEES,
40 CHARGES, AND REMUNERATION AS REQUIRED BY SECTION 12-61-1006;

41 (n) PROCURING, OR ATTEMPTING TO PROCURE, A LICENSE OR

1 RENEWING, REINSTATING, OR REACTIVATING, OR ATTEMPTING TO RENEW,
2 REINSTATE, OR REACTIVATE, A LICENSE BY FRAUD, MISREPRESENTATION,
3 OR DECEIT OR BY MAKING A MATERIAL MISSTATEMENT OF FACT IN AN
4 APPLICATION FOR A LICENSE;

5 (o) CLAIMING, ARRANGING FOR, OR TAKING ANY SECRET OR
6 UNDISCLOSED AMOUNT OF COMPENSATION, COMMISSION, OR PROFIT OR
7 FAILING TO REVEAL TO THE LICENSEE'S PRINCIPAL OR EMPLOYER THE FULL
8 AMOUNT OF THE LICENSEE'S COMPENSATION, COMMISSION, OR PROFIT IN
9 CONNECTION WITH ANY ACTS FOR WHICH A LICENSE IS REQUIRED UNDER
10 THIS PART 10;

11 (p) HAVING HAD A LICENSE OR A SUBDIVISION DEVELOPER'S
12 REGISTRATION SUSPENDED OR REVOKED IN ANY JURISDICTION, OR HAVING
13 HAD ANY DISCIPLINARY ACTION TAKEN AGAINST THE MANAGER OR
14 SUBDIVISION DEVELOPER IN ANY OTHER JURISDICTION IF THE LICENSEE'S
15 OR SUBDIVISION DEVELOPER'S ACTION WOULD CONSTITUTE A VIOLATION
16 OF THIS SUBSECTION (1). A CERTIFIED COPY OF THE ORDER OF
17 DISCIPLINARY ACTION IS PRIMA FACIE EVIDENCE OF SUCH DISCIPLINARY
18 ACTION.

19 (q) WITHIN THE LAST FIVE YEARS, HAVING A LICENSE,
20 REGISTRATION, OR CERTIFICATION ISSUED BY COLORADO OR ANOTHER
21 STATE REVOKED OR SUSPENDED FOR FRAUD, DECEIT, MATERIAL
22 MISREPRESENTATION, THEFT, OR BREACH OF A FIDUCIARY DUTY, AND SUCH
23 DISCIPLINE DENIED THE PERSON AUTHORIZATION TO PRACTICE AS:

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

25 (II) A REAL ESTATE BROKER OR SALESPERSON;

26 (III) A REAL ESTATE APPRAISER, AS DEFINED BY SECTION
27 12-61-702 (11);

28 (IV) AN INSURANCE PRODUCER, AS DEFINED BY SECTION 10-2-103
29 (6);

30 (V) AN ATTORNEY;

31 (VI) A SECURITIES BROKER-DEALER, AS DEFINED BY SECTION
32 11-51-201 (2);

33 (VII) A SECURITIES SALES REPRESENTATIVE, AS DEFINED BY
34 SECTION 11-51-201 (14);

35 (VIII) AN INVESTMENT ADVISOR, AS DEFINED BY SECTION
36 11-51-201 (9.5); OR

37 (IX) AN INVESTMENT ADVISOR REPRESENTATIVE, AS DEFINED BY
38 SECTION 11-51-201 (9.6);

39 (r) ACTING OUTSIDE THE SCOPE OF AUTHORITY GRANTED BY THE
40 ISSUANCE OF A LICENSE; OR

41 (s) ANY OTHER CONDUCT, WHETHER OF THE SAME OR A DIFFERENT

1 CHARACTER THAN SPECIFIED IN THIS SUBSECTION (1), THAT CONSTITUTES
2 DISHONEST DEALING.

3 (2) IF A FIRM, PARTNERSHIP, LIMITED LIABILITY COMPANY,
4 ASSOCIATION, OR CORPORATION OPERATING UNDER THE LICENSE OF A
5 MANAGER DESIGNATED AND LICENSED AS A REPRESENTATIVE OF THE
6 ENTITY COMMITS ANY ACT OR PRACTICE LISTED IN SUBSECTION (1) OF THIS
7 SECTION, THE DIRECTOR MAY SUSPEND OR REVOKE THE RIGHT OF THE
8 ENTITY TO CONDUCT ITS BUSINESS UNDER THE LICENSE OF THE MANAGER,
9 WHETHER OR NOT THE DESIGNATED MANAGER HAD PERSONAL
10 KNOWLEDGE OF THE ACT OR PRACTICE AND WHETHER OR NOT THE
11 DIRECTOR SUSPENDS OR REVOKES THE INDIVIDUAL LICENSE OF ANY OTHER
12 PERSON.

13 (3) AFTER CONSULTING WITH THE ADVISORY COMMITTEE CREATED
14 IN SECTION 12-61-1015, THE DIRECTOR SHALL ADOPT RULES SPECIFYING
15 THE FORMAT OF COMPLAINTS, THE FORM AND CONTENT OF NOTICES GIVEN
16 TO MANAGERS CONCERNING COMPLAINTS, THE FORM AND TIMING OF
17 RESPONSES, AND OTHER DETAILS OF THE COMPLAINT AND INVESTIGATION
18 PROCESS. THE DIRECTOR SHALL ALSO PROVIDE INFORMATION AND
19 SUPPORT TO CONSUMERS REGARDING THE FILING OF COMPLAINTS,
20 INCLUDING EXAMPLES OF APPROPRIATE COMPLAINTS TO BE FILED AGAINST
21 MANAGERS THROUGH THE DIVISION; GENERAL CATEGORIES OF VIOLATIONS
22 TO BE SELECTED FOR COMPLAINTS WHEN FILED; AND HOW THE DIVISION
23 MAY FOLLOW UP WITH COMPLAINANTS ON THE OUTCOME OF ANY
24 COMPLAINT FILED.

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

27 (5) COMPLAINTS OF RECORD IN THE OFFICE OF THE DIRECTOR AND
28 DIVISION INVESTIGATIONS, INCLUDING INVESTIGATIVE FILES, ARE CLOSED
29 TO PUBLIC INSPECTION. STIPULATIONS AND FINAL AGENCY ORDERS ARE
30 PUBLIC RECORDS SUBJECT TO SECTIONS 24-72-203 AND 24-72-204.

31 (6) WHEN A COMPLAINT OR AN INVESTIGATION DISCLOSES AN
32 INSTANCE OF MISCONDUCT THAT, IN THE OPINION OF THE DIRECTOR, DOES
33 NOT WARRANT FORMAL ACTION BY THE DIRECTOR BUT SHOULD NOT BE
34 DISMISSED AS BEING WITHOUT MERIT, THE DIRECTOR MAY SEND A LETTER
35 OF ADMONITION TO THE LICENSEE AGAINST WHOM THE COMPLAINT WAS
36 MADE AND A COPY OF THE LETTER TO THE PERSON MAKING THE
37 COMPLAINT, BUT THE LETTER MUST ADVISE THE LICENSEE THAT THE
38 LICENSEE HAS THE RIGHT TO REQUEST IN WRITING, WITHIN TWENTY DAYS
39 AFTER RECEIPT, THAT FORMAL DISCIPLINARY PROCEEDINGS BE INITIATED
40 TO ADJUDICATE THE PROPRIETY OF THE CONDUCT UPON WHICH THE LETTER
41 OF ADMONITION IS BASED. IF THE REQUEST IS TIMELY MADE, THE LETTER

1 OF ADMONITION IS VACATED, AND THE MATTER SHALL BE PROCESSED BY
2 MEANS OF FORMAL DISCIPLINARY PROCEEDINGS.

3 (7) ALL ADMINISTRATIVE FINES COLLECTED PURSUANT TO THIS
4 SECTION SHALL BE TRANSMITTED TO THE STATE TREASURER, WHO SHALL
5 CREDIT THEM TO THE DIVISION OF REAL ESTATE CASH FUND CREATED IN
6 SECTION 12-61-111.5 (2)(b).

7 (8) WHEN THE DIVISION BECOMES AWARE OF FACTS OR
8 CIRCUMSTANCES THAT FALL WITHIN THE JURISDICTION OF A CRIMINAL
9 JUSTICE OR OTHER LAW ENFORCEMENT AUTHORITY UPON INVESTIGATION
10 OF THE ACTIVITIES OF A LICENSEE, THE DIVISION SHALL, IN ADDITION TO
11 THE EXERCISE OF ITS AUTHORITY UNDER THIS PART 10, REFER AND
12 TRANSMIT SUCH INFORMATION, WHICH MAY INCLUDE ORIGINALS OR COPIES
13 OF DOCUMENTS AND MATERIALS, TO ONE OR MORE CRIMINAL JUSTICE OR
14 OTHER LAW ENFORCEMENT AUTHORITIES FOR INVESTIGATION AND
15 PROSECUTION AS AUTHORIZED BY LAW.

16 **12-61-1013. Authority of director - cease-and-desist orders -**
17 **rules.** (1) (a) IF IT APPEARS TO THE DIRECTOR, BASED UPON CREDIBLE
18 EVIDENCE AS PRESENTED IN A WRITTEN COMPLAINT BY ANY PERSON, THAT
19 A MANAGER OR APPRENTICE IS VIOLATING THIS PART 10 OR RULES
20 ADOPTED PURSUANT TO THIS PART 10 OR THAT A PERSON IS ACTING OR HAS
21 ACTED WITHOUT THE REQUIRED LICENSE, THE DIRECTOR MAY ISSUE AN
22 ORDER TO CEASE AND DESIST THE ACTIVITY. THE ORDER MUST SET FORTH
23 THE STATUTES AND RULES THE MANAGER, APPRENTICE, OR PERSON
24 ALLEGEDLY VIOLATED, THE FACTS THAT ALLEGEDLY CONSTITUTED THE
25 VIOLATION, AND THE REQUIREMENT THAT ALL UNLAWFUL ACTS OR
26 UNLICENSED PRACTICES IMMEDIATELY CEASE.

27 (b) WITHIN TEN DAYS AFTER SERVICE OF THE ORDER TO CEASE AND
28 DESIST PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION, THE
29 RESPONDENT MAY REQUEST A HEARING ON THE QUESTION OF WHETHER
30 ACTS OR PRACTICES IN VIOLATION OF THIS PART 10 HAVE OCCURRED. THE
31 HEARING MUST BE CONDUCTED PURSUANT TO SECTIONS 24-4-104 AND
32 24-4-105.

33 (2) (a) IF IT APPEARS TO THE DIRECTOR, BASED UPON CREDIBLE
34 EVIDENCE AS PRESENTED IN A WRITTEN COMPLAINT BY ANY PERSON, THAT
35 A MANAGER OR APPRENTICE IS VIOLATING THIS PART 10 OR RULES
36 ADOPTED PURSUANT TO THIS PART 10 OR THAT A PERSON IS ACTING OR HAS
37 ACTED WITHOUT THE REQUIRED LICENSE, THEN, IN ADDITION TO ANY
38 SPECIFIC POWERS GRANTED PURSUANT TO THIS PART 10, THE DIRECTOR
39 MAY ISSUE TO THE PERSON AN ORDER TO SHOW CAUSE AS TO WHY THE
40 DIRECTOR SHOULD NOT ISSUE A FINAL ORDER DIRECTING THE PERSON TO
41 CEASE AND DESIST FROM THE UNLAWFUL ACT OR UNLICENSED PRACTICE.

1 (b) IF THE DIRECTOR HAS ISSUED AN ORDER TO SHOW CAUSE
2 PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION TO ANY PERSON, THE
3 DIRECTOR SHALL PROMPTLY GIVE THE PERSON NOTICE OF THE ISSUANCE
4 OF THE ORDER TOGETHER WITH A COPY OF THE ORDER, THE FACTUAL AND
5 LEGAL BASIS FOR THE ORDER, AND THE DATE SET BY THE DIRECTOR FOR A
6 HEARING ON THE ORDER. THE NOTICE MAY BE SERVED BY PERSONAL
7 SERVICE, BY FIRST-CLASS UNITED STATES MAIL, POSTAGE PREPAID, OR AS
8 MAY BE PRACTICABLE UPON ANY PERSON AGAINST WHOM THE ORDER IS
9 ISSUED. PERSONAL SERVICE OR MAILING OF AN ORDER OR DOCUMENT
10 PURSUANT TO THIS SUBSECTION (2) CONSTITUTES NOTICE TO THE PERSON
11 OF THE ORDER OR DOCUMENT.

12 (c) (I) THE HEARING ON AN ORDER TO SHOW CAUSE MUST BE
13 COMMENCED NO SOONER THAN TEN AND NO LATER THAN FORTY-FIVE
14 CALENDAR DAYS AFTER THE DATE OF TRANSMISSION OR SERVICE OF THE
15 NOTICE BY THE DIRECTOR AS PROVIDED IN SUBSECTION (2)(b) OF THIS
16 SECTION. THE HEARING MAY BE CONTINUED BY AGREEMENT OF ALL
17 PARTIES BASED UPON THE COMPLEXITY OF THE MATTER, NUMBER OF
18 PARTIES TO THE MATTER, AND LEGAL ISSUES PRESENTED IN THE MATTER,
19 BUT IN NO EVENT MAY THE HEARING COMMENCE LATER THAN SIXTY
20 CALENDAR DAYS AFTER THE DATE OF TRANSMISSION OR SERVICE OF THE
21 NOTICE.

22 (II) IF A PERSON AGAINST WHOM AN ORDER TO SHOW CAUSE HAS
23 BEEN ISSUED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION DOES NOT
24 APPEAR AT THE HEARING, THE DIRECTOR MAY PRESENT EVIDENCE THAT
25 NOTICE WAS PROPERLY SENT OR SERVED UPON THE PERSON PURSUANT TO
26 SUBSECTION (2)(b) OF THIS SECTION AND ANY OTHER EVIDENCE RELATED
27 TO THE MATTER AS THE DIRECTOR DEEMS APPROPRIATE. THE DIRECTOR
28 SHALL ISSUE THE ORDER WITHIN TEN DAYS AFTER THE DIRECTOR'S
29 DETERMINATION RELATED TO REASONABLE ATTEMPTS TO NOTIFY THE
30 RESPONDENT, AND THE ORDER BECOMES FINAL AS TO THE RESPONDENT BY
31 OPERATION OF LAW. THE HEARING SHALL BE CONDUCTED PURSUANT TO
32 SECTIONS 24-4-104 AND 24-4-105.

33 (III) IF THE DIRECTOR REASONABLY FINDS THAT THE PERSON
34 AGAINST WHOM THE ORDER TO SHOW CAUSE WAS ISSUED IS ACTING OR
35 HAS ACTED WITHOUT THE REQUIRED LICENSE, OR HAS OR IS ABOUT TO
36 ENGAGE IN ACTS OR PRACTICES CONSTITUTING VIOLATIONS OF THIS PART
37 10 OR RULES ADOPTED PURSUANT TO THIS PART 10, A FINAL
38 CEASE-AND-DESIST ORDER MAY BE ISSUED, DIRECTING THE PERSON TO
39 CEASE AND DESIST FROM FURTHER UNLAWFUL ACTS OR UNLICENSED
40 PRACTICES.

41 (IV) THE DIRECTOR SHALL PROVIDE NOTICE, IN THE MANNER SET

1 FORTH IN SUBSECTION (2)(b) OF THIS SECTION, OF THE FINAL
2 CEASE-AND-DESIST ORDER WITHIN TEN CALENDAR DAYS AFTER THE
3 HEARING CONDUCTED PURSUANT TO THIS SUBSECTION (2)(c) TO EACH
4 PERSON AGAINST WHOM THE FINAL ORDER HAS BEEN ISSUED. THE FINAL
5 ORDER ISSUED PURSUANT TO SUBSECTION (2)(c)(III) OF THIS SECTION IS
6 EFFECTIVE WHEN ISSUED AND CONSTITUTES A FINAL ORDER FOR PURPOSES
7 OF JUDICIAL REVIEW.

8 (3) IF IT APPEARS TO THE DIRECTOR, BASED UPON CREDIBLE
9 EVIDENCE PRESENTED TO THE DIRECTOR, THAT A PERSON HAS ENGAGED IN
10 OR IS ABOUT TO ENGAGE IN ANY UNLICENSED ACT OR PRACTICE, ANY ACT
11 OR PRACTICE CONSTITUTING A VIOLATION OF THIS PART 10, ANY RULE
12 PROMULGATED PURSUANT TO THIS PART 10, ANY ORDER ISSUED PURSUANT
13 TO THIS PART 10, OR ANY ACT OR PRACTICE CONSTITUTING GROUNDS FOR
14 ADMINISTRATIVE SANCTION PURSUANT TO THIS PART 10, THE DIRECTOR
15 MAY ENTER INTO A STIPULATION WITH THE PERSON.

16 (4) IF A PERSON FAILS TO COMPLY WITH A FINAL
17 CEASE-AND-DESIST ORDER OR A STIPULATION, THE DIRECTOR MAY
18 REQUEST THE ATTORNEY GENERAL OR THE DISTRICT ATTORNEY FOR THE
19 JUDICIAL DISTRICT IN WHICH THE ALLEGED VIOLATION EXISTS TO BRING,
20 AND IF SO REQUESTED THE ATTORNEY SHALL BRING, SUIT FOR A
21 TEMPORARY RESTRAINING ORDER AND FOR INJUNCTIVE RELIEF TO
22 PREVENT ANY FURTHER OR CONTINUED VIOLATION OF THE FINAL ORDER.

23 (5) A PERSON AGGRIEVED BY THE FINAL CEASE-AND-DESIST ORDER
24 MAY SEEK JUDICIAL REVIEW OF THE DIRECTOR'S DETERMINATION OR OF
25 THE DIRECTOR'S FINAL ORDER AS PROVIDED IN SECTION 12-61-1014."

26 Renumber succeeding C.R.S. sections accordingly.

27 Page 25, strike lines 18 through 23 and substitute:

28 "(7) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
29 REGULATORY AGENCIES SHALL, IN CONSULTATION WITH THE ADVISORY
30 COMMITTEE, ADOPT RULES CONCERNING THE APPOINTMENT AND REMOVAL
31 OF COMMITTEE MEMBERS AND OPERATION OF THE ADVISORY COMMITTEE
32 AND, IN ACCORDANCE WITH THOSE RULES, MAY REMOVE AN APPOINTED
33 COMMITTEE MEMBER.

34 **12-61-1016. Repeal of part.** THIS PART 10 IS REPEALED,
35 EFFECTIVE SEPTEMBER 1, 2025. BEFORE THE REPEAL, THE FUNCTIONS OF"

36 Page 26, line 1, strike "(25)(a)(XX)" and substitute "(26)(a)(VIII)".

- 1 Page 26, line 9, strike "(25)" and substitute "(26)".
- 2 Page 26, line 10, strike "2024:" and substitute "2025:".
- 3 Page 26, line 11, strike "(XX)" and substitute "(VIII)".
- 4 Page 28, line 4, after "COORDINATING" insert "CONTRACTS FOR".
- 5 Page 28, strike line 6 and substitute:
- 6 "(V) EVALUATING APPLICATIONS FOR ARCHITECTURAL REVIEW
7 AND RECOMMENDING OR MAKING FINAL DECISIONS REGARDING THOSE
8 APPLICATIONS;".
- 9 Page 28, line 18, strike "THE" and substitute "AFTER CONSULTING WITH
10 THE ADVISORY COMMITTEE CREATED IN SECTION 12-10-1013, THE".
- 11 Page 29, line 7, strike "MANAGER," and substitute "MANAGER OR THE
12 EXECUTIVE BOARD,".
- 13 Page 31, line 7, strike "THE DIRECTOR MAY" and substitute "AFTER
14 CONSULTING WITH THE ADVISORY COMMITTEE CREATED IN SECTION
15 12-10-1013, THE DIRECTOR SHALL".
- 16 Page 31, line 12, strike "12-10-1012," and substitute "12-10-1014,".
- 17 Page 34, strike lines 21 and 22 and substitute:
- 18 "(I) (A) HOLD ONE OR MORE CREDENTIALS IDENTIFIED IN RULES
19 ADOPTED BY THE DIRECTOR IN CONSULTATION WITH THE ADVISORY
20 COMMITTEE CREATED IN SECTION 12-10-1013; OR".
- 21 Page 37, line 3, strike "GENERAL" and substitute "COLORADO LAW".
- 22 Page 39, strike lines 21 through 25 and substitute "UNLESS THE AMOUNT
23 OF THE FEE OR CHARGE IS EXPLICITLY DISCLOSED IN THE MANAGER'S
24 CONTRACT WITH THE HOA OR IN AN ADDENDUM TO THE CONTRACT.".
- 25 Page 43, after line 3 insert:
- 26 **"12-10-1012. Investigation - revocation - actions against**

1 **licensee - rules.** (1) THE DIRECTOR, UPON THE DIRECTOR'S OWN MOTION,
2 MAY, AND, UPON THE COMPLAINT IN WRITING OF ANY PERSON, SHALL,
3 INVESTIGATE THE ACTIVITIES OF ANY LICENSEE OR ANY PERSON WHO
4 ASSUMES TO ACT IN THE CAPACITY OF A LICENSEE WITHIN THE STATE UPON
5 THE DIRECTOR'S DETERMINATION THAT THE COMPLAINT IS VALID. THE
6 DIRECTOR, AFTER HOLDING A HEARING IN ACCORDANCE WITH THE "STATE
7 ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24, MAY IMPOSE
8 AN ADMINISTRATIVE FINE NOT TO EXCEED TWO THOUSAND FIVE HUNDRED
9 DOLLARS FOR EACH SEPARATE OFFENSE, CENSURE A LICENSEE, PLACE THE
10 LICENSEE ON PROBATION AND SET THE TERMS OF PROBATION, OR
11 TEMPORARILY SUSPEND OR PERMANENTLY REVOKE A LICENSE WHEN THE
12 LICENSEE HAS PERFORMED, IS PERFORMING, OR IS ATTEMPTING TO
13 PERFORM ANY OF THE FOLLOWING ACTS AND IS GUILTY OF:

14 (a) KNOWINGLY MAKING ANY MISREPRESENTATION OR
15 KNOWINGLY MAKING USE OF ANY FALSE OR MISLEADING ADVERTISING;

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

19 (c) KNOWINGLY MISREPRESENTING OR MAKING FALSE PROMISES
20 THROUGH AGENTS, ADVERTISING, OR OTHERWISE;

21 (d) VIOLATING, DIRECTLY OR INDIRECTLY, ANY APPLICABLE
22 PROVISION OF COLORADO OR FEDERAL FAIR HOUSING LAWS;

23 (e) KNOWINGLY VIOLATING OR KNOWINGLY DIRECTING OTHERS TO
24 VIOLATE CCIOA;

25 (f) FAILING TO ACCOUNT FOR OR TO REMIT, WITHIN A REASONABLE
26 TIME, ANY MONEY COMING INTO THE LICENSEE'S POSSESSION THAT
27 BELONGS TO OTHERS, WHETHER ACTING AS A COMMUNITY ASSOCIATION
28 MANAGER, APPRENTICE, OR OTHERWISE, AND FAILING TO KEEP RECORDS
29 RELATIVE TO THE MONEY, WHICH RECORDS MUST CONTAIN ANY
30 INFORMATION REQUIRED BY RULES OF THE DIRECTOR AND ARE SUBJECT TO
31 AUDIT BY THE DIRECTOR;

32 (g) CONVERTING FUNDS OF OTHERS, DIVERTING FUNDS OF OTHERS
33 WITHOUT PROPER AUTHORIZATION, COMMINGLING FUNDS OF OTHERS WITH
34 THE MANAGER'S OWN FUNDS, OR FAILING TO KEEP SUCH FUNDS OF OTHERS
35 IN A SEGREGATED ACCOUNT WITH SOME BANK OR RECOGNIZED
36 DEPOSITORY IN THIS STATE, WHICH ACCOUNT MAY BE ANY TYPE OF
37 CHECKING, DEMAND, PASSBOOK, OR STATEMENT ACCOUNT INSURED BY AN
38 AGENCY OF THE UNITED STATES GOVERNMENT, AND TO SO KEEP RECORDS
39 RELATIVE TO THE DEPOSIT THAT CONTAIN ANY INFORMATION REQUIRED BY
40 RULES OF THE DIRECTOR AND ARE SUBJECT TO AUDIT BY THE DIRECTOR;

41 (h) DISREGARDING OR VIOLATING, OR AIDING OR ABETTING ANY

1 VIOLATION OF, THIS PART 10 OR ANY APPLICABLE RULE OR ORDER OF THE
2 DIRECTOR;

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

17 (j) FAILING TO IMMEDIATELY NOTIFY THE DIRECTOR IN WRITING OF
18 A CONVICTION, PLEA, OR VIOLATION COVERED BY SUBSECTION (1)(i) OF
19 THIS SECTION;

20 (k) HAVING DEMONSTRATED UNWORTHINESS OR INCOMPETENCY
21 TO ACT AS A COMMUNITY ASSOCIATION MANAGER BY CONDUCTING
22 BUSINESS IN SUCH A MANNER AS TO SIGNIFICANTLY ENDANGER THE
23 INTEREST OF A COMMON INTEREST COMMUNITY OR OF THE PUBLIC;

24 (l) IN THE CASE OF A MANAGER WHO EMPLOYS OTHERS OR IS
25 DESIGNATED TO ACT ON BEHALF OF A LICENSED ENTITY, FAILING TO
26 EXERCISE REASONABLE SUPERVISION OVER THE ACTIVITIES OF EMPLOYEES
27 OR APPRENTICES;

28 (m) FAILING TO MAKE A FULL AND TRUE DISCLOSURE OF FEES,
29 CHARGES, AND REMUNERATION AS REQUIRED BY SECTION 12-10-1006;

30 (n) PROCURING, OR ATTEMPTING TO PROCURE, A LICENSE OR
31 RENEWING, REINSTATING, OR REACTIVATING, OR ATTEMPTING TO RENEW,
32 REINSTATE, OR REACTIVATE, A LICENSE BY FRAUD, MISREPRESENTATION,
33 OR DECEIT OR BY MAKING A MATERIAL MISSTATEMENT OF FACT IN AN
34 APPLICATION FOR A LICENSE;

35 (o) CLAIMING, ARRANGING FOR, OR TAKING ANY SECRET OR
36 UNDISCLOSED AMOUNT OF COMPENSATION, COMMISSION, OR PROFIT OR
37 FAILING TO REVEAL TO THE LICENSEE'S PRINCIPAL OR EMPLOYER THE FULL
38 AMOUNT OF THE LICENSEE'S COMPENSATION, COMMISSION, OR PROFIT IN
39 CONNECTION WITH ANY ACTS FOR WHICH A LICENSE IS REQUIRED UNDER
40 THIS PART 10;

41 (p) HAVING HAD A LICENSE OR A SUBDIVISION DEVELOPER'S

1 REGISTRATION SUSPENDED OR REVOKED IN ANY JURISDICTION, OR HAVING
2 HAD ANY DISCIPLINARY ACTION TAKEN AGAINST THE MANAGER OR
3 SUBDIVISION DEVELOPER IN ANY OTHER JURISDICTION IF THE LICENSEE'S
4 OR SUBDIVISION DEVELOPER'S ACTION WOULD CONSTITUTE A VIOLATION
5 OF THIS SUBSECTION (1). A CERTIFIED COPY OF THE ORDER OF
6 DISCIPLINARY ACTION IS PRIMA FACIE EVIDENCE OF SUCH DISCIPLINARY
7 ACTION.

8 (q) WITHIN THE LAST FIVE YEARS, HAVING A LICENSE,
9 REGISTRATION, OR CERTIFICATION ISSUED BY COLORADO OR ANOTHER
10 STATE REVOKED OR SUSPENDED FOR FRAUD, DECEIT, MATERIAL
11 MISREPRESENTATION, THEFT, OR BREACH OF A FIDUCIARY DUTY, AND SUCH
12 DISCIPLINE DENIED THE PERSON AUTHORIZATION TO PRACTICE AS:

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

14 (II) A REAL ESTATE BROKER OR SALESPERSON;

15 (III) A REAL ESTATE APPRAISER, AS DEFINED BY SECTION
16 12-61-702 (11);

17 (IV) AN INSURANCE PRODUCER, AS DEFINED BY SECTION 10-2-103
18 (6);

19 (V) AN ATTORNEY;

20 (VI) A SECURITIES BROKER-DEALER, AS DEFINED BY SECTION
21 11-51-201 (2);

22 (VII) A SECURITIES SALES REPRESENTATIVE, AS DEFINED BY
23 SECTION 11-51-201 (14);

24 (VIII) AN INVESTMENT ADVISOR, AS DEFINED BY SECTION
25 11-51-201 (9.5); OR

26 (IX) AN INVESTMENT ADVISOR REPRESENTATIVE, AS DEFINED BY
27 SECTION 11-51-201 (9.6);

28 (r) ACTING OUTSIDE THE SCOPE OF AUTHORITY GRANTED BY THE
29 ISSUANCE OF A LICENSE; OR

30 (s) ANY OTHER CONDUCT, WHETHER OF THE SAME OR A DIFFERENT
31 CHARACTER THAN SPECIFIED IN THIS SUBSECTION (1), THAT CONSTITUTES
32 DISHONEST DEALING.

33 (2) IF A FIRM, PARTNERSHIP, LIMITED LIABILITY COMPANY,
34 ASSOCIATION, OR CORPORATION OPERATING UNDER THE LICENSE OF A
35 MANAGER DESIGNATED AND LICENSED AS A REPRESENTATIVE OF THE
36 ENTITY COMMITS ANY ACT OR PRACTICE LISTED IN SUBSECTION (1) OF THIS
37 SECTION, THE DIRECTOR MAY SUSPEND OR REVOKE THE RIGHT OF THE
38 ENTITY TO CONDUCT ITS BUSINESS UNDER THE LICENSE OF THE MANAGER,
39 WHETHER OR NOT THE DESIGNATED MANAGER HAD PERSONAL
40 KNOWLEDGE OF THE ACT OR PRACTICE AND WHETHER OR NOT THE
41 DIRECTOR SUSPENDS OR REVOKES THE INDIVIDUAL LICENSE OF ANY OTHER

1 PERSON.

2 (3) AFTER CONSULTING WITH THE ADVISORY COMMITTEE CREATED
3 IN SECTION 12-10-1015, THE DIRECTOR SHALL ADOPT RULES SPECIFYING
4 THE FORMAT OF COMPLAINTS, THE FORM AND CONTENT OF NOTICES GIVEN
5 TO MANAGERS CONCERNING COMPLAINTS, THE FORM AND TIMING OF
6 RESPONSES, AND OTHER DETAILS OF THE COMPLAINT AND INVESTIGATION
7 PROCESS. THE DIRECTOR SHALL ALSO PROVIDE INFORMATION AND
8 SUPPORT TO CONSUMERS REGARDING THE FILING OF COMPLAINTS,
9 INCLUDING EXAMPLES OF APPROPRIATE COMPLAINTS TO BE FILED AGAINST
10 MANAGERS THROUGH THE DIVISION; GENERAL CATEGORIES OF VIOLATIONS
11 TO BE SELECTED FOR COMPLAINTS WHEN FILED; AND HOW THE DIVISION
12 MAY FOLLOW UP WITH COMPLAINANTS ON THE OUTCOME OF ANY
13 COMPLAINT FILED.

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

16 (5) COMPLAINTS OF RECORD IN THE OFFICE OF THE DIRECTOR AND
17 DIVISION INVESTIGATIONS, INCLUDING INVESTIGATIVE FILES, ARE CLOSED
18 TO PUBLIC INSPECTION. STIPULATIONS AND FINAL AGENCY ORDERS ARE
19 PUBLIC RECORDS SUBJECT TO SECTIONS 24-72-203 AND 24-72-204.

20 (6) WHEN A COMPLAINT OR AN INVESTIGATION DISCLOSES AN
21 INSTANCE OF MISCONDUCT THAT, IN THE OPINION OF THE DIRECTOR, DOES
22 NOT WARRANT FORMAL ACTION BY THE DIRECTOR BUT SHOULD NOT BE
23 DISMISSED AS BEING WITHOUT MERIT, THE DIRECTOR MAY SEND A LETTER
24 OF ADMONITION TO THE LICENSEE AGAINST WHOM THE COMPLAINT WAS
25 MADE AND A COPY OF THE LETTER TO THE PERSON MAKING THE
26 COMPLAINT, BUT THE LETTER MUST ADVISE THE LICENSEE THAT THE
27 LICENSEE HAS THE RIGHT TO REQUEST IN WRITING, WITHIN TWENTY DAYS
28 AFTER RECEIPT, THAT FORMAL DISCIPLINARY PROCEEDINGS BE INITIATED
29 TO ADJUDICATE THE PROPRIETY OF THE CONDUCT UPON WHICH THE LETTER
30 OF ADMONITION IS BASED. IF THE REQUEST IS TIMELY MADE, THE LETTER
31 OF ADMONITION IS VACATED, AND THE MATTER SHALL BE PROCESSED BY
32 MEANS OF FORMAL DISCIPLINARY PROCEEDINGS.

33 (7) ALL ADMINISTRATIVE FINES COLLECTED PURSUANT TO THIS
34 SECTION SHALL BE TRANSMITTED TO THE STATE TREASURER, WHO SHALL
35 CREDIT THEM TO THE DIVISION OF REAL ESTATE CASH FUND CREATED IN
36 SECTION 12-10-215 (2)(b).

37 (8) WHEN THE DIVISION BECOMES AWARE OF FACTS OR
38 CIRCUMSTANCES THAT FALL WITHIN THE JURISDICTION OF A CRIMINAL
39 JUSTICE OR OTHER LAW ENFORCEMENT AUTHORITY UPON INVESTIGATION
40 OF THE ACTIVITIES OF A LICENSEE, THE DIVISION SHALL, IN ADDITION TO
41 THE EXERCISE OF ITS AUTHORITY UNDER THIS PART 10, REFER AND

1 TRANSMIT SUCH INFORMATION, WHICH MAY INCLUDE ORIGINALS OR COPIES
2 OF DOCUMENTS AND MATERIALS, TO ONE OR MORE CRIMINAL JUSTICE OR
3 OTHER LAW ENFORCEMENT AUTHORITIES FOR INVESTIGATION AND
4 PROSECUTION AS AUTHORIZED BY LAW.

5 **12-10-1013. Authority of director - cease-and-desist orders -**
6 **rules.** (1) (a) IF IT APPEARS TO THE DIRECTOR, BASED UPON CREDIBLE
7 EVIDENCE AS PRESENTED IN A WRITTEN COMPLAINT BY ANY PERSON, THAT
8 A MANAGER OR APPRENTICE IS VIOLATING THIS PART 10 OR RULES
9 ADOPTED PURSUANT TO THIS PART 10 OR THAT A PERSON IS ACTING OR HAS
10 ACTED WITHOUT THE REQUIRED LICENSE, THE DIRECTOR MAY ISSUE AN
11 ORDER TO CEASE AND DESIST THE ACTIVITY. THE ORDER MUST SET FORTH
12 THE STATUTES AND RULES THE MANAGER, APPRENTICE, OR PERSON
13 ALLEGEDLY VIOLATED, THE FACTS THAT ALLEGEDLY CONSTITUTED THE
14 VIOLATION, AND THE REQUIREMENT THAT ALL UNLAWFUL ACTS OR
15 UNLICENSED PRACTICES IMMEDIATELY CEASE.

16 (b) WITHIN TEN DAYS AFTER SERVICE OF THE ORDER TO CEASE AND
17 DESIST PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION, THE
18 RESPONDENT MAY REQUEST A HEARING ON THE QUESTION OF WHETHER
19 ACTS OR PRACTICES IN VIOLATION OF THIS PART 10 HAVE OCCURRED. THE
20 HEARING MUST BE CONDUCTED PURSUANT TO SECTIONS 24-4-104 AND
21 24-4-105.

22 (2) (a) IF IT APPEARS TO THE DIRECTOR, BASED UPON CREDIBLE
23 EVIDENCE AS PRESENTED IN A WRITTEN COMPLAINT BY ANY PERSON, THAT
24 A MANAGER OR APPRENTICE IS VIOLATING THIS PART 10 OR RULES
25 ADOPTED PURSUANT TO THIS PART 10 OR THAT A PERSON IS ACTING OR HAS
26 ACTED WITHOUT THE REQUIRED LICENSE, THEN, IN ADDITION TO ANY
27 SPECIFIC POWERS GRANTED PURSUANT TO THIS PART 10, THE DIRECTOR
28 MAY ISSUE TO THE PERSON AN ORDER TO SHOW CAUSE AS TO WHY THE
29 DIRECTOR SHOULD NOT ISSUE A FINAL ORDER DIRECTING THE PERSON TO
30 CEASE AND DESIST FROM THE UNLAWFUL ACT OR UNLICENSED PRACTICE.

31 (b) IF THE DIRECTOR HAS ISSUED AN ORDER TO SHOW CAUSE
32 PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION TO ANY PERSON, THE
33 DIRECTOR SHALL PROMPTLY GIVE THE PERSON NOTICE OF THE ISSUANCE
34 OF THE ORDER TOGETHER WITH A COPY OF THE ORDER, THE FACTUAL AND
35 LEGAL BASIS FOR THE ORDER, AND THE DATE SET BY THE DIRECTOR FOR A
36 HEARING ON THE ORDER. THE NOTICE MAY BE SERVED BY PERSONAL
37 SERVICE, BY FIRST-CLASS UNITED STATES MAIL, POSTAGE PREPAID, OR AS
38 MAY BE PRACTICABLE UPON ANY PERSON AGAINST WHOM THE ORDER IS
39 ISSUED. PERSONAL SERVICE OR MAILING OF AN ORDER OR DOCUMENT
40 PURSUANT TO THIS SUBSECTION (2) CONSTITUTES NOTICE TO THE PERSON
41 OF THE ORDER OR DOCUMENT.

1 (c) (I) THE HEARING ON AN ORDER TO SHOW CAUSE MUST BE
2 COMMENCED NO SOONER THAN TEN AND NO LATER THAN FORTY-FIVE
3 CALENDAR DAYS AFTER THE DATE OF TRANSMISSION OR SERVICE OF THE
4 NOTICE BY THE DIRECTOR AS PROVIDED IN SUBSECTION (2)(b) OF THIS
5 SECTION. THE HEARING MAY BE CONTINUED BY AGREEMENT OF ALL
6 PARTIES BASED UPON THE COMPLEXITY OF THE MATTER, NUMBER OF
7 PARTIES TO THE MATTER, AND LEGAL ISSUES PRESENTED IN THE MATTER,
8 BUT IN NO EVENT MAY THE HEARING COMMENCE LATER THAN SIXTY
9 CALENDAR DAYS AFTER THE DATE OF TRANSMISSION OR SERVICE OF THE
10 NOTICE.

11 (II) IF A PERSON AGAINST WHOM AN ORDER TO SHOW CAUSE HAS
12 BEEN ISSUED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION DOES NOT
13 APPEAR AT THE HEARING, THE DIRECTOR MAY PRESENT EVIDENCE THAT
14 NOTICE WAS PROPERLY SENT OR SERVED UPON THE PERSON PURSUANT TO
15 SUBSECTION (2)(b) OF THIS SECTION AND ANY OTHER EVIDENCE RELATED
16 TO THE MATTER AS THE DIRECTOR DEEMS APPROPRIATE. THE DIRECTOR
17 SHALL ISSUE THE ORDER WITHIN TEN DAYS AFTER THE DIRECTOR'S
18 DETERMINATION RELATED TO REASONABLE ATTEMPTS TO NOTIFY THE
19 RESPONDENT, AND THE ORDER BECOMES FINAL AS TO THE RESPONDENT BY
20 OPERATION OF LAW. THE HEARING SHALL BE CONDUCTED PURSUANT TO
21 SECTIONS 24-4-104 AND 24-4-105.

22 (III) IF THE DIRECTOR REASONABLY FINDS THAT THE PERSON
23 AGAINST WHOM THE ORDER TO SHOW CAUSE WAS ISSUED IS ACTING OR
24 HAS ACTED WITHOUT THE REQUIRED LICENSE, OR HAS OR IS ABOUT TO
25 ENGAGE IN ACTS OR PRACTICES CONSTITUTING VIOLATIONS OF THIS PART
26 10 OR RULES ADOPTED PURSUANT TO THIS PART 10, A FINAL
27 CEASE-AND-DESIST ORDER MAY BE ISSUED, DIRECTING THE PERSON TO
28 CEASE AND DESIST FROM FURTHER UNLAWFUL ACTS OR UNLICENSED
29 PRACTICES.

30 (IV) THE DIRECTOR SHALL PROVIDE NOTICE, IN THE MANNER SET
31 FORTH IN SUBSECTION (2)(b) OF THIS SECTION, OF THE FINAL
32 CEASE-AND-DESIST ORDER WITHIN TEN CALENDAR DAYS AFTER THE
33 HEARING CONDUCTED PURSUANT TO THIS SUBSECTION (2)(c) TO EACH
34 PERSON AGAINST WHOM THE FINAL ORDER HAS BEEN ISSUED. THE FINAL
35 ORDER ISSUED PURSUANT TO SUBSECTION (2)(c)(III) OF THIS SECTION IS
36 EFFECTIVE WHEN ISSUED AND CONSTITUTES A FINAL ORDER FOR PURPOSES
37 OF JUDICIAL REVIEW.

38 (3) IF IT APPEARS TO THE DIRECTOR, BASED UPON CREDIBLE
39 EVIDENCE PRESENTED TO THE DIRECTOR, THAT A PERSON HAS ENGAGED IN
40 OR IS ABOUT TO ENGAGE IN ANY UNLICENSED ACT OR PRACTICE, ANY ACT
41 OR PRACTICE CONSTITUTING A VIOLATION OF THIS PART 10, ANY RULE

1 PROMULGATED PURSUANT TO THIS PART 10, ANY ORDER ISSUED PURSUANT
2 TO THIS PART 10, OR ANY ACT OR PRACTICE CONSTITUTING GROUNDS FOR
3 ADMINISTRATIVE SANCTION PURSUANT TO THIS PART 10, THE DIRECTOR
4 MAY ENTER INTO A STIPULATION WITH THE PERSON.

5 (4) IF A PERSON FAILS TO COMPLY WITH A FINAL
6 CEASE-AND-DESIST ORDER OR A STIPULATION, THE DIRECTOR MAY
7 REQUEST THE ATTORNEY GENERAL OR THE DISTRICT ATTORNEY FOR THE
8 JUDICIAL DISTRICT IN WHICH THE ALLEGED VIOLATION EXISTS TO BRING,
9 AND IF SO REQUESTED THE ATTORNEY SHALL BRING, SUIT FOR A
10 TEMPORARY RESTRAINING ORDER AND FOR INJUNCTIVE RELIEF TO
11 PREVENT ANY FURTHER OR CONTINUED VIOLATION OF THE FINAL ORDER.

12 (5) A PERSON AGGRIEVED BY THE FINAL CEASE-AND-DESIST ORDER
13 MAY SEEK JUDICIAL REVIEW OF THE DIRECTOR'S DETERMINATION OR OF
14 THE DIRECTOR'S FINAL ORDER AS PROVIDED IN SECTION 12-61-1014."

15 Renumber succeeding C.R.S. sections accordingly.

16 Page 49, strike lines 6 through 11 and substitute:

17 "(7) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
18 REGULATORY AGENCIES SHALL, IN CONSULTATION WITH THE ADVISORY
19 COMMITTEE, ADOPT RULES CONCERNING THE APPOINTMENT AND REMOVAL
20 OF COMMITTEE MEMBERS AND OPERATION OF THE ADVISORY COMMITTEE
21 AND, IN ACCORDANCE WITH THOSE RULES, MAY REMOVE AN APPOINTED
22 COMMITTEE MEMBER.

23 **12-10-1016. Repeal of part.** THIS PART 10 IS REPEALED,
24 EFFECTIVE SEPTEMBER 1, 2025. BEFORE THE REPEAL, THE FUNCTIONS OF"

25 Strike "DIRECTOR" and substitute "EXECUTIVE DIRECTOR OF THE
26 DEPARTMENT OF REGULATORY AGENCIES" on: **Page 23**, line 9; **Page 24**,
27 lines 8 and 11; **Page 25**, line 3; **Page 46**, line 24; **Page 47**, lines 23 and
28 26; and **Page 48**, line 18.

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