

SENATE COMMITTEE OF REFERENCE REPORT

Chair of Committee

Date

May 1, 2019

Committee on Finance.

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 Appropriations with favorable recommendation:

1 Amend reengrossed bill, page strike everything below the enacting clause
2 and substitute:

3 **"SECTION 1.** In Colorado Revised Statutes, **recreate and**
4 **reenact, with amendments,** part 10 of article 61 of title 12 as follows:

5 PART 10

6 COMMUNITY ASSOCIATION MANAGERS

7 **12-61-1001. Definitions.** AS USED IN THIS PART 10, UNLESS THE
8 CONTEXT OTHERWISE REQUIRES:

9 (1) "APPRENTICE" MEANS A PERSON WHO:

10 (a) HAS NOT COMPLETED THE EDUCATION AND EXAMINATION
11 REQUIREMENTS FOR OBTAINING A COMMUNITY ASSOCIATION MANAGER
12 LICENSE;

13 (b) IS UNDER THE CONTROL AND DIRECT SUPERVISION OF A
14 LICENSED COMMUNITY ASSOCIATION MANAGER; AND

15 (c) IS LICENSED WITH THE DIRECTOR FOR PURPOSES OF LEARNING
16 AND PERFORMING ANY PRACTICES THAT REQUIRE A COMMUNITY
17 ASSOCIATION MANAGER LICENSE.

18 (2) "CCIOA" MEANS THE "COLORADO COMMON INTEREST
19 OWNERSHIP ACT", ARTICLE 33.3 OF TITLE 38.

20 (3) (a) "COMMON INTEREST COMMUNITY" HAS THE MEANING SET
21 FORTH IN SECTION 38-33.3-103 (8); EXCEPT THAT "COMMON INTEREST
22 COMMUNITY" DOES NOT INCLUDE:

23 (I) A COMMUNITY MANAGED BY AN ASSOCIATION OR UNIT

1 OWNERS' ASSOCIATION IN WHICH A MAJORITY OF UNITS THAT ARE
2 DESIGNATED FOR RESIDENTIAL USE ARE TIME SHARE UNITS, AS DEFINED IN
3 SECTION 38-33-110 (7), OR CONSIST OF TIME SHARE INTERESTS, AS
4 DEFINED IN SECTION 12-61-401 (4); OR

5 (II) A COMMUNITY, RESORT, OR DEVELOPMENT REGISTERED WITH
6 THE DIVISION AS A TIME SHARE SUBDIVISION.

7 (b) AS USED IN THIS SUBSECTION (3), "MAJORITY OF UNITS" MEANS
8 THE UNITS TO WHICH ARE ALLOCATED MORE THAN FIFTY PERCENT OF THE
9 ALLOCATED INTERESTS IN THE COMMON INTEREST COMMUNITY
10 APPURTENANT TO ALL UNITS THAT ARE DESIGNATED FOR RESIDENTIAL
11 USE.

12 (4)(a) "COMMUNITY ASSOCIATION MANAGEMENT" MEANS ANY OF
13 THE FOLLOWING PRACTICES RELATING TO THE MANAGEMENT OF A
14 COMMON INTEREST COMMUNITY, AT THE DIRECTION OR ON BEHALF OF ITS
15 EXECUTIVE BOARD:

16 (I) IN INTERACTIONS WITH MEMBERS OR NONMEMBERS OF THE
17 COMMON INTEREST COMMUNITY, ACTING WITH THE AUTHORITY OF THE
18 COMMON INTEREST COMMUNITY WITH RESPECT TO ITS BUSINESS, LEGAL,
19 FINANCIAL, OR OTHER TRANSACTIONS;

20 (II) EXECUTING THE RESOLUTIONS AND DECISIONS OF THE
21 EXECUTIVE BOARD;

22 (III) ENFORCING THE RIGHTS OF THE COMMON INTEREST
23 COMMUNITY SECURED BY STATUTE, CONTRACT, COVENANT, RULE, OR
24 BYLAW;

25 (IV) ADMINISTERING OR COORDINATING MAINTENANCE OF
26 PROPERTY OR FACILITIES OF THE COMMON INTEREST COMMUNITY;

27 (V) ADMINISTERING APPLICATIONS FOR ARCHITECTURAL REVIEW;

28 (VI) ARRANGING, CONDUCTING, OR COORDINATING MEETINGS OF
29 THE COMMON INTEREST COMMUNITY'S MEMBERSHIP OR EXECUTIVE
30 BOARD;

31 (VII) MAINTAINING THE COMMON INTEREST COMMUNITY'S
32 RECORDS PURSUANT TO ITS GOVERNING DOCUMENTS AND APPLICABLE
33 PROVISIONS OF THE CCIOA; OR

34 (VIII) ADMINISTERING, OR OTHERWISE EXERCISING CONTROL OF,
35 A COMMON INTEREST COMMUNITY'S FUNDS, INCLUDING THE
36 ADMINISTRATION OF A RESERVE PROGRAM FOR THE MAJOR REPAIR OR
37 REPLACEMENT OF CAPITAL ASSETS.

38 (b) "COMMUNITY ASSOCIATION MANAGEMENT" DOES NOT MEAN
39 THE PERFORMANCE OF ANY CLERICAL, MINISTERIAL, ACCOUNTING, OR
40 MAINTENANCE FUNCTION.

41 (5) (a) "COMMUNITY ASSOCIATION MANAGER" OR "MANAGER"

1 MEANS ANY PERSON, FIRM, PARTNERSHIP, LIMITED LIABILITY COMPANY,
2 ASSOCIATION, OR CORPORATION THAT, IN CONSIDERATION OF
3 COMPENSATION BY FEE, COMMISSION, SALARY, OR ANYTHING ELSE OF
4 VALUE OR WITH THE INTENTION OF RECEIVING OR COLLECTING SUCH
5 COMPENSATION, WHETHER OR NOT THE COMPENSATION IS RECEIVED BY
6 THE LICENSED MANAGER DIRECTLY OR BY THE LICENSED ENTITY THAT
7 EMPLOYS THE LICENSED MANAGER, ENGAGES IN OR OFFERS OR ATTEMPTS
8 TO ENGAGE IN COMMUNITY ASSOCIATION MANAGEMENT IN COLORADO.

9 (b) "COMMUNITY ASSOCIATION MANAGER" OR "MANAGER" DOES
10 NOT INCLUDE:

11 (I) A PERSON WHO, UNDER THE DIRECT SUPERVISION OF A
12 MANAGER, PERFORMS ANY CLERICAL, MINISTERIAL, ACCOUNTING, OR
13 MAINTENANCE FUNCTION;

14 (II) ANY PUBLIC OFFICIAL IN THE CONDUCT OF HIS OR HER OFFICIAL
15 DUTIES;

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

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

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

25 (VI) A CORPORATION WITH RESPECT TO PROPERTY OWNED OR
26 LEASED BY IT, ACTING THROUGH ITS OFFICERS OR REGULAR SALARIED
27 EMPLOYEES, WHEN SUCH ACTS ARE INCIDENTAL AND NECESSARY IN THE
28 ORDINARY COURSE OF THE CORPORATION'S BUSINESS ACTIVITIES OF A
29 NON-PROPERTY MANAGEMENT NATURE. FOR THE PURPOSES OF THIS
30 SUBSECTION (5)(b), THE TERM "OFFICERS OR REGULAR SALARIED
31 EMPLOYEES" MEANS PERSONS REGULARLY EMPLOYED WHO DERIVE NOT
32 LESS THAN SEVENTY-FIVE PERCENT OF THEIR COMPENSATION FROM THE
33 CORPORATION IN THE FORM OF SALARIES;

34 (VII) AN INDEPENDENT CONTRACTOR WHO:

35 (A) PERFORMS ANY CLERICAL, MINISTERIAL, ACCOUNTING, OR
36 MAINTENANCE FUNCTION; OR

37 (B) IS NOT OTHERWISE ENGAGED IN THE PERFORMANCE OF
38 COMMUNITY ASSOCIATION MANAGEMENT; OR

39 (VIII) AN APPRENTICE WORKING UNDER THE DIRECT SUPERVISION
40 OF A LICENSED MANAGER.

41 (6) "DESIGNATED MANAGER" MEANS A PERSON WHO IS CURRENTLY

1 LICENSED AS A MANAGER AND WHO, ON BEHALF OF A LICENSED ENTITY, IS
2 RESPONSIBLE FOR PERFORMING COMMUNITY ASSOCIATION MANAGEMENT
3 PRACTICES AND SUPERVISING COMMUNITY ASSOCIATION MANAGEMENT
4 PRACTICES PERFORMED BY PERSONS EMPLOYED BY, OR ACTING ON BEHALF
5 OF, THE LICENSED ENTITY.

6 (7) "DIRECTOR" MEANS THE DIRECTOR OF THE DIVISION.

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

9 (9) "EXECUTIVE BOARD" HAS THE MEANING SET FORTH IN SECTION
10 38-33.3-103 (16).

11 (10) "HOA" OR "HOMEOWNERS' ASSOCIATION" MEANS AN
12 ASSOCIATION OR UNIT OWNERS' ASSOCIATION, AS DEFINED IN SECTION
13 38-33.3-103 (3), WHETHER ORGANIZED BEFORE, ON, OR AFTER JULY 1,
14 1992; EXCEPT THAT THE TERM DOES NOT INCLUDE AN ASSOCIATION OR
15 UNIT OWNERS' ASSOCIATION IN WHICH A MAJORITY OF UNITS THAT ARE
16 DESIGNATED FOR RESIDENTIAL USE ARE TIME SHARE UNITS, AS DEFINED IN
17 SECTION 38-33-110 (7). AS USED IN THIS SUBSECTION (10), "MAJORITY OF
18 UNITS" MEANS THE UNITS TO WHICH ARE ALLOCATED MORE THAN FIFTY
19 PERCENT OF THE ALLOCATED INTERESTS IN THE COMMON INTEREST
20 COMMUNITY APPURTENANT TO ALL UNITS THAT ARE DESIGNATED FOR
21 RESIDENTIAL USE.

22 (11) "LIMITED LIABILITY COMPANY" HAS THE MEANING SET FORTH
23 IN SECTION 7-80-102 (7).

24 **12-61-1002. License required - rule-making authority -**
25 **violations - administrative and legal remedies.** (1) IT IS UNLAWFUL FOR
26 ANY PERSON TO ENGAGE IN, OR TO HOLD OUT HIMSELF, HERSELF, OR ITSELF
27 AS QUALIFIED TO ENGAGE IN, THE BUSINESS OF COMMUNITY ASSOCIATION
28 MANAGEMENT WITHOUT FIRST HAVING OBTAINED A LICENSE FROM THE
29 DIRECTOR IN ACCORDANCE WITH SECTION 12-61-1003 OR DURING ANY
30 PERIOD IN WHICH THE MANAGER'S LICENSE IS REVOKED OR SUSPENDED.

31 (2) THE DIRECTOR MAY PROMULGATE RULES AS NECESSARY TO
32 ENABLE THE DIRECTOR TO CARRY OUT THE DIRECTOR'S DUTIES UNDER THIS
33 PART 10.

34 (3) IN ADDITION TO CONDUCTING HEARINGS AS PROVIDED IN
35 SECTION 12-61-1012, THE DIRECTOR MAY ENFORCE THIS PART 10 AND
36 RULES ADOPTED UNDER THIS PART 10 BY TAKING ONE OR MORE OF THE
37 FOLLOWING ACTIONS:

38 (a) IF THE DIRECTOR HAS REASONABLE CAUSE TO BELIEVE THAT A
39 PERSON IS VIOLATING THIS PART 10 OR A RULE ADOPTED UNDER THIS PART
40 10, THE DIRECTOR MAY ENTER AN ORDER REQUIRING THE PERSON TO
41 CEASE AND DESIST THE VIOLATION.

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

11 (c) THE DIRECTOR MAY CONDUCT AUDITS OF BUSINESS RECORDS
12 AND ACCOUNTS OF LICENSEES.

13 **12-61-1003. Application for license - criminal history record**
14 **check - examination - rules.** (1) (a) A PERSON DESIRING TO BECOME A
15 COMMUNITY ASSOCIATION MANAGER OR APPRENTICE MUST APPLY TO THE
16 DIRECTOR FOR A LICENSE IN THE FORM AND MANNER PRESCRIBED BY THE
17 DIRECTOR.

18 (b) BEFORE SUBMITTING AN APPLICATION FOR A LICENSE
19 PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION, EACH APPLICANT MUST
20 SUBMIT A SET OF FINGERPRINTS TO THE COLORADO BUREAU OF
21 INVESTIGATION FOR THE PURPOSE OF CONDUCTING A STATE AND NATIONAL
22 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK UTILIZING
23 RECORDS OF THE COLORADO BUREAU OF INVESTIGATION AND THE
24 FEDERAL BUREAU OF INVESTIGATION. THE APPLICANT SHALL PAY THE FEE
25 ESTABLISHED BY THE COLORADO BUREAU OF INVESTIGATION FOR
26 CONDUCTING THE FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK
27 TO THE BUREAU. UPON COMPLETION OF THE CRIMINAL HISTORY RECORD
28 CHECK, THE BUREAU SHALL FORWARD THE RESULTS TO THE DIRECTOR.
29 THE DIRECTOR MAY ACQUIRE A NAME-BASED CRIMINAL HISTORY RECORD
30 CHECK FOR AN APPLICANT WHO HAS TWICE SUBMITTED TO A
31 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK AND WHOSE
32 FINGERPRINTS ARE UNCLASSIFIABLE.

33 (2) EVERY COMMUNITY ASSOCIATION MANAGER LICENSED UNDER
34 THIS PART 10 SHALL MAINTAIN A PLACE OF BUSINESS WITHIN THIS STATE,
35 EXCEPT AS PROVIDED IN SECTION 12-61-1007. IF A COMMUNITY
36 ASSOCIATION MANAGER MAINTAINS MORE THAN ONE PLACE OF BUSINESS
37 WITHIN THE STATE, THE MANAGER IS RESPONSIBLE FOR SUPERVISING ALL
38 LICENSED ACTIVITIES ORIGINATING IN THOSE OFFICES.

39 (3) (a) THE DIRECTOR MAY REQUIRE AND PROCURE ANY PROOF
40 NECESSARY IN REFERENCE TO THE TRUTHFULNESS, HONESTY, AND GOOD
41 MORAL CHARACTER OF ANY APPLICANT FOR A LICENSE OR, IF THE

1 APPLICANT IS A PARTNERSHIP, LIMITED LIABILITY COMPANY, OR
2 CORPORATION, OF ANY PARTNER, MANAGER, DIRECTOR, OFFICER, MEMBER,
3 OR STOCKHOLDER IF SUCH PERSON HAS, EITHER DIRECTLY OR INDIRECTLY,
4 A SUBSTANTIAL INTEREST IN THE APPLICANT PRIOR TO THE ISSUANCE OF
5 THE LICENSE.

6 (b) AN APPLICANT IS INELIGIBLE FOR A LICENSE IF THE PERSON
7 HAS, WITHIN THE IMMEDIATELY PRECEDING TEN YEARS, HAD A LICENSE OR
8 CERTIFICATION AS A COMMUNITY ASSOCIATION MANAGER REVOKED OR
9 SUSPENDED IN COLORADO OR ANY OTHER JURISDICTION THAT REGULATES
10 COMMUNITY ASSOCIATION MANAGERS; EXCEPT THAT THE DIRECTOR HAS
11 THE DISCRETION TO ACCEPT THE PERSON'S APPLICATION IF AT LEAST TWO
12 YEARS HAVE ELAPSED SINCE THE DATE OF THE REVOCATION OR
13 SUSPENSION AND THE APPLICANT HAS PROVED TO THE DIRECTOR THAT HE
14 OR SHE IS FIT TO BE LICENSED AS A COMMUNITY ASSOCIATION MANAGER
15 IN COLORADO.

16 (c) IF THE DIRECTOR DETERMINES THAT THE APPLICANT HAS BEEN
17 CONVICTED OF A CRIME, THE DIRECTOR SHALL CONSIDER THE FOLLOWING
18 FACTORS WHEN DETERMINING WHETHER THE CONVICTION DISQUALIFIES
19 THE APPLICANT FOR A LICENSE:

20 (I) THE NATURE OF THE CONVICTION;

21 (II) WHETHER THERE IS A DIRECT RELATIONSHIP BETWEEN THE
22 CONVICTION AND THE DUTIES AND RESPONSIBILITIES OF LICENSURE AND
23 THE BEARING, IF ANY, THE CONVICTION MAY HAVE ON THE APPLICANT'S
24 FITNESS OR ABILITY TO PERFORM ONE OR MORE SUCH DUTIES AND
25 RESPONSIBILITIES, INCLUDING WHETHER THE CONVICTION WAS FOR
26 UNLAWFUL SEXUAL BEHAVIOR AS LISTED IN SECTION 16-22-102 (9), AND
27 WHETHER THE APPLICANT WOULD PLACE A RESIDENT OR THE PUBLIC IN A
28 VULNERABLE POSITION;

29 (III) ANY INFORMATION PRODUCED BY THE APPLICANT OR
30 PRODUCED ON THE APPLICANT'S BEHALF REGARDING HIS OR HER
31 REHABILITATION AND GOOD CONDUCT; AND

32 (IV) THE TIME THAT HAS ELAPSED SINCE THE CONVICTION.

33 (d) NOTWITHSTANDING SUBSECTION (3)(c) OF THIS SECTION, AN
34 APPLICANT IS INELIGIBLE FOR LICENSURE IF THE APPLICANT HAS, WITHIN
35 THE IMMEDIATELY PRECEDING TEN YEARS, BEEN CONVICTED OF AN
36 OFFENSE INVOLVING UNLAWFUL SEXUAL BEHAVIOR AS LISTED IN SECTION
37 16-22-102 (9), A BURGLARY OFFENSE, AS DEFINED IN SECTION 18-4-202 OR
38 18-4-203, OR ANY FELONY INVOLVING FRAUD, THEFT, LARCENY,
39 EMBEZZLEMENT, FRAUDULENT CONVERSION, OR MISAPPROPRIATION OF
40 PROPERTY.

41 (4) AN APPLICANT FOR A LICENSE MUST BE AT LEAST EIGHTEEN

1 YEARS OF AGE AND MUST FURNISH PROOF SATISFACTORY TO THE DIRECTOR
2 THAT THE APPLICANT HAS RECEIVED EITHER A HIGH SCHOOL DIPLOMA OR
3 THE EQUIVALENT GENERAL EDUCATION DEVELOPMENT CERTIFICATION.
4 (5) (a) AN APPLICANT FOR A MANAGER'S LICENSE MUST:
5 (I) HOLD ONE OR MORE OF THE FOLLOWING CREDENTIALS:
6 (A) THE "CERTIFIED MANAGER OF COMMUNITY ASSOCIATIONS" OR
7 "CMCA" CERTIFICATION AWARDED BY THE COMMUNITY ASSOCIATION
8 MANAGERS INTERNATIONAL CERTIFICATION BOARD, PREVIOUSLY KNOWN
9 AS THE NATIONAL BOARD OF CERTIFICATION FOR COMMUNITY
10 ASSOCIATION MANAGERS;
11 (B) THE "ASSOCIATION MANAGEMENT SPECIALIST" OR "AMS"
12 DESIGNATION AWARDED BY THE COMMUNITY ASSOCIATIONS INSTITUTE;
13 (C) THE "PROFESSIONAL COMMUNITY ASSOCIATION MANAGER" OR
14 "PCAM" DESIGNATION AWARDED BY THE COMMUNITY ASSOCIATIONS
15 INSTITUTE; OR
16 (D) ANOTHER CREDENTIAL IDENTIFIED BY THE DIRECTOR IN RULES;
17 (II) CERTIFY COMPLETION OF ANY EDUCATIONAL OR CONTINUING
18 EDUCATIONAL REQUIREMENTS AS DETERMINED BY THE DIRECTOR IN RULES
19 AND PUBLISHED ON THE DIVISION'S WEBSITE;
20 (III) SUBMIT TO AND PASS AN EXAMINATION WITH TWO SEPARATE
21 PORTIONS, WHICH MAY BE ADMINISTERED SEPARATELY. THE
22 EXAMINATION MUST MEASURE THE COMPETENCY OF THE APPLICANT IN
23 CARRYING OUT THE CORE FUNCTIONS OF COMMUNITY ASSOCIATION
24 MANAGEMENT, REFERRED TO AS THE "GENERAL PORTION" OF THE
25 EXAMINATION, AND IN UNDERSTANDING THE BASIC PROVISIONS OF LEGAL
26 DOCUMENTS AND COLORADO LAW WITH WHICH MANAGERS ARE REQUIRED
27 TO COMPLY, REFERRED TO AS THE "COLORADO LAW PORTION" OF THE
28 EXAMINATION. THE EXAMINATION SHALL BE PREPARED BY OR UNDER THE
29 SUPERVISION OF THE DIRECTOR OR THE DIRECTOR'S DESIGNATED
30 CONTRACTOR OR CONTRACTORS. THE DIRECTOR MAY CONTRACT WITH ONE
31 OR MORE INDEPENDENT TESTING SERVICES TO DEVELOP, ADMINISTER, OR
32 GRADE EXAMINATIONS OR TO ADMINISTER LICENSEE RECORDS. THE
33 CONTRACTS MAY ALLOW THE TESTING SERVICE TO RECOVER FROM THE
34 APPLICANT THE COSTS OF THE EXAMINATION AND THE COSTS OF
35 ADMINISTERING THE EXAMINATION AND LICENSE RECORDS. THE DIRECTOR
36 MAY CONTRACT SEPARATELY FOR THESE FUNCTIONS AND ALLOW
37 RECOVERED COSTS TO BE COLLECTED AND RETAINED BY A SINGLE
38 CONTRACTOR FOR DISTRIBUTION TO OTHER CONTRACTORS. THE DIRECTOR
39 MAY SET THE SEPARATE MINIMUM PASSING SCORES FOR THE GENERAL
40 PORTION AND THE COLORADO LAW PORTION OF THE EXAMINATION. THE
41 DIRECTOR SHALL PRESCRIBE THE TIMES AND PLACES AT WHICH THE

1 EXAMINATION AS A WHOLE IS GIVEN OR AT WHICH THE SEPARATE
2 PORTIONS OF THE EXAMINATION ARE GIVEN.

3 (IV) AN APPLICANT WHO IS CREDENTIALLED PURSUANT TO
4 SUBSECTION (5)(a)(I)(A), (5)(a)(I)(B), OR (5)(a)(I)(C) OF THIS SECTION
5 AND HAS MAINTAINED THE CREDENTIAL IN GOOD STANDING, INCLUDING
6 HAVING COMPLETED ALL ONGOING EDUCATION REQUIRED TO MAINTAIN
7 THE CREDENTIAL, MUST COMPLETE THE COLORADO LAW PORTION, BUT
8 NEED NOT COMPLETE THE GENERAL PORTION, OF THE EXAMINATION
9 DESCRIBED IN SUBSECTION (5)(a)(III) OF THIS SECTION.

10 (b) THE SEPARATE PORTIONS OF THE EXAMINATION DEVELOPED
11 UNDER SUBSECTION (5)(a)(III) OF THIS SECTION MUST ASSESS AN
12 APPLICANT'S COMPETENCY IN THE FOLLOWING SUBJECT MATTER AREAS:

13 (I) FOR THE COLORADO LAW PORTION OF THE EXAMINATION,
14 LEGAL DOCUMENTS; STATUTES, INCLUDING THE "COLORADO COMMON
15 INTEREST OWNERSHIP ACT"; AND OTHER APPLICABLE PROVISIONS OF
16 COLORADO LAW; AND

17 (II) FOR THE GENERAL PORTION OF THE EXAMINATION, OTHER
18 CORE COMPETENCIES OF COMMUNITY ASSOCIATION MANAGEMENT, AS
19 SPECIFIED BY THE DIRECTOR.

20 (c) EXAMINATION RESULTS MEASURING AN APPLICANT'S
21 KNOWLEDGE OF THE MATTERS DESCRIBED IN SUBSECTION (5)(b)(I) OF THIS
22 SECTION ARE VALID FOR ONE YEAR. A PERSON WHO TAKES THE
23 EXAMINATION AND DOES NOT APPLY FOR A LICENSE WITHIN ONE YEAR
24 THEREAFTER MUST RETAKE THAT PORTION OF THE EXAMINATION BEFORE
25 APPLYING.

26 (d) THE DIVISION MAY ISSUE A LICENSE TO AN APPLICANT WHO HAS
27 HELD A COMMUNITY ASSOCIATION MANAGER LICENSE IN ANOTHER
28 JURISDICTION THAT REGULATES COMMUNITY ASSOCIATION MANAGERS
29 AND WHO HAS BEEN LICENSED FOR TWO OR MORE YEARS PRIOR TO
30 APPLYING FOR A COLORADO LICENSE IF THE APPLICANT ESTABLISHES THAT
31 HE OR SHE POSSESSES CREDENTIALS AND QUALIFICATIONS THAT ARE
32 SUBSTANTIVELY EQUIVALENT TO THE REQUIREMENTS IN COLORADO FOR
33 LICENSURE BY EXAMINATION, AS DETERMINED BY THE DIRECTOR BY RULE.
34 THE DIRECTOR MAY REQUIRE A PERSON SO LICENSED TO TAKE THE
35 PORTION OF THE EXAMINATION PERTAINING TO THE MATTERS DESCRIBED
36 IN SUBSECTION (5)(b)(I) OF THIS SECTION WITHIN A SPECIFIED TIME AFTER
37 FIRST RECEIVING A COLORADO LICENSE.

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

41 (b) A PARTNERSHIP, LIMITED LIABILITY COMPANY, OR

1 CORPORATION, IN ITS APPLICATION FOR A LICENSE, SHALL DESIGNATE A
2 QUALIFIED, ACTIVE MANAGER TO BE RESPONSIBLE FOR MANAGEMENT AND
3 SUPERVISION OF THE LICENSED ACTIONS OF THE ENTITY AND ALL PERSONS
4 EMPLOYED BY, OR ACTING AT ANY TIME ON BEHALF OF, THE ENTITY. A
5 LICENSE MAY NOT BE ISSUED TO THE ENTITY UNLESS THE MANAGER SO
6 DESIGNATED TAKES AND PASSES THE EXAMINATION REQUIRED BY THIS
7 PART 10. UPON THE MANAGER SUCCESSFULLY PASSING THE EXAMINATION
8 AND UPON COMPLIANCE WITH ALL OTHER REQUIREMENTS OF LAW BY THE
9 ENTITY AS WELL AS BY THE MANAGER, THE DIRECTOR SHALL ISSUE A
10 DESIGNATED MANAGER'S LICENSE TO THE MANAGER.

11 (c) IF THE DESIGNATED MANAGER IS REFUSED A LICENSE BY THE
12 DIRECTOR OR CEASES TO BE THE DESIGNATED MANAGER OF THE ENTITY,
13 THE ENTITY MAY DESIGNATE ANOTHER PERSON TO APPLY FOR A LICENSE,
14 AND THE DIRECTOR MAY ISSUE A TEMPORARY LICENSE TO PREVENT
15 HARDSHIP FOR A PERIOD NOT TO EXCEED NINETY DAYS TO THE PERSON SO
16 DESIGNATED.

17 (7) THE DESIGNATED MANAGER FOR ANY PARTNERSHIP, LIMITED
18 LIABILITY COMPANY, OR CORPORATION IS PERSONALLY RESPONSIBLE FOR
19 THE HANDLING OF ANY AND ALL COMMON INTEREST COMMUNITY FUNDS
20 RECEIVED OR DISBURSED BY THE ENTITY. IN THE EVENT OF ANY BREACH
21 OF DUTY BY THE ENTITY, ANY PERSON AGGRIEVED OR DAMAGED BY THE
22 BREACH MAY MAKE A CLAIM FOR RELIEF AGAINST THE ENTITY.

23 (8) A PERSON SHALL NOT:

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

26 (b) CONDUCT OR PROMOTE BUSINESS AS A COMMUNITY
27 ASSOCIATION MANAGER EXCEPT UNDER THE NAME UNDER WHICH THE
28 PERSON IS LICENSED.

29 (9) AN APPRENTICE SHALL NOT PERFORM AN ACT THAT OTHERWISE
30 REQUIRES A COMMUNITY ASSOCIATION MANAGER LICENSE EXCEPT WHEN
31 UNDER THE DIRECT SUPERVISION OF A LICENSED COMMUNITY ASSOCIATION
32 MANAGER.

33 **12-61-1004. Insurance required - rules.** EVERY LICENSEE UNDER
34 THIS PART 10, EXCEPT AN INACTIVE MANAGER OR AN ATTORNEY LICENSEE
35 WHO MAINTAINS A POLICY OF PROFESSIONAL MALPRACTICE INSURANCE
36 THAT PROVIDES COVERAGE FOR HIS OR HER ACTIVITIES UNDER THIS PART
37 10, MUST BE INSURED UNDER INSURANCE NECESSARY TO COVER ALL
38 ACTIVITIES CONTEMPLATED UNDER THIS PART 10 IN AN AMOUNT AND
39 UNDER TERMS AND CONDITIONS SPECIFIED BY THE DIRECTOR BY RULE. IN
40 PROMULGATING RULES UNDER THIS SECTION, THE DIRECTOR SHALL SOLICIT
41 AND CONSIDER INFORMATION AND COMMENTS FROM INTERESTED PERSONS.

1 **12-61-1005. Fees and charges for contracted services and**
2 **home sales - disclosure required.** (1) EVERY MANAGER, AND EVERY
3 AGENT OR OTHER PERSON WHO REPRESENTS OR NEGOTIATES ON BEHALF
4 OF A MANAGER, SHALL DISCLOSE TO THE EXECUTIVE BOARD OF EACH HOA
5 FOR WHICH IT PROVIDES OR OFFERS TO PROVIDE SERVICES, DURING
6 CONTRACT NEGOTIATIONS AND THEREAFTER ON AN ANNUAL BASIS, ALL
7 FEES AND OTHER AMOUNTS THAT THE MANAGER CHARGES OR WILL
8 CHARGE TO THE COMMON INTEREST COMMUNITY, UNIT OWNERS, AND
9 PURCHASERS OF UNITS IN THE COMMON INTEREST COMMUNITY FOR OR AS
10 A RESULT OF ANY SERVICE, PRODUCT, TRANSACTION, OR ITEM OF VALUE
11 PROVIDED BY THE MANAGER, ANY EMPLOYEE OR CONTRACTOR OF THE
12 MANAGER, OR ANY OTHER INDIVIDUAL OR ENTITY WITH WHOM THE
13 MANAGER ASSOCIATES IN THE PERFORMANCE OF COMMUNITY
14 ASSOCIATION MANAGEMENT SERVICES.

15 (2) NEITHER A MANAGER NOR ANY AGENT OF A MANAGER MAY
16 ENFORCE ANY FEE OR CHARGE, INCLUDING A TRANSFER FEE, AGAINST THE
17 HOA OR ANY BUYER OR SELLER OF PROPERTY SERVED BY THE HOA
18 UNLESS THE FEE OR CHARGE IS:

19 (a) EXPLICITLY DISCLOSED IN THE MANAGER'S CONTRACT WITH
20 THE HOA OR AN ADDENDUM TO THE CONTRACT; OR

21 (b) DOCUMENTED BY A CLEARLY IDENTIFIED LINE ITEM ON A REAL
22 ESTATE CLOSING SETTLEMENT STATEMENT.

23 (3) IN ADDITION TO MAKING THE DISCLOSURES REQUIRED UNDER
24 SUBSECTIONS (1) AND (2) OF THIS SECTION, A MANAGER SHALL DISCLOSE
25 TO THE EXECUTIVE BOARD ALL REMUNERATION THE MANAGER OR ANY
26 SUBSIDIARY, AFFILIATE, OR RELATED PERSON OR ENTITY RECEIVES OR WILL
27 RECEIVE, DIRECTLY OR INDIRECTLY, IN CONNECTION WITH ITS
28 RELATIONSHIP WITH THE COMMON INTEREST COMMUNITY.

29 (4) THE DIVISION MAY REGULATE, INVESTIGATE, AND TAKE
30 DISCIPLINARY ACTION AGAINST ANY MANAGER OR PRINCIPAL THEREOF FOR
31 A VIOLATION OF THIS SECTION.

32 **12-61-1006. Licenses - issuance - contents - display.** THE
33 DIRECTOR SHALL MAKE AVAILABLE FOR EACH LICENSEE A LICENSE IN SUCH
34 FORM AND SIZE AS THE DIRECTOR MAY PRESCRIBE. THE LICENSE MUST
35 SHOW THE NAME OF THE LICENSEE AND MAY CONTAIN SUCH OTHER
36 MATTER AS THE DIRECTOR PRESCRIBES.

37 **12-61-1007. Resident licensee - nonresident licensee - consent**
38 **to service.** (1) A NONRESIDENT OF THE STATE MAY BECOME A
39 COMMUNITY ASSOCIATION MANAGER OR APPRENTICE IN THIS STATE BY
40 CONFORMING TO ALL THE CONDITIONS OF THIS PART 10; EXCEPT THAT THE
41 NONRESIDENT MANAGER IS NOT REQUIRED TO MAINTAIN A PLACE OF

1 BUSINESS WITHIN THIS STATE IF THAT MANAGER MAINTAINS A DEFINITE
2 PLACE OF BUSINESS IN ANOTHER STATE.

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

12 (a) THE DATE THE MANAGER RECEIVES THE PROCESS, NOTICE, OR
13 DEMAND;

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

16 (c) FIVE DAYS AFTER MAILING.

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

21 **12-61-1008. Record of licensees - publications.** THE DIRECTOR
22 SHALL MAINTAIN A RECORD OF THE NAMES AND ADDRESSES OF ALL
23 COMMUNITY ASSOCIATION MANAGERS LICENSED UNDER THIS PART 10,
24 TOGETHER WITH SUCH OTHER INFORMATION RELATIVE TO THE
25 ENFORCEMENT OF THIS PART 10 AS THE DIRECTOR DEEMS NECESSARY. THE
26 DIRECTOR SHALL PUBLISH THE NAME AND ADDRESS RECORD AND OTHER
27 NONPROPRIETARY INFORMATION THE DIRECTOR DEEMS USEFUL TO THE
28 PUBLIC ON THE DIVISION'S WEBSITE. PUBLICATION OF THE RECORD AND OF
29 ANY OTHER INFORMATION CIRCULATED IN QUANTITY OUTSIDE THE
30 EXECUTIVE BRANCH MUST BE IN ACCORDANCE WITH SECTION 24-1-136.

31 **12-61-1009. Change of location or employment status - notice**
32 **required.** (1) A COMMUNITY ASSOCIATION MANAGER LICENSED UNDER
33 THIS PART 10 SHALL NOTIFY THE DIRECTOR WITHIN THIRTY DAYS AFTER
34 ANY CHANGE OF BUSINESS LOCATION OR EMPLOYMENT. A CHANGE OF
35 BUSINESS ADDRESS OR EMPLOYMENT STATUS WITHOUT NOTIFICATION TO
36 THE DIRECTOR AUTOMATICALLY INACTIVATES THE LICENSEE'S LICENSE.

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

41 **12-61-1010. License fees - partnership, limited liability**

1 **company, and corporation licenses - rules.** (1) THE DIRECTOR SHALL
2 ESTABLISH, COLLECT, AND PERIODICALLY ADJUST, IN ACCORDANCE WITH
3 SECTION 12-61-111.5, FEES FOR:

- 4 (a) EACH EXAMINATION;
- 5 (b) EACH MANAGER'S OR ENTITY'S ORIGINAL APPLICATION AND
6 LICENSE;
- 7 (c) EACH RENEWAL OR REINSTATEMENT OF A MANAGER'S LICENSE;
- 8 (d) ANY CHANGE OF NAME, ADDRESS, OR EMPLOYMENT STATUS
9 REQUIRING A CHANGE IN DIRECTOR RECORDS; AND
- 10 (e) EACH APPRENTICE'S ORIGINAL APPLICATION AND LICENSE.

11 (2) THE DIRECTOR SHALL TRANSMIT ALL FEES TO THE STATE
12 TREASURER, WHO SHALL CREDIT THEM TO THE DIVISION OF REAL ESTATE
13 CASH FUND, CREATED IN SECTION 12-61-111.5 (2)(b). FEES COLLECTED
14 UNDER SUBSECTIONS (1)(b), (1)(c), (1)(d), AND (1)(e) OF THIS SECTION
15 ARE NONREFUNDABLE.

16 (3) EXCEPT AS PROVIDED IN SUBSECTION (4) OF THIS SECTION,
17 LICENSES ARE VALID FOR UP TO THREE YEARS, SUBJECT TO EXPIRATION
18 AND RENEWAL ON A SCHEDULE DETERMINED BY THE DIRECTOR. THE
19 DIRECTOR SHALL ESTABLISH, BY RULE, THE REQUIREMENTS FOR
20 CONTINUING EDUCATION, REEXAMINATION, AND SUBSEQUENT CRIMINAL
21 HISTORY RECORD CHECKS; EXCEPT THAT THESE REQUIREMENTS MUST NOT
22 BE MORE STRINGENT THAN THE EQUIVALENT REQUIREMENTS FOR REAL
23 ESTATE BROKERS UNDER PART 1 OF THIS ARTICLE 61.

24 (4) AN APPRENTICE LICENSE IS VALID FOR ONE YEAR AND IS NOT
25 SUBJECT TO RENEWAL.

26 **12-61-1011. Investigation - revocation - actions against**

27 **licensee.** (1) THE DIRECTOR, UPON THE DIRECTOR'S OWN MOTION, MAY,
28 AND, UPON THE COMPLAINT IN WRITING OF ANY PERSON, SHALL,
29 INVESTIGATE THE ACTIVITIES OF ANY LICENSEE OR ANY PERSON WHO
30 ASSUMES TO ACT IN THE CAPACITY OF A LICENSEE WITHIN THE STATE. THE
31 DIRECTOR, AFTER HOLDING A HEARING IN ACCORDANCE WITH THE "STATE
32 ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24, MAY IMPOSE
33 AN ADMINISTRATIVE FINE NOT TO EXCEED TWO THOUSAND FIVE HUNDRED
34 DOLLARS FOR EACH SEPARATE OFFENSE, CENSURE A LICENSEE, PLACE THE
35 LICENSEE ON PROBATION AND SET THE TERMS OF PROBATION, OR
36 TEMPORARILY SUSPEND OR PERMANENTLY REVOKE A LICENSE WHEN THE
37 LICENSEE HAS PERFORMED, IS PERFORMING, OR IS ATTEMPTING TO
38 PERFORM ANY OF THE FOLLOWING ACTS AND IS GUILTY OF:

- 39 (a) KNOWINGLY MAKING ANY MISREPRESENTATION OR
40 KNOWINGLY MAKING USE OF ANY FALSE OR MISLEADING ADVERTISING;
- 41 (b) MAKING ANY PROMISE OF A CHARACTER THAT INFLUENCES,

1 PERSUADES, OR INDUCES ANOTHER PERSON WHEN HE OR SHE COULD NOT
2 OR DID NOT INTEND TO KEEP SUCH PROMISE;
3 (c) KNOWINGLY MISREPRESENTING OR MAKING FALSE PROMISES
4 THROUGH AGENTS, ADVERTISING, OR OTHERWISE;
5 (d) VIOLATING, DIRECTLY OR INDIRECTLY, ANY APPLICABLE
6 PROVISION OF COLORADO OR FEDERAL FAIR HOUSING LAWS;
7 (e) KNOWINGLY VIOLATING OR KNOWINGLY DIRECTING OTHERS TO
8 VIOLATE CCIOA;
9 (f) FAILING TO ACCOUNT FOR OR TO REMIT, WITHIN A REASONABLE
10 TIME, ANY MONEY COMING INTO THE LICENSEE'S POSSESSION THAT
11 BELONGS TO OTHERS, WHETHER ACTING AS A COMMUNITY ASSOCIATION
12 MANAGER, APPRENTICE, OR OTHERWISE, AND FAILING TO KEEP RECORDS
13 RELATIVE TO SAID MONEY, WHICH RECORDS MUST CONTAIN ANY
14 INFORMATION REQUIRED BY RULES OF THE DIRECTOR AND ARE SUBJECT TO
15 AUDIT BY THE DIRECTOR;
16 (g) CONVERTING FUNDS OF OTHERS, DIVERTING FUNDS OF OTHERS
17 WITHOUT PROPER AUTHORIZATION, COMMINGLING FUNDS OF OTHERS WITH
18 THE MANAGER'S OWN FUNDS, OR FAILING TO KEEP SUCH FUNDS OF OTHERS
19 IN A SEGREGATED ACCOUNT WITH SOME BANK OR RECOGNIZED
20 DEPOSITORY IN THIS STATE, WHICH ACCOUNT MAY BE ANY TYPE OF
21 CHECKING, DEMAND, PASSBOOK, OR STATEMENT ACCOUNT INSURED BY AN
22 AGENCY OF THE UNITED STATES GOVERNMENT, AND TO SO KEEP RECORDS
23 RELATIVE TO THE DEPOSIT THAT CONTAIN ANY INFORMATION REQUIRED BY
24 RULES OF THE DIRECTOR AND ARE SUBJECT TO AUDIT BY THE DIRECTOR;
25 (h) DISREGARDING OR VIOLATING, OR AIDING OR ABETTING ANY
26 VIOLATION OF, THIS PART 10 OR ANY APPLICABLE RULE OR ORDER OF THE
27 DIRECTOR;
28 (i) PERFORMING ANY ACT THAT LEADS TO A CONVICTION OF,
29 ENTRY OF A PLEA OF GUILTY TO, OR ENTRY OF A PLEA OF NOLO
30 CONTENDERE TO ANY CRIME IN ARTICLE 3 OF TITLE 18; PARTS 1 TO 4 OF
31 ARTICLE 4 OF TITLE 18; PARTS 1 TO 5 AND 7 TO 9 OF ARTICLE 5 OF TITLE 18;
32 ARTICLE 5.5 OF TITLE 18; PARTS 3, 4, AND 6 TO 8 OF ARTICLE 6 OF TITLE 18;
33 PARTS 1 AND 3 TO 8 OF ARTICLE 7 OF TITLE 18; PART 3 OF ARTICLE 8 OF
34 TITLE 18; ARTICLE 15 OF TITLE 18; ARTICLE 17 OF TITLE 18; SECTION
35 18-18-405, 18-18-411, 18-18-412.5, 18-18-412.7, 18-18-415, 18-18-422,
36 OR 18-18-423; OR ANY OTHER LIKE CRIME UNDER COLORADO LAW,
37 FEDERAL LAW, OR THE LAWS OF OTHER STATES. A CERTIFIED COPY OF THE
38 JUDGMENT OF A COURT OF COMPETENT JURISDICTION OF SUCH CONVICTION
39 OR OTHER OFFICIAL RECORD INDICATING THAT SUCH PLEA WAS ENTERED
40 IS CONCLUSIVE EVIDENCE OF SUCH CONVICTION OR PLEA IN ANY HEARING
41 UNDER THIS PART 10.

1 (j) FAILING TO IMMEDIATELY NOTIFY THE DIRECTOR IN WRITING OF
2 A CONVICTION, PLEA, OR VIOLATION PURSUANT TO SUBSECTION (1)(i) OF
3 THIS SECTION;

4 (k) HAVING DEMONSTRATED UNWORTHINESS OR INCOMPETENCY
5 TO ACT AS A COMMUNITY ASSOCIATION MANAGER BY CONDUCTING
6 BUSINESS IN SUCH A MANNER AS TO ENDANGER THE INTEREST OF THE
7 PUBLIC;

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

11 (m) FAILING TO MAKE A FULL AND TRUE DISCLOSURE OF FEES,
12 CHARGES, AND REMUNERATION AS REQUIRED BY SECTION 12-61-1005;

13 (n) PROCURING, OR ATTEMPTING TO PROCURE, A LICENSE OR
14 RENEWING, REINSTATING, OR REACTIVATING, OR ATTEMPTING TO RENEW,
15 REINSTATE, OR REACTIVATE, A LICENSE BY FRAUD, MISREPRESENTATION,
16 OR DECEIT OR BY MAKING A MATERIAL MISSTATEMENT OF FACT IN AN
17 APPLICATION FOR A LICENSE;

18 (o) CLAIMING, ARRANGING FOR, OR TAKING ANY SECRET OR
19 UNDISCLOSED AMOUNT OF COMPENSATION, COMMISSION, OR PROFIT OR
20 FAILING TO REVEAL TO THE LICENSEE'S PRINCIPAL OR EMPLOYER THE FULL
21 AMOUNT OF THE LICENSEE'S COMPENSATION, COMMISSION, OR PROFIT IN
22 CONNECTION WITH ANY ACTS FOR WHICH A LICENSE IS REQUIRED UNDER
23 THIS PART 10;

24 (p) HAVING HAD A LICENSE OR A SUBDIVISION DEVELOPER'S
25 REGISTRATION SUSPENDED OR REVOKED IN ANY JURISDICTION, OR HAVING
26 HAD ANY DISCIPLINARY ACTION TAKEN AGAINST THE MANAGER OR
27 SUBDIVISION DEVELOPER IN ANY OTHER JURISDICTION IF THE LICENSEE'S
28 OR SUBDIVISION DEVELOPER'S ACTION WOULD CONSTITUTE A VIOLATION
29 OF THIS SUBSECTION (1). A CERTIFIED COPY OF THE ORDER OF
30 DISCIPLINARY ACTION IS PRIMA FACIE EVIDENCE OF SUCH DISCIPLINARY
31 ACTION.

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

37 (I) A MORTGAGE BROKER OR MORTGAGE LOAN ORIGINATOR;
38 (II) A REAL ESTATE BROKER OR SALESPERSON;
39 (III) A REAL ESTATE APPRAISER, AS DEFINED BY SECTION
40 12-61-702 (11);
41 (IV) AN INSURANCE PRODUCER, AS DEFINED BY SECTION 10-2-103

1 (6);
2 (V) AN ATTORNEY;
3 (VI) A SECURITIES BROKER-DEALER, AS DEFINED BY SECTION
4 11-51-201 (2);
5 (VII) A SECURITIES SALES REPRESENTATIVE, AS DEFINED BY
6 SECTION 11-51-201 (14);
7 (VIII) AN INVESTMENT ADVISOR, AS DEFINED BY SECTION
8 11-51-201 (9.5); OR
9 (IX) AN INVESTMENT ADVISOR REPRESENTATIVE, AS DEFINED BY
10 SECTION 11-51-201 (9.6);
11 (r) ACTING OUTSIDE THE SCOPE OF AUTHORITY GRANTED BY THE
12 ISSUANCE OF A LICENSE; OR
13 (s) ANY OTHER CONDUCT, WHETHER OF THE SAME OR A DIFFERENT
14 CHARACTER THAN SPECIFIED IN THIS SUBSECTION (1), THAT CONSTITUTES
15 DISHONEST DEALING.
16 (2) IF A FIRM, PARTNERSHIP, LIMITED LIABILITY COMPANY,
17 ASSOCIATION, OR CORPORATION OPERATING UNDER THE LICENSE OF A
18 MANAGER DESIGNATED AND LICENSED AS A REPRESENTATIVE OF THE
19 ENTITY COMMITS ANY ACT OR PRACTICE LISTED IN SUBSECTION (1) OF THIS
20 SECTION, THE DIRECTOR MAY SUSPEND OR REVOKE THE RIGHT OF THE
21 ENTITY TO CONDUCT ITS BUSINESS UNDER THE LICENSE OF THE MANAGER,
22 WHETHER OR NOT THE DESIGNATED MANAGER HAD PERSONAL
23 KNOWLEDGE OF THE ACT OR PRACTICE AND WHETHER OR NOT THE
24 DIRECTOR SUSPENDS OR REVOKES THE INDIVIDUAL LICENSE OF ANY OTHER
25 PERSON.
26 (3) THIS PART 10 DOES NOT RELIEVE ANY PERSON FROM CIVIL
27 LIABILITY OR CRIMINAL PROSECUTION UNDER THE LAWS OF THIS STATE.
28 (4) COMPLAINTS OF RECORD IN THE OFFICE OF THE DIRECTOR AND
29 DIVISION INVESTIGATIONS, INCLUDING INVESTIGATIVE FILES, ARE CLOSED
30 TO PUBLIC INSPECTION. STIPULATIONS AND FINAL AGENCY ORDERS ARE
31 PUBLIC RECORDS SUBJECT TO SECTIONS 24-72-203 AND 24-72-204.
32 (5) WHEN A COMPLAINT OR AN INVESTIGATION DISCLOSES AN
33 INSTANCE OF MISCONDUCT THAT, IN THE OPINION OF THE DIRECTOR, DOES
34 NOT WARRANT FORMAL ACTION BY THE DIRECTOR BUT SHOULD NOT BE
35 DISMISSED AS BEING WITHOUT MERIT, THE DIRECTOR MAY SEND A LETTER
36 OF ADMONITION TO THE LICENSEE AGAINST WHOM THE COMPLAINT WAS
37 MADE AND A COPY OF THE LETTER TO THE PERSON MAKING THE
38 COMPLAINT, BUT THE LETTER MUST ADVISE THE LICENSEE THAT THE
39 LICENSEE HAS THE RIGHT TO REQUEST IN WRITING, WITHIN TWENTY DAYS
40 AFTER RECEIPT, THAT FORMAL DISCIPLINARY PROCEEDINGS BE INITIATED
41 TO ADJUDICATE THE PROPRIETY OF THE CONDUCT UPON WHICH THE LETTER

1 OF ADMONITION IS BASED. IF THE REQUEST IS TIMELY MADE, THE LETTER
2 OF ADMONITION IS VACATED, AND THE MATTER SHALL BE PROCESSED BY
3 MEANS OF FORMAL DISCIPLINARY PROCEEDINGS.

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

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

17 **12-61-1012. Hearings - use of administrative law judges -**
18 **subpoenas - judicial review - immunity.** (1) EXCEPT AS OTHERWISE
19 PROVIDED IN THIS SECTION, ALL PROCEEDINGS BEFORE THE DIRECTOR WITH
20 RESPECT TO DISCIPLINARY ACTIONS AND DENIAL OF LICENSURE UNDER
21 THIS PART 10, AT THE DISCRETION OF THE DIRECTOR, MAY BE CONDUCTED
22 BY AN AUTHORIZED REPRESENTATIVE OF THE DIRECTOR OR BY AN
23 ADMINISTRATIVE LAW JUDGE PURSUANT TO SECTIONS 24-4-104 AND
24 24-4-105.

25 (2) VENUE FOR PROCEEDINGS IS IN THE COUNTY WHERE THE
26 DIRECTOR HAS HIS OR HER OFFICE OR IN SUCH OTHER PLACE AS THE
27 DIRECTOR MAY DESIGNATE. IF THE LICENSEE IS EMPLOYED BY ANOTHER
28 LICENSED COMMUNITY ASSOCIATION MANAGER, THE DIRECTOR SHALL
29 ALSO NOTIFY THE LICENSEE'S EMPLOYER BY MAILING, BY FIRST-CLASS
30 MAIL, A COPY OF THE WRITTEN NOTICE REQUIRED UNDER SECTION
31 24-4-104 (3) TO THE EMPLOYER'S LAST-KNOWN BUSINESS ADDRESS.

32 (3) THE DIRECTOR, AN AUTHORIZED REPRESENTATIVE OF THE
33 DIRECTOR, OR AN ADMINISTRATIVE LAW JUDGE SHALL CONDUCT ALL
34 HEARINGS FOR DENYING, SUSPENDING, OR REVOKING A LICENSE OR
35 CERTIFICATE ON BEHALF OF THE DIRECTOR, SUBJECT TO APPROPRIATIONS
36 MADE TO THE DEPARTMENT OF PERSONNEL. EACH ADMINISTRATIVE LAW
37 JUDGE SHALL BE APPOINTED PURSUANT TO PART 10 OF ARTICLE 30 OF
38 TITLE 24. THE ADMINISTRATIVE LAW JUDGE SHALL CONDUCT THE HEARING
39 IN ACCORDANCE WITH SECTIONS 24-4-104 AND 24-4-105. NO LICENSE MAY
40 BE DENIED, SUSPENDED, OR REVOKED UNTIL THE DIRECTOR HAS MADE HIS
41 OR HER DECISION.

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

15 (5) THE DECISION OF THE DIRECTOR IN ANY DISCIPLINARY ACTION
16 OR DENIAL OF LICENSURE UNDER THIS SECTION IS SUBJECT TO JUDICIAL
17 REVIEW BY THE COURT OF APPEALS. IN ORDER TO EFFECTUATE THE
18 PURPOSES OF THIS PART 10, THE DIRECTOR HAS THE POWER TO
19 PROMULGATE RULES IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24.

20 (6) IN A JUDICIAL REVIEW PROCEEDING, THE COURT MAY STAY THE
21 EXECUTION OR EFFECT OF ANY FINAL ORDER OF THE DIRECTOR; BUT A
22 HEARING SHALL BE HELD AFFORDING THE PARTIES AN OPPORTUNITY TO BE
23 HEARD FOR THE PURPOSE OF DETERMINING WHETHER THE PUBLIC HEALTH,
24 SAFETY, AND WELFARE WOULD BE ENDANGERED BY STAYING THE
25 DIRECTOR'S ORDER. IF THE COURT DETERMINES THAT THE ORDER SHOULD
26 BE STAYED, THE COURT SHALL ALSO DETERMINE AT THE HEARING
27 WHETHER THE PETITIONER SHOULD BE REQUIRED TO POST A BOND AND THE
28 AMOUNT OF THE BOND AND ADEQUACY OF THE SURETY, WHICH BOND
29 MUST BE CONDITIONED UPON THE FAITHFUL PERFORMANCE BY THE
30 PETITIONER OF ALL OBLIGATIONS AS A COMMUNITY ASSOCIATION
31 MANAGER AND UPON THE PROMPT PAYMENT OF ALL DAMAGES ARISING
32 FROM OR CAUSED BY THE DELAY IN THE TAKING EFFECT OR ENFORCEMENT
33 OF THE ORDER COMPLAINED OF AND FOR ALL COSTS THAT MAY BE
34 ASSESSED OR REQUIRED TO BE PAID IN CONNECTION WITH THE
35 PROCEEDINGS.

36 (7) IN ANY HEARING CONDUCTED BY THE DIRECTOR OR AN
37 AUTHORIZED REPRESENTATIVE OF THE DIRECTOR IN WHICH THERE IS A
38 POSSIBILITY OF THE DENIAL, SUSPENSION, OR REVOCATION OF A LICENSE
39 BECAUSE OF THE CONVICTION OF A FELONY OR OF A CRIME INVOLVING
40 MORAL TURPITUDE, THE DIRECTOR OR THE DIRECTOR'S AUTHORIZED
41 REPRESENTATIVE IS GOVERNED BY SECTION 24-5-101.

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

6 **12-61-1013. Stakeholder meetings - topics - frequency - report.**

7 (1) THE DIVISION SHALL ESTABLISH A STAKEHOLDER PROCESS WITH
8 REGULAR MEETINGS, NO LESS FREQUENTLY THAN EVERY THREE MONTHS,
9 EXCEPT AS PROVIDED IN SUBSECTION (3) OF THIS SECTION. THE PURPOSES
10 OF THE MEETINGS ARE TO GATHER INFORMATION AND FEEDBACK FROM
11 HOMEOWNERS AND MANAGERS; TO ACT AS A SOUNDING BOARD FOR
12 DISCUSSION OF ISSUES AFFECTING COMMON INTEREST COMMUNITIES; AND
13 TO MAKE RECOMMENDATIONS TO THE DIRECTOR CONCERNING:

14 (a) ANY NECESSARY UPDATES OR CHANGES TO THE RULES
15 PROMULGATED BY THE DIRECTOR PURSUANT TO THIS PART 10;

16 (b) APPROPRIATE ADJUSTMENTS TO THE DEFINITION OF, AND
17 EXCLUSIONS FROM, THE PRACTICE OF COMMUNITY ASSOCIATION
18 MANAGEMENT AS SET FORTH IN SECTION 12-61-1001 (4);

19 (c) APPRENTICE CREDENTIALING, INCLUDING THE LEVEL OF
20 OVERSIGHT REQUIRED BY THE DIVISION, APPROPRIATE SUPERVISION,
21 EDUCATIONAL REQUIREMENTS, SPECIFIC DUTIES, AND ANY OTHER
22 NECESSARY COMPONENTS RELATED TO APPRENTICES;

23 (d) THE COMPLAINT PROCESS, INCLUDING:

24 (I) INFORMATION OR EDUCATION FOR HOMEOWNERS ON FILING A
25 COMPLAINT;

26 (II) THE TIME PERIODS AND PROCESSES THAT APPLY TO THE
27 RESPONSE BY A PERSON ACCUSED OF A VIOLATION AND THE
28 INVESTIGATION OF THE COMPLAINT;

29 (III) THE TYPES OF RECORDS AND OTHER EVIDENCE THAT SHOULD
30 BE PRODUCED OR PRESERVED WHEN A COMPLAINT IS FILED; AND

31 (IV) COMMUNICATION AMONG THE COMPLAINANT, THE
32 RESPONDENT, AND INVESTIGATORS DURING THE PENDENCY OF A
33 COMPLAINT AND ANY SUBSEQUENT ACTION BY THE DIRECTOR; AND

34 (e) ANY OTHER ISSUES ABOUT WHICH THE DIRECTOR SEEKS
35 INFORMATION AND FEEDBACK FROM THE STAKEHOLDERS.

36 (2) THE DIRECTOR SHALL APPOINT AT LEAST FIVE MEMBERS TO THE
37 STAKEHOLDER GROUP. THE MEMBERSHIP MUST INCLUDE HOMEOWNERS
38 THAT LIVE IN MANAGED COMMUNITIES; LICENSED COMMUNITY
39 ASSOCIATION MANAGERS; COMPANIES THAT ARE IN THE BUSINESS OF
40 COMMUNITY ASSOCIATION MANAGEMENT; REALTORS AND COMPANIES
41 THAT EMPLOY REALTORS; INDIVIDUALS OR COMPANIES IN THE BUSINESS OF

1 PROVIDING LAND TITLE INSURANCE AND CLOSING SERVICES; ASSOCIATIONS
2 THAT REPRESENT HOMEOWNERS; COMMUNITY ASSOCIATION MANAGERS;
3 AND BUSINESSES THAT SERVE MANAGED COMMUNITIES.

4 (3) THE STAKEHOLDER GROUP SHALL MEET AT LEAST FOUR TIMES
5 DURING THE 2019 INTERIM AND SHALL REPORT ITS FINDINGS AND
6 RECOMMENDATIONS ON THE TOPICS LISTED IN SUBSECTION (1) OF THIS
7 SECTION TO THE DIRECTOR, WHO SHALL INCLUDE THEM IN THE DIVISION'S
8 ANNUAL REPORT TO THE GENERAL ASSEMBLY REQUIRED UNDER THE
9 "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND
10 TRANSPARENT (SMART) GOVERNMENT ACT", PART 2 OF ARTICLE 7 OF
11 TITLE 2. THE DIRECTOR SHALL SHARE A DRAFT OF THE REPORT WITH THE
12 STAKEHOLDER GROUP AND INVITE REVISIONS BEFORE FINALIZING THE
13 DIVISION'S PRESENTATION.

14 **12-61-1014. Repeal of part.** THIS PART 10 IS REPEALED,
15 EFFECTIVE SEPTEMBER 1, 2020.

16 **SECTION 2.** In Colorado Revised Statutes, **add to article 10 of**
17 **title 12 as relocated by House Bill 19-1172** part 10 as follows:

18 PART 10

19 COMMUNITY ASSOCIATION MANAGERS

20 **12-10-1001. Definitions.** AS USED IN THIS PART 10, UNLESS THE
21 CONTEXT OTHERWISE REQUIRES:

22 (1) "APPRENTICE" MEANS A PERSON WHO:

23 (a) HAS NOT COMPLETED THE EDUCATION AND EXAMINATION
24 REQUIREMENTS FOR OBTAINING A COMMUNITY ASSOCIATION MANAGER
25 LICENSE;

26 (b) IS UNDER THE CONTROL AND DIRECT SUPERVISION OF A
27 LICENSED COMMUNITY ASSOCIATION MANAGER; AND

28 (c) IS LICENSED WITH THE DIRECTOR FOR PURPOSES OF LEARNING
29 AND PERFORMING ANY PRACTICES THAT REQUIRE A COMMUNITY
30 ASSOCIATION MANAGER LICENSE.

31 (2) "CCIOA" MEANS THE "COLORADO COMMON INTEREST
32 OWNERSHIP ACT", ARTICLE 33.3 OF TITLE 38.

33 (3) (a) "COMMON INTEREST COMMUNITY" HAS THE MEANING SET
34 FORTH IN SECTION 38-33.3-103 (8); EXCEPT THAT "COMMON INTEREST
35 COMMUNITY" DOES NOT INCLUDE:

36 (I) A COMMUNITY MANAGED BY AN ASSOCIATION OR UNIT
37 OWNERS' ASSOCIATION IN WHICH A MAJORITY OF UNITS THAT ARE
38 DESIGNATED FOR RESIDENTIAL USE ARE TIME SHARE UNITS, AS DEFINED IN
39 SECTION 38-33-110 (7), OR CONSIST OF TIME SHARE INTERESTS, AS
40 DEFINED IN SECTION 12-10-501 (4); OR

41 (II) A COMMUNITY, RESORT, OR DEVELOPMENT REGISTERED WITH

1 THE DIVISION AS A TIME SHARE SUBDIVISION.

2 (b) AS USED IN THIS SUBSECTION (3), "MAJORITY OF UNITS" MEANS
3 THE UNITS TO WHICH ARE ALLOCATED MORE THAN FIFTY PERCENT OF THE
4 ALLOCATED INTERESTS IN THE COMMON INTEREST COMMUNITY
5 APPURTENANT TO ALL UNITS THAT ARE DESIGNATED FOR RESIDENTIAL
6 USE.

7 (4)(a) "COMMUNITY ASSOCIATION MANAGEMENT" MEANS ANY OF
8 THE FOLLOWING PRACTICES RELATING TO THE MANAGEMENT OF A
9 COMMON INTEREST COMMUNITY, AT THE DIRECTION OR ON BEHALF OF ITS
10 EXECUTIVE BOARD:

11 (I) IN INTERACTIONS WITH MEMBERS OR NONMEMBERS OF THE
12 COMMON INTEREST COMMUNITY, ACTING WITH THE AUTHORITY OF THE
13 COMMON INTEREST COMMUNITY WITH RESPECT TO ITS BUSINESS, LEGAL,
14 FINANCIAL, OR OTHER TRANSACTIONS;

15 (II) EXECUTING THE RESOLUTIONS AND DECISIONS OF THE
16 EXECUTIVE BOARD;

17 (III) ENFORCING THE RIGHTS OF THE COMMON INTEREST
18 COMMUNITY SECURED BY STATUTE, CONTRACT, COVENANT, RULE, OR
19 BYLAW;

20 (IV) ADMINISTERING OR COORDINATING MAINTENANCE OF
21 PROPERTY OR FACILITIES OF THE COMMON INTEREST COMMUNITY;

22 (V) ADMINISTERING APPLICATIONS FOR ARCHITECTURAL REVIEW;

23 (VI) ARRANGING, CONDUCTING, OR COORDINATING MEETINGS OF
24 THE COMMON INTEREST COMMUNITY'S MEMBERSHIP OR EXECUTIVE
25 BOARD;

26 (VII) MAINTAINING THE COMMON INTEREST COMMUNITY'S
27 RECORDS PURSUANT TO ITS GOVERNING DOCUMENTS AND APPLICABLE
28 PROVISIONS OF THE CCIOA; OR

29 (VIII) ADMINISTERING, OR OTHERWISE EXERCISING CONTROL OF,
30 A COMMON INTEREST COMMUNITY'S FUNDS, INCLUDING THE
31 ADMINISTRATION OF A RESERVE PROGRAM FOR THE MAJOR REPAIR OR
32 REPLACEMENT OF CAPITAL ASSETS.

33 (b) "COMMUNITY ASSOCIATION MANAGEMENT" DOES NOT MEAN
34 THE PERFORMANCE OF ANY CLERICAL, MINISTERIAL, ACCOUNTING, OR
35 MAINTENANCE FUNCTION.

36 (5) (a) "COMMUNITY ASSOCIATION MANAGER" OR "MANAGER"
37 MEANS ANY PERSON, FIRM, PARTNERSHIP, LIMITED LIABILITY COMPANY,
38 ASSOCIATION, OR CORPORATION THAT, IN CONSIDERATION OF
39 COMPENSATION BY FEE, COMMISSION, SALARY, OR ANYTHING ELSE OF
40 VALUE OR WITH THE INTENTION OF RECEIVING OR COLLECTING SUCH
41 COMPENSATION, WHETHER OR NOT THE COMPENSATION IS RECEIVED BY

1 THE LICENSED MANAGER DIRECTLY OR BY THE LICENSED ENTITY THAT
2 EMPLOYS THE LICENSED MANAGER, ENGAGES IN OR OFFERS OR ATTEMPTS
3 TO ENGAGE IN COMMUNITY ASSOCIATION MANAGEMENT IN COLORADO.

4 (b) "COMMUNITY ASSOCIATION MANAGER" OR "MANAGER" DOES
5 NOT INCLUDE:

6 (I) A PERSON WHO, UNDER THE DIRECT SUPERVISION OF A
7 MANAGER, PERFORMS ANY CLERICAL, MINISTERIAL, ACCOUNTING, OR
8 MAINTENANCE FUNCTION;

9 (II) ANY PUBLIC OFFICIAL IN THE CONDUCT OF HIS OR HER OFFICIAL
10 DUTIES;

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

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

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

20 (VI) A CORPORATION WITH RESPECT TO PROPERTY OWNED OR
21 LEASED BY IT, ACTING THROUGH ITS OFFICERS OR REGULAR SALARIED
22 EMPLOYEES, WHEN SUCH ACTS ARE INCIDENTAL AND NECESSARY IN THE
23 ORDINARY COURSE OF THE CORPORATION'S BUSINESS ACTIVITIES OF A
24 NON-PROPERTY MANAGEMENT NATURE. FOR THE PURPOSES OF THIS
25 SUBSECTION (5)(b), THE TERM "OFFICERS OR REGULAR SALARIED
26 EMPLOYEES" MEANS PERSONS REGULARLY EMPLOYED WHO DERIVE NOT
27 LESS THAN SEVENTY-FIVE PERCENT OF THEIR COMPENSATION FROM THE
28 CORPORATION IN THE FORM OF SALARIES;

29 (VII) AN INDEPENDENT CONTRACTOR WHO:

30 (A) PERFORMS ANY CLERICAL, MINISTERIAL, ACCOUNTING, OR
31 MAINTENANCE FUNCTION; OR

32 (B) IS NOT OTHERWISE ENGAGED IN THE PERFORMANCE OF
33 COMMUNITY ASSOCIATION MANAGEMENT; OR

34 (VIII) AN APPRENTICE WORKING UNDER THE DIRECT SUPERVISION
35 OF A LICENSED MANAGER.

36 (6) "DESIGNATED MANAGER" MEANS A PERSON WHO IS CURRENTLY
37 LICENSED AS A MANAGER AND WHO, ON BEHALF OF A LICENSED ENTITY, IS
38 RESPONSIBLE FOR PERFORMING COMMUNITY ASSOCIATION MANAGEMENT
39 PRACTICES AND SUPERVISING COMMUNITY ASSOCIATION MANAGEMENT
40 PRACTICES PERFORMED BY PERSONS EMPLOYED BY, OR ACTING ON BEHALF
41 OF, THE LICENSED ENTITY.

1 (7) "EXECUTIVE BOARD" HAS THE MEANING SET FORTH IN SECTION
2 38-33.3-103 (16).

3 (8) "HOA" OR "HOMEOWNERS' ASSOCIATION" MEANS AN
4 ASSOCIATION OR UNIT OWNERS' ASSOCIATION, AS DEFINED IN SECTION
5 38-33.3-103 (3), WHETHER ORGANIZED BEFORE, ON, OR AFTER JULY 1,
6 1992; EXCEPT THAT THE TERM DOES NOT INCLUDE AN ASSOCIATION OR
7 UNIT OWNERS' ASSOCIATION IN WHICH A MAJORITY OF UNITS THAT ARE
8 DESIGNATED FOR RESIDENTIAL USE ARE TIME SHARE UNITS, AS DEFINED IN
9 SECTION 38-33-110 (7). AS USED IN THIS SUBSECTION (8), "MAJORITY OF
10 UNITS" MEANS THE UNITS TO WHICH ARE ALLOCATED MORE THAN FIFTY
11 PERCENT OF THE ALLOCATED INTERESTS IN THE COMMON INTEREST
12 COMMUNITY APPURTENANT TO ALL UNITS THAT ARE DESIGNATED FOR
13 RESIDENTIAL USE.

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

16 **12-10-1002. License required - rule-making authority -**
17 **violations - administrative and legal remedies.** (1) IT IS UNLAWFUL FOR
18 ANY PERSON TO ENGAGE IN, OR TO HOLD OUT HIMSELF, HERSELF, OR ITSELF
19 AS QUALIFIED TO ENGAGE IN, THE BUSINESS OF COMMUNITY ASSOCIATION
20 MANAGEMENT WITHOUT FIRST HAVING OBTAINED A LICENSE FROM THE
21 DIRECTOR IN ACCORDANCE WITH SECTION 12-10-1003 OR DURING ANY
22 PERIOD IN WHICH THE MANAGER'S LICENSE IS REVOKED OR SUSPENDED.

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

26 (3) IN ADDITION TO CONDUCTING HEARINGS AS PROVIDED IN
27 SECTION 12-10-1012, THE DIRECTOR MAY ENFORCE THIS PART 10 AND
28 RULES ADOPTED UNDER THIS PART 10 BY TAKING ONE OR MORE OF THE
29 FOLLOWING ACTIONS:

30 (a) IF THE DIRECTOR HAS REASONABLE CAUSE TO BELIEVE THAT A
31 PERSON IS VIOLATING THIS PART 10 OR A RULE ADOPTED UNDER THIS PART
32 10, THE DIRECTOR MAY ENTER AN ORDER REQUIRING THE PERSON TO
33 CEASE AND DESIST THE VIOLATION.

34 (b) THE DIRECTOR MAY APPLY TO A COURT OF COMPETENT
35 JURISDICTION FOR AN ORDER ENJOINING ANY ACT OR PRACTICE THAT
36 CONSTITUTES A VIOLATION OF THIS PART 10 OR OF A RULE ADOPTED
37 UNDER THIS PART 10, AND, UPON A SHOWING THAT A PERSON IS ENGAGING
38 OR INTENDS TO ENGAGE IN ANY SUCH ACT OR PRACTICE, THE COURT SHALL
39 GRANT AN INJUNCTION, RESTRAINING ORDER, OR OTHER APPROPRIATE
40 ORDER REGARDLESS OF THE EXISTENCE OF ANOTHER REMEDY THEREFOR.
41 ANY NOTICE, HEARING, OR DURATION OF ANY INJUNCTION OR

1 RESTRAINING ORDER SHALL BE MADE IN ACCORDANCE WITH THE
2 COLORADO RULES OF CIVIL PROCEDURE.

3 (c) THE DIRECTOR MAY CONDUCT AUDITS OF BUSINESS RECORDS
4 AND ACCOUNTS OF LICENSEES.

5 **12-10-1003. Application for license - criminal history record**
6 **check - examination - rules.** (1) (a) A PERSON DESIRING TO BECOME A
7 COMMUNITY ASSOCIATION MANAGER OR APPRENTICE MUST APPLY TO THE
8 DIRECTOR FOR A LICENSE IN THE FORM AND MANNER PRESCRIBED BY THE
9 DIRECTOR.

10 (b) BEFORE SUBMITTING AN APPLICATION FOR A LICENSE
11 PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION, EACH APPLICANT MUST
12 SUBMIT A SET OF FINGERPRINTS TO THE COLORADO BUREAU OF
13 INVESTIGATION FOR THE PURPOSE OF CONDUCTING A STATE AND NATIONAL
14 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK UTILIZING
15 RECORDS OF THE COLORADO BUREAU OF INVESTIGATION AND THE
16 FEDERAL BUREAU OF INVESTIGATION. THE APPLICANT SHALL PAY THE FEE
17 ESTABLISHED BY THE COLORADO BUREAU OF INVESTIGATION FOR
18 CONDUCTING THE FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK
19 TO THE BUREAU. UPON COMPLETION OF THE CRIMINAL HISTORY RECORD
20 CHECK, THE BUREAU SHALL FORWARD THE RESULTS TO THE DIRECTOR.
21 THE DIRECTOR MAY ACQUIRE A NAME-BASED CRIMINAL HISTORY RECORD
22 CHECK FOR AN APPLICANT WHO HAS TWICE SUBMITTED TO A
23 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK AND WHOSE
24 FINGERPRINTS ARE UNCLASSIFIABLE.

25 (2) EVERY COMMUNITY ASSOCIATION MANAGER LICENSED UNDER
26 THIS PART 10 SHALL MAINTAIN A PLACE OF BUSINESS WITHIN THIS STATE,
27 EXCEPT AS PROVIDED IN SECTION 12-10-1007. IF A COMMUNITY
28 ASSOCIATION MANAGER MAINTAINS MORE THAN ONE PLACE OF BUSINESS
29 WITHIN THE STATE, THE MANAGER IS RESPONSIBLE FOR SUPERVISING ALL
30 LICENSED ACTIVITIES ORIGINATING IN THOSE OFFICES.

31 (3) (a) THE DIRECTOR MAY REQUIRE AND PROCURE ANY PROOF
32 NECESSARY IN REFERENCE TO THE TRUTHFULNESS, HONESTY, AND GOOD
33 MORAL CHARACTER OF ANY APPLICANT FOR A LICENSE OR, IF THE
34 APPLICANT IS A PARTNERSHIP, LIMITED LIABILITY COMPANY, OR
35 CORPORATION, OF ANY PARTNER, MANAGER, DIRECTOR, OFFICER, MEMBER,
36 OR STOCKHOLDER IF SUCH PERSON HAS, EITHER DIRECTLY OR INDIRECTLY,
37 A SUBSTANTIAL INTEREST IN THE APPLICANT PRIOR TO THE ISSUANCE OF
38 THE LICENSE.

39 (b) AN APPLICANT IS INELIGIBLE FOR A LICENSE IF THE PERSON
40 HAS, WITHIN THE IMMEDIATELY PRECEDING TEN YEARS, HAD A LICENSE OR
41 CERTIFICATION AS A COMMUNITY ASSOCIATION MANAGER REVOKED OR

1 SUSPENDED IN COLORADO OR ANY OTHER JURISDICTION THAT REGULATES
2 COMMUNITY ASSOCIATION MANAGERS; EXCEPT THAT THE DIRECTOR HAS
3 THE DISCRETION TO ACCEPT THE PERSON'S APPLICATION IF AT LEAST TWO
4 YEARS HAVE ELAPSED SINCE THE DATE OF THE REVOCATION OR
5 SUSPENSION AND THE APPLICANT HAS PROVED TO THE DIRECTOR THAT HE
6 OR SHE IS FIT TO BE LICENSED AS A COMMUNITY ASSOCIATION MANAGER
7 IN COLORADO.

8 (c) IF THE DIRECTOR DETERMINES THAT THE APPLICANT HAS BEEN
9 CONVICTED OF A CRIME, THE DIRECTOR SHALL CONSIDER THE FOLLOWING
10 FACTORS WHEN DETERMINING WHETHER THE CONVICTION DISQUALIFIES
11 THE APPLICANT FOR A LICENSE:

12 (I) THE NATURE OF THE CONVICTION;

13 (II) WHETHER THERE IS A DIRECT RELATIONSHIP BETWEEN THE
14 CONVICTION AND THE DUTIES AND RESPONSIBILITIES OF LICENSURE AND
15 THE BEARING, IF ANY, THE CONVICTION MAY HAVE ON THE APPLICANT'S
16 FITNESS OR ABILITY TO PERFORM ONE OR MORE SUCH DUTIES AND
17 RESPONSIBILITIES, INCLUDING WHETHER THE CONVICTION WAS FOR
18 UNLAWFUL SEXUAL BEHAVIOR AS LISTED IN SECTION 16-22-102 (9), AND
19 WHETHER THE APPLICANT WOULD PLACE A RESIDENT OR THE PUBLIC IN A
20 VULNERABLE POSITION;

21 (III) ANY INFORMATION PRODUCED BY THE APPLICANT OR
22 PRODUCED ON THE APPLICANT'S BEHALF REGARDING HIS OR HER
23 REHABILITATION AND GOOD CONDUCT; AND

24 (IV) THE TIME THAT HAS ELAPSED SINCE THE CONVICTION.

25 (d) NOTWITHSTANDING SUBSECTION (3)(c) OF THIS SECTION, AN
26 APPLICANT IS INELIGIBLE FOR LICENSURE IF THE APPLICANT HAS, WITHIN
27 THE IMMEDIATELY PRECEDING TEN YEARS, BEEN CONVICTED OF AN
28 OFFENSE INVOLVING UNLAWFUL SEXUAL BEHAVIOR AS LISTED IN SECTION
29 16-22-102 (9), A BURGLARY OFFENSE, AS DEFINED IN SECTION 18-4-202 OR
30 18-4-203, OR ANY FELONY INVOLVING FRAUD, THEFT, LARCENY,
31 EMBEZZLEMENT, FRAUDULENT CONVERSION, OR MISAPPROPRIATION OF
32 PROPERTY.

33 (4) AN APPLICANT FOR A LICENSE MUST BE AT LEAST EIGHTEEN
34 YEARS OF AGE AND MUST FURNISH PROOF SATISFACTORY TO THE DIRECTOR
35 THAT THE APPLICANT HAS RECEIVED EITHER A HIGH SCHOOL DIPLOMA OR
36 THE EQUIVALENT GENERAL EDUCATION DEVELOPMENT CERTIFICATION.

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

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

39 (A) THE "CERTIFIED MANAGER OF COMMUNITY ASSOCIATIONS" OR
40 "CMCA" CERTIFICATION AWARDED BY THE COMMUNITY ASSOCIATION
41 MANAGERS INTERNATIONAL CERTIFICATION BOARD, PREVIOUSLY KNOWN

1 AS THE NATIONAL BOARD OF CERTIFICATION FOR COMMUNITY
2 ASSOCIATION MANAGERS;

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

5 (C) THE "PROFESSIONAL COMMUNITY ASSOCIATION MANAGER" OR
6 "PCAM" DESIGNATION AWARDED BY THE COMMUNITY ASSOCIATIONS
7 INSTITUTE; OR

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

9 (II) CERTIFY COMPLETION OF ANY EDUCATIONAL OR CONTINUING
10 EDUCATIONAL REQUIREMENTS AS DETERMINED BY THE DIRECTOR IN RULES
11 AND PUBLISHED ON THE DIVISION'S WEBSITE;

12 (III) SUBMIT TO AND PASS AN EXAMINATION WITH TWO SEPARATE
13 PORTIONS, WHICH MAY BE ADMINISTERED SEPARATELY. THE
14 EXAMINATION MUST MEASURE THE COMPETENCY OF THE APPLICANT IN
15 CARRYING OUT THE CORE FUNCTIONS OF COMMUNITY ASSOCIATION
16 MANAGEMENT, REFERRED TO AS THE "GENERAL PORTION" OF THE
17 EXAMINATION, AND IN UNDERSTANDING THE BASIC PROVISIONS OF LEGAL
18 DOCUMENTS AND COLORADO LAW WITH WHICH MANAGERS ARE REQUIRED
19 TO COMPLY, REFERRED TO AS THE "COLORADO LAW PORTION" OF THE
20 EXAMINATION. THE EXAMINATION SHALL BE PREPARED BY OR UNDER THE
21 SUPERVISION OF THE DIRECTOR OR THE DIRECTOR'S DESIGNATED
22 CONTRACTOR OR CONTRACTORS. THE DIRECTOR MAY CONTRACT WITH ONE
23 OR MORE INDEPENDENT TESTING SERVICES TO DEVELOP, ADMINISTER, OR
24 GRADE EXAMINATIONS OR TO ADMINISTER LICENSEE RECORDS. THE
25 CONTRACTS MAY ALLOW THE TESTING SERVICE TO RECOVER FROM THE
26 APPLICANT THE COSTS OF THE EXAMINATION AND THE COSTS OF
27 ADMINISTERING THE EXAMINATION AND LICENSE RECORDS. THE DIRECTOR
28 MAY CONTRACT SEPARATELY FOR THESE FUNCTIONS AND ALLOW
29 RECOVERED COSTS TO BE COLLECTED AND RETAINED BY A SINGLE
30 CONTRACTOR FOR DISTRIBUTION TO OTHER CONTRACTORS. THE DIRECTOR
31 MAY SET THE SEPARATE MINIMUM PASSING SCORES FOR THE GENERAL
32 PORTION AND THE COLORADO LAW PORTION OF THE EXAMINATION. THE
33 DIRECTOR SHALL PRESCRIBE THE TIMES AND PLACES AT WHICH THE
34 EXAMINATION AS A WHOLE IS GIVEN OR AT WHICH THE SEPARATE
35 PORTIONS OF THE EXAMINATION ARE GIVEN.

36 (IV) AN APPLICANT WHO IS CREDENTIALLED PURSUANT TO
37 SUBSECTION (5)(a)(I)(A), (5)(a)(I)(B), OR (5)(a)(I)(C) OF THIS SECTION
38 AND HAS MAINTAINED THE CREDENTIAL IN GOOD STANDING, INCLUDING
39 HAVING COMPLETED ALL ONGOING EDUCATION REQUIRED TO MAINTAIN
40 THE CREDENTIAL, MUST COMPLETE THE COLORADO LAW PORTION, BUT
41 NEED NOT COMPLETE THE GENERAL PORTION, OF THE EXAMINATION

1 DESCRIBED IN SUBSECTION (5)(a)(III) OF THIS SECTION.
2 (b) THE SEPARATE PORTIONS OF THE EXAMINATION DEVELOPED
3 UNDER SUBSECTION (5)(a)(III) OF THIS SECTION MUST ASSESS AN
4 APPLICANT'S COMPETENCY IN THE FOLLOWING SUBJECT MATTER AREAS:
5 (I) FOR THE COLORADO LAW PORTION OF THE EXAMINATION,
6 LEGAL DOCUMENTS; STATUTES, INCLUDING THE "COLORADO COMMON
7 INTEREST OWNERSHIP ACT"; AND OTHER APPLICABLE PROVISIONS OF
8 COLORADO LAW; AND
9 (II) FOR THE GENERAL PORTION OF THE EXAMINATION, OTHER
10 CORE COMPETENCIES OF COMMUNITY ASSOCIATION MANAGEMENT, AS
11 SPECIFIED BY THE DIRECTOR.
12 (c) EXAMINATION RESULTS MEASURING AN APPLICANT'S
13 KNOWLEDGE OF THE MATTERS DESCRIBED IN SUBSECTION (5)(b)(I) OF THIS
14 SECTION ARE VALID FOR ONE YEAR. A PERSON WHO TAKES THE
15 EXAMINATION AND DOES NOT APPLY FOR A LICENSE WITHIN ONE YEAR
16 THEREAFTER MUST RETAKE THAT PORTION OF THE EXAMINATION BEFORE
17 APPLYING.
18 (d) THE DIVISION MAY ISSUE A LICENSE TO AN APPLICANT WHO HAS
19 HELD A COMMUNITY ASSOCIATION MANAGER LICENSE IN ANOTHER
20 JURISDICTION THAT REGULATES COMMUNITY ASSOCIATION MANAGERS
21 AND WHO HAS BEEN LICENSED FOR TWO OR MORE YEARS PRIOR TO
22 APPLYING FOR A COLORADO LICENSE IF THE APPLICANT ESTABLISHES THAT
23 HE OR SHE POSSESSES CREDENTIALS AND QUALIFICATIONS THAT ARE
24 SUBSTANTIVELY EQUIVALENT TO THE REQUIREMENTS IN COLORADO FOR
25 LICENSURE BY EXAMINATION, AS DETERMINED BY THE DIRECTOR BY RULE.
26 THE DIRECTOR MAY REQUIRE A PERSON SO LICENSED TO TAKE THE
27 PORTION OF THE EXAMINATION PERTAINING TO THE MATTERS DESCRIBED
28 IN SUBSECTION (5)(b)(I) OF THIS SECTION WITHIN A SPECIFIED TIME AFTER
29 FIRST RECEIVING A COLORADO LICENSE.
30 (6) (a) COMMUNITY ASSOCIATION MANAGERS' LICENSES MAY BE
31 GRANTED TO INDIVIDUALS, PARTNERSHIPS, LIMITED LIABILITY COMPANIES,
32 OR CORPORATIONS.
33 (b) A PARTNERSHIP, LIMITED LIABILITY COMPANY, OR
34 CORPORATION, IN ITS APPLICATION FOR A LICENSE, SHALL DESIGNATE A
35 QUALIFIED, ACTIVE MANAGER TO BE RESPONSIBLE FOR MANAGEMENT AND
36 SUPERVISION OF THE LICENSED ACTIONS OF THE ENTITY AND ALL PERSONS
37 EMPLOYED BY, OR ACTING AT ANY TIME ON BEHALF OF, THE ENTITY. A
38 LICENSE MAY NOT BE ISSUED TO THE ENTITY UNLESS THE MANAGER SO
39 DESIGNATED TAKES AND PASSES THE EXAMINATION REQUIRED BY THIS
40 PART 10. UPON THE MANAGER SUCCESSFULLY PASSING THE EXAMINATION
41 AND UPON COMPLIANCE WITH ALL OTHER REQUIREMENTS OF LAW BY THE

1 ENTITY AS WELL AS BY THE MANAGER, THE DIRECTOR SHALL ISSUE A
2 DESIGNATED MANAGER'S LICENSE TO THE MANAGER.

3 (c) IF THE DESIGNATED MANAGER IS REFUSED A LICENSE BY THE
4 DIRECTOR OR CEASES TO BE THE DESIGNATED MANAGER OF THE ENTITY,
5 THE ENTITY MAY DESIGNATE ANOTHER PERSON TO APPLY FOR A LICENSE,
6 AND THE DIRECTOR MAY ISSUE A TEMPORARY LICENSE TO PREVENT
7 HARDSHIP FOR A PERIOD NOT TO EXCEED NINETY DAYS TO THE PERSON SO
8 DESIGNATED.

9 (7) THE DESIGNATED MANAGER FOR ANY PARTNERSHIP, LIMITED
10 LIABILITY COMPANY, OR CORPORATION IS PERSONALLY RESPONSIBLE FOR
11 THE HANDLING OF ANY AND ALL COMMON INTEREST COMMUNITY FUNDS
12 RECEIVED OR DISBURSED BY THE ENTITY. IN THE EVENT OF ANY BREACH
13 OF DUTY BY THE ENTITY, ANY PERSON AGGRIEVED OR DAMAGED BY THE
14 BREACH MAY MAKE A CLAIM FOR RELIEF AGAINST THE ENTITY.

15 (8) A PERSON SHALL NOT:

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

18 (b) CONDUCT OR PROMOTE BUSINESS AS A COMMUNITY
19 ASSOCIATION MANAGER EXCEPT UNDER THE NAME UNDER WHICH THE
20 PERSON IS LICENSED.

21 (9) AN APPRENTICE SHALL NOT PERFORM AN ACT THAT OTHERWISE
22 REQUIRES A COMMUNITY ASSOCIATION MANAGER LICENSE EXCEPT WHEN
23 UNDER THE DIRECT SUPERVISION OF A LICENSED COMMUNITY ASSOCIATION
24 MANAGER.

25 **12-10-1004. Insurance required - rules.** EVERY LICENSEE UNDER
26 THIS PART 10, EXCEPT AN INACTIVE MANAGER OR AN ATTORNEY LICENSEE
27 WHO MAINTAINS A POLICY OF PROFESSIONAL MALPRACTICE INSURANCE
28 THAT PROVIDES COVERAGE FOR HIS OR HER ACTIVITIES UNDER THIS PART
29 10, MUST BE INSURED UNDER INSURANCE NECESSARY TO COVER ALL
30 ACTIVITIES CONTEMPLATED UNDER THIS PART 10 IN AN AMOUNT AND
31 UNDER TERMS AND CONDITIONS SPECIFIED BY THE DIRECTOR BY RULE. IN
32 PROMULGATING RULES UNDER THIS SECTION, THE DIRECTOR SHALL SOLICIT
33 AND CONSIDER INFORMATION AND COMMENTS FROM INTERESTED PERSONS.

34 **12-10-1005. Fees and charges for contracted services and**
35 **home sales - disclosure required.** (1) EVERY MANAGER, AND EVERY
36 AGENT OR OTHER PERSON WHO REPRESENTS OR NEGOTIATES ON BEHALF
37 OF A MANAGER, SHALL DISCLOSE TO THE EXECUTIVE BOARD OF EACH HOA
38 FOR WHICH IT PROVIDES OR OFFERS TO PROVIDE SERVICES, DURING
39 CONTRACT NEGOTIATIONS AND THEREAFTER ON AN ANNUAL BASIS, ALL
40 FEES AND OTHER AMOUNTS THAT THE MANAGER CHARGES OR WILL
41 CHARGE TO THE COMMON INTEREST COMMUNITY, UNIT OWNERS, AND

1 PURCHASERS OF UNITS IN THE COMMON INTEREST COMMUNITY FOR OR AS
2 A RESULT OF ANY SERVICE, PRODUCT, TRANSACTION, OR ITEM OF VALUE
3 PROVIDED BY THE MANAGER, ANY EMPLOYEE OR CONTRACTOR OF THE
4 MANAGER, OR ANY OTHER INDIVIDUAL OR ENTITY WITH WHOM THE
5 MANAGER ASSOCIATES IN THE PERFORMANCE OF COMMUNITY
6 ASSOCIATION MANAGEMENT SERVICES.

7 (2) NEITHER A MANAGER NOR ANY AGENT OF A MANAGER MAY
8 ENFORCE ANY FEE OR CHARGE, INCLUDING A TRANSFER FEE, AGAINST THE
9 HOA OR ANY BUYER OR SELLER OF PROPERTY SERVED BY THE HOA
10 UNLESS THE FEE OR CHARGE IS:

11 (a) EXPLICITLY DISCLOSED IN THE MANAGER'S CONTRACT WITH
12 THE HOA OR AN ADDENDUM TO THE CONTRACT; OR

13 (b) DOCUMENTED BY A CLEARLY IDENTIFIED LINE ITEM ON A REAL
14 ESTATE CLOSING SETTLEMENT STATEMENT.

15 (3) IN ADDITION TO MAKING THE DISCLOSURES REQUIRED UNDER
16 SUBSECTIONS (1) AND (2) OF THIS SECTION, A MANAGER SHALL DISCLOSE
17 TO THE EXECUTIVE BOARD ALL REMUNERATION THE MANAGER OR ANY
18 SUBSIDIARY, AFFILIATE, OR RELATED PERSON OR ENTITY RECEIVES OR WILL
19 RECEIVE, DIRECTLY OR INDIRECTLY, IN CONNECTION WITH ITS
20 RELATIONSHIP WITH THE COMMON INTEREST COMMUNITY.

21 (4) THE DIVISION MAY REGULATE, INVESTIGATE, AND TAKE
22 DISCIPLINARY ACTION AGAINST ANY MANAGER OR PRINCIPAL THEREOF FOR
23 A VIOLATION OF THIS SECTION.

24 **12-10-1006. Licenses - issuance - contents - display.** THE
25 DIRECTOR SHALL MAKE AVAILABLE FOR EACH LICENSEE A LICENSE IN SUCH
26 FORM AND SIZE AS THE DIRECTOR MAY PRESCRIBE. THE LICENSE MUST
27 SHOW THE NAME OF THE LICENSEE AND MAY CONTAIN SUCH OTHER
28 MATTER AS THE DIRECTOR PRESCRIBES.

29 **12-10-1007. Resident licensee - nonresident licensee - consent**
30 **to service.** (1) A NONRESIDENT OF THE STATE MAY BECOME A
31 COMMUNITY ASSOCIATION MANAGER OR APPRENTICE IN THIS STATE BY
32 CONFORMING TO ALL THE CONDITIONS OF THIS PART 10; EXCEPT THAT THE
33 NONRESIDENT MANAGER IS NOT REQUIRED TO MAINTAIN A PLACE OF
34 BUSINESS WITHIN THIS STATE IF THAT MANAGER MAINTAINS A DEFINITE
35 PLACE OF BUSINESS IN ANOTHER STATE.

36 (2) IF A MANAGER HAS NO REGISTERED AGENT REGISTERED IN THIS
37 STATE AS CONTEMPLATED BY SECTION 7-90-701, THE REGISTERED AGENT
38 IS NOT LOCATED UNDER ITS REGISTERED AGENT NAME AT ITS REGISTERED
39 AGENT ADDRESS, OR THE REGISTERED AGENT CANNOT WITH REASONABLE
40 DILIGENCE BE SERVED, NOTWITHSTANDING SECTION 7-90-704, THE
41 MANAGER MAY BE SERVED BY REGISTERED MAIL OR BY CERTIFIED MAIL,

1 RETURN RECEIPT REQUESTED, ADDRESSED TO THE MANAGER AT THE
2 MANAGER'S LAST-KNOWN ADDRESS. SERVICE IS PERFECTED UNDER THIS
3 SUBSECTION (2) AT THE EARLIEST OF:

4 (a) THE DATE THE MANAGER RECEIVES THE PROCESS, NOTICE, OR
5 DEMAND;

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

8 (c) FIVE DAYS AFTER MAILING.

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

13 **12-10-1008. Record of licensees - publications.** THE DIRECTOR
14 SHALL MAINTAIN A RECORD OF THE NAMES AND ADDRESSES OF ALL
15 COMMUNITY ASSOCIATION MANAGERS LICENSED UNDER THIS PART 10,
16 TOGETHER WITH SUCH OTHER INFORMATION RELATIVE TO THE
17 ENFORCEMENT OF THIS PART 10 AS THE DIRECTOR DEEMS NECESSARY. THE
18 DIRECTOR SHALL PUBLISH THE NAME AND ADDRESS RECORD AND OTHER
19 NONPROPRIETARY INFORMATION THE DIRECTOR DEEMS USEFUL TO THE
20 PUBLIC ON THE DIVISION'S WEBSITE. PUBLICATION OF THE RECORD AND OF
21 ANY OTHER INFORMATION CIRCULATED IN QUANTITY OUTSIDE THE
22 EXECUTIVE BRANCH MUST BE IN ACCORDANCE WITH SECTION 24-1-136.

23 **12-10-1009. Change of location or employment status - notice**
24 **required.** (1) A COMMUNITY ASSOCIATION MANAGER LICENSED UNDER
25 THIS PART 10 SHALL NOTIFY THE DIRECTOR WITHIN THIRTY DAYS AFTER
26 ANY CHANGE OF BUSINESS LOCATION OR EMPLOYMENT. A CHANGE OF
27 BUSINESS ADDRESS OR EMPLOYMENT STATUS WITHOUT NOTIFICATION TO
28 THE DIRECTOR AUTOMATICALLY INACTIVATES THE LICENSEE'S LICENSE.

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

33 **12-10-1010. License fees - partnership, limited liability**
34 **company, and corporation licenses - rules.** (1) THE DIRECTOR SHALL
35 ESTABLISH, COLLECT, AND PERIODICALLY ADJUST, IN ACCORDANCE WITH
36 SECTION 12-10-215, FEES FOR:

37 (a) EACH EXAMINATION;

38 (b) EACH MANAGER'S OR ENTITY'S ORIGINAL APPLICATION AND
39 LICENSE;

40 (c) EACH RENEWAL OR REINSTATEMENT OF A MANAGER'S LICENSE;

41 (d) ANY CHANGE OF NAME, ADDRESS, OR EMPLOYMENT STATUS

1 REQUIRING A CHANGE IN DIRECTOR RECORDS; AND
2 (e) EACH APPRENTICE'S ORIGINAL APPLICATION AND LICENSE.
3 (2) THE DIRECTOR SHALL TRANSMIT ALL FEES TO THE STATE
4 TREASURER, WHO SHALL CREDIT THEM TO THE DIVISION OF REAL ESTATE
5 CASH FUND, CREATED IN SECTION 12-10-215 (2)(b). FEES COLLECTED
6 UNDER SUBSECTIONS (1)(b), (1)(c), (1)(d), AND (1)(e) OF THIS SECTION
7 ARE NONREFUNDABLE.
8 (3) EXCEPT AS PROVIDED IN SUBSECTION (4) OF THIS SECTION,
9 LICENSES ARE VALID FOR UP TO THREE YEARS, SUBJECT TO EXPIRATION
10 AND RENEWAL ON A SCHEDULE DETERMINED BY THE DIRECTOR. THE
11 DIRECTOR SHALL ESTABLISH, BY RULE, THE REQUIREMENTS FOR
12 CONTINUING EDUCATION, REEXAMINATION, AND SUBSEQUENT CRIMINAL
13 HISTORY RECORD CHECKS; EXCEPT THAT THESE REQUIREMENTS MUST NOT
14 BE MORE STRINGENT THAN THE EQUIVALENT REQUIREMENTS FOR REAL
15 ESTATE BROKERS UNDER PART 2 OF THIS ARTICLE 10.
16 (4) AN APPRENTICE LICENSE IS VALID FOR ONE YEAR AND IS NOT
17 SUBJECT TO RENEWAL.
18 **12-10-1011. Investigation - revocation - actions against**
19 **licensee.** (1) THE DIRECTOR, UPON THE DIRECTOR'S OWN MOTION, MAY,
20 AND, UPON THE COMPLAINT IN WRITING OF ANY PERSON, SHALL,
21 INVESTIGATE THE ACTIVITIES OF ANY LICENSEE OR ANY PERSON WHO
22 ASSUMES TO ACT IN THE CAPACITY OF A LICENSEE WITHIN THE STATE. THE
23 DIRECTOR, AFTER HOLDING A HEARING IN ACCORDANCE WITH THE "STATE
24 ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24, MAY IMPOSE
25 AN ADMINISTRATIVE FINE NOT TO EXCEED TWO THOUSAND FIVE HUNDRED
26 DOLLARS FOR EACH SEPARATE OFFENSE, CENSURE A LICENSEE, PLACE THE
27 LICENSEE ON PROBATION AND SET THE TERMS OF PROBATION, OR
28 TEMPORARILY SUSPEND OR PERMANENTLY REVOKE A LICENSE WHEN THE
29 LICENSEE HAS PERFORMED, IS PERFORMING, OR IS ATTEMPTING TO
30 PERFORM ANY OF THE FOLLOWING ACTS AND IS GUILTY OF:
31 (a) KNOWINGLY MAKING ANY MISREPRESENTATION OR
32 KNOWINGLY MAKING USE OF ANY FALSE OR MISLEADING ADVERTISING;
33 (b) MAKING ANY PROMISE OF A CHARACTER THAT INFLUENCES,
34 PERSUADES, OR INDUCES ANOTHER PERSON WHEN HE OR SHE COULD NOT
35 OR DID NOT INTEND TO KEEP SUCH PROMISE;
36 (c) KNOWINGLY MISREPRESENTING OR MAKING FALSE PROMISES
37 THROUGH AGENTS, ADVERTISING, OR OTHERWISE;
38 (d) VIOLATING, DIRECTLY OR INDIRECTLY, ANY APPLICABLE
39 PROVISION OF COLORADO OR FEDERAL FAIR HOUSING LAWS;
40 (e) KNOWINGLY VIOLATING OR KNOWINGLY DIRECTING OTHERS TO
41 VIOLATE CCIOA;

1 (f) FAILING TO ACCOUNT FOR OR TO REMIT, WITHIN A REASONABLE
2 TIME, ANY MONEY COMING INTO THE LICENSEE'S POSSESSION THAT
3 BELONGS TO OTHERS, WHETHER ACTING AS A COMMUNITY ASSOCIATION
4 MANAGER, APPRENTICE, OR OTHERWISE, AND FAILING TO KEEP RECORDS
5 RELATIVE TO SAID MONEY, WHICH RECORDS MUST CONTAIN ANY
6 INFORMATION REQUIRED BY RULES OF THE DIRECTOR AND ARE SUBJECT TO
7 AUDIT BY THE DIRECTOR;

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

17 (h) DISREGARDING OR VIOLATING, OR AIDING OR ABETTING ANY
18 VIOLATION OF, THIS PART 10 OR ANY APPLICABLE RULE OR ORDER OF THE
19 DIRECTOR;

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

34 (j) FAILING TO IMMEDIATELY NOTIFY THE DIRECTOR IN WRITING OF
35 A CONVICTION, PLEA, OR VIOLATION PURSUANT TO SUBSECTION (1)(i) OF
36 THIS SECTION;

37 (k) HAVING DEMONSTRATED UNWORTHINESS OR INCOMPETENCY
38 TO ACT AS A COMMUNITY ASSOCIATION MANAGER BY CONDUCTING
39 BUSINESS IN SUCH A MANNER AS TO ENDANGER THE INTEREST OF THE
40 PUBLIC;

41 (l) IN THE CASE OF A MANAGER WHO EMPLOYS OTHERS OR IS

1 DESIGNATED TO ACT ON BEHALF OF A LICENSED ENTITY, FAILING TO
2 EXERCISE REASONABLE SUPERVISION OVER THE ACTIVITIES OF EMPLOYEES;
3 (m) FAILING TO MAKE A FULL AND TRUE DISCLOSURE OF FEES,
4 CHARGES, AND REMUNERATION AS REQUIRED BY SECTION 12-10-1005;
5 (n) PROCURING, OR ATTEMPTING TO PROCURE, A LICENSE OR
6 RENEWING, REINSTATING, OR REACTIVATING, OR ATTEMPTING TO RENEW,
7 REINSTATE, OR REACTIVATE, A LICENSE BY FRAUD, MISREPRESENTATION,
8 OR DECEIT OR BY MAKING A MATERIAL MISSTATEMENT OF FACT IN AN
9 APPLICATION FOR A LICENSE;
10 (o) 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 (p) HAVING HAD A LICENSE OR A SUBDIVISION DEVELOPER'S
17 REGISTRATION SUSPENDED OR REVOKED IN ANY JURISDICTION, OR HAVING
18 HAD ANY DISCIPLINARY ACTION TAKEN AGAINST THE MANAGER OR
19 SUBDIVISION DEVELOPER IN ANY OTHER JURISDICTION IF THE LICENSEE'S
20 OR SUBDIVISION DEVELOPER'S ACTION WOULD CONSTITUTE A VIOLATION
21 OF THIS SUBSECTION (1). A CERTIFIED COPY OF THE ORDER OF
22 DISCIPLINARY ACTION IS PRIMA FACIE EVIDENCE OF SUCH DISCIPLINARY
23 ACTION.
24 (q) 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 BREACH OF A FIDUCIARY DUTY, AND SUCH
28 DISCIPLINE DENIED THE PERSON AUTHORIZATION TO PRACTICE AS:
29 (I) A MORTGAGE BROKER OR MORTGAGE LOAN ORIGINATOR;
30 (II) A REAL ESTATE BROKER OR SALESPERSON;
31 (III) A REAL ESTATE APPRAISER, AS DEFINED BY SECTION
32 12-10-602 (9);
33 (IV) AN INSURANCE PRODUCER, AS DEFINED BY SECTION 10-2-103
34 (6);
35 (V) AN ATTORNEY;
36 (VI) A SECURITIES BROKER-DEALER, AS DEFINED BY SECTION
37 11-51-201 (2);
38 (VII) A SECURITIES SALES REPRESENTATIVE, AS DEFINED BY
39 SECTION 11-51-201 (14);
40 (VIII) AN INVESTMENT ADVISOR, AS DEFINED BY SECTION
41 11-51-201 (9.5); OR

1 (IX) AN INVESTMENT ADVISOR REPRESENTATIVE, AS DEFINED BY
2 SECTION 11-51-201 (9.6);
3 (r) ACTING OUTSIDE THE SCOPE OF AUTHORITY GRANTED BY THE
4 ISSUANCE OF A LICENSE; OR
5 (s) ANY OTHER CONDUCT, WHETHER OF THE SAME OR A DIFFERENT
6 CHARACTER THAN SPECIFIED IN THIS SUBSECTION (1), THAT CONSTITUTES
7 DISHONEST DEALING.
8 (2) IF A FIRM, PARTNERSHIP, LIMITED LIABILITY COMPANY,
9 ASSOCIATION, OR CORPORATION OPERATING UNDER THE LICENSE OF A
10 MANAGER DESIGNATED AND LICENSED AS A REPRESENTATIVE OF THE
11 ENTITY COMMITS ANY ACT OR PRACTICE LISTED IN SUBSECTION (1) OF THIS
12 SECTION, THE DIRECTOR MAY SUSPEND OR REVOKE THE RIGHT OF THE
13 ENTITY TO CONDUCT ITS BUSINESS UNDER THE LICENSE OF THE MANAGER,
14 WHETHER OR NOT THE DESIGNATED MANAGER HAD PERSONAL
15 KNOWLEDGE OF THE ACT OR PRACTICE AND WHETHER OR NOT THE
16 DIRECTOR SUSPENDS OR REVOKES THE INDIVIDUAL LICENSE OF ANY OTHER
17 PERSON.
18 (3) THIS PART 10 DOES NOT RELIEVE ANY PERSON FROM CIVIL
19 LIABILITY OR CRIMINAL PROSECUTION UNDER THE LAWS OF THIS STATE.
20 (4) COMPLAINTS OF RECORD IN THE OFFICE OF THE DIRECTOR AND
21 DIVISION INVESTIGATIONS, INCLUDING INVESTIGATIVE FILES, ARE CLOSED
22 TO PUBLIC INSPECTION. STIPULATIONS AND FINAL AGENCY ORDERS ARE
23 PUBLIC RECORDS SUBJECT TO SECTIONS 24-72-203 AND 24-72-204.
24 (5) WHEN A COMPLAINT OR AN INVESTIGATION DISCLOSES AN
25 INSTANCE OF MISCONDUCT THAT, IN THE OPINION OF THE DIRECTOR, DOES
26 NOT WARRANT FORMAL ACTION BY THE DIRECTOR BUT SHOULD NOT BE
27 DISMISSED AS BEING WITHOUT MERIT, THE DIRECTOR MAY SEND A LETTER
28 OF ADMONITION TO THE LICENSEE AGAINST WHOM THE COMPLAINT WAS
29 MADE AND A COPY OF THE LETTER TO THE PERSON MAKING THE
30 COMPLAINT, BUT THE LETTER MUST ADVISE THE LICENSEE THAT THE
31 LICENSEE HAS THE RIGHT TO REQUEST IN WRITING, WITHIN TWENTY DAYS
32 AFTER RECEIPT, THAT FORMAL DISCIPLINARY PROCEEDINGS BE INITIATED
33 TO ADJUDICATE THE PROPRIETY OF THE CONDUCT UPON WHICH THE LETTER
34 OF ADMONITION IS BASED. IF THE REQUEST IS TIMELY MADE, THE LETTER
35 OF ADMONITION IS VACATED, AND THE MATTER SHALL BE PROCESSED BY
36 MEANS OF FORMAL DISCIPLINARY PROCEEDINGS.
37 (6) ALL ADMINISTRATIVE FINES COLLECTED PURSUANT TO THIS
38 SECTION SHALL BE TRANSMITTED TO THE STATE TREASURER, WHO SHALL
39 CREDIT THE SAME TO THE DIVISION OF REAL ESTATE CASH FUND, CREATED
40 IN SECTION 12-10-215 (2)(b).
41 (7) WHEN THE DIVISION BECOMES AWARE OF FACTS OR

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

9 **12-10-1012. Hearings - use of administrative law judges -**
10 **subpoenas - judicial review - immunity.** (1) EXCEPT AS OTHERWISE
11 PROVIDED IN THIS SECTION, ALL PROCEEDINGS BEFORE THE DIRECTOR WITH
12 RESPECT TO DISCIPLINARY ACTIONS AND DENIAL OF LICENSURE UNDER
13 THIS PART 10, AT THE DISCRETION OF THE DIRECTOR, MAY BE CONDUCTED
14 BY AN AUTHORIZED REPRESENTATIVE OF THE DIRECTOR OR BY AN
15 ADMINISTRATIVE LAW JUDGE PURSUANT TO SECTIONS 24-4-104 AND
16 24-4-105.

17 (2) VENUE FOR PROCEEDINGS IS IN THE COUNTY WHERE THE
18 DIRECTOR HAS HIS OR HER OFFICE OR IN SUCH OTHER PLACE AS THE
19 DIRECTOR MAY DESIGNATE. IF THE LICENSEE IS EMPLOYED BY ANOTHER
20 LICENSED COMMUNITY ASSOCIATION MANAGER, THE DIRECTOR SHALL
21 ALSO NOTIFY THE LICENSEE'S EMPLOYER BY MAILING, BY FIRST-CLASS
22 MAIL, A COPY OF THE WRITTEN NOTICE REQUIRED UNDER SECTION
23 24-4-104 (3) TO THE EMPLOYER'S LAST-KNOWN BUSINESS 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
28 MADE TO THE DEPARTMENT OF PERSONNEL. EACH ADMINISTRATIVE LAW
29 JUDGE SHALL BE APPOINTED PURSUANT TO PART 10 OF ARTICLE 30 OF
30 TITLE 24. THE ADMINISTRATIVE LAW JUDGE SHALL CONDUCT THE HEARING
31 IN ACCORDANCE WITH SECTIONS 24-4-104 AND 24-4-105. NO LICENSE MAY
32 BE DENIED, SUSPENDED, OR REVOKED UNTIL THE DIRECTOR HAS MADE HIS
33 OR HER DECISION.

34 (4) THE DIRECTOR, OR THE ADMINISTRATIVE LAW JUDGE
35 APPOINTED FOR HEARINGS, MAY ISSUE A SUBPOENA COMPELLING THE
36 ATTENDANCE AND TESTIMONY OF WITNESSES AND THE PRODUCTION OF
37 BOOKS, PAPERS, RECORDS, OR OTHER EVIDENCE PURSUANT TO AN
38 INVESTIGATION OR HEARING. THESE SUBPOENAS MUST BE SERVED IN THE
39 SAME MANNER AS SUBPOENAS ISSUED BY DISTRICT COURTS AND ISSUED
40 WITHOUT DISCRIMINATION BETWEEN PUBLIC AND PRIVATE PARTIES
41 REQUIRING THE ATTENDANCE OF WITNESSES AND THE PRODUCTION OF

1 DOCUMENTS AT HEARINGS. IF A PERSON FAILS TO OBEY A SUBPOENA
2 ISSUED BY THE DIRECTOR OR THE APPOINTED ADMINISTRATIVE LAW JUDGE,
3 THE DIRECTOR MAY PETITION THE DISTRICT COURT OF THE CITY AND
4 COUNTY OF DENVER FOR ISSUANCE OF AN ORDER COMPELLING A WITNESS
5 TO ATTEND AND TESTIFY OR PRODUCE BOOKS, PAPERS, RECORDS, OR
6 OTHER EVIDENCE UNDER PENALTY OF PUNISHMENT FOR CONTEMPT.

7 (5) THE DECISION OF THE DIRECTOR IN ANY DISCIPLINARY ACTION
8 OR DENIAL OF LICENSURE UNDER THIS SECTION IS SUBJECT TO JUDICIAL
9 REVIEW BY THE COURT OF APPEALS. IN ORDER TO EFFECTUATE THE
10 PURPOSES OF THIS PART 10, THE DIRECTOR HAS THE POWER TO
11 PROMULGATE RULES IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24.

12 (6) IN A JUDICIAL REVIEW PROCEEDING, THE COURT MAY STAY THE
13 EXECUTION OR EFFECT OF ANY FINAL ORDER OF THE DIRECTOR; BUT A
14 HEARING SHALL BE HELD AFFORDING THE PARTIES AN OPPORTUNITY TO BE
15 HEARD FOR THE PURPOSE OF DETERMINING WHETHER THE PUBLIC HEALTH,
16 SAFETY, AND WELFARE WOULD BE ENDANGERED BY STAYING THE
17 DIRECTOR'S ORDER. IF THE COURT DETERMINES THAT THE ORDER SHOULD
18 BE STAYED, THE COURT SHALL ALSO DETERMINE AT THE HEARING
19 WHETHER THE PETITIONER SHOULD BE REQUIRED TO POST A BOND AND THE
20 AMOUNT OF THE BOND AND ADEQUACY OF THE SURETY, WHICH BOND
21 MUST BE CONDITIONED UPON THE FAITHFUL PERFORMANCE BY THE
22 PETITIONER OF ALL OBLIGATIONS AS A COMMUNITY ASSOCIATION
23 MANAGER AND UPON THE PROMPT PAYMENT OF ALL DAMAGES ARISING
24 FROM OR CAUSED BY THE DELAY IN THE TAKING EFFECT OR ENFORCEMENT
25 OF THE ORDER COMPLAINED OF AND FOR ALL COSTS THAT MAY BE
26 ASSESSED OR REQUIRED TO BE PAID IN CONNECTION WITH THE
27 PROCEEDINGS.

28 (7) IN ANY HEARING CONDUCTED BY THE DIRECTOR OR AN
29 AUTHORIZED REPRESENTATIVE OF THE DIRECTOR IN WHICH THERE IS A
30 POSSIBILITY OF THE DENIAL, SUSPENSION, OR REVOCATION OF A LICENSE
31 BECAUSE OF THE CONVICTION OF A FELONY OR OF A CRIME INVOLVING
32 MORAL TURPITUDE, THE DIRECTOR OR THE DIRECTOR'S AUTHORIZED
33 REPRESENTATIVE IS GOVERNED BY SECTION 24-5-101.

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

39 **12-10-1013. Stakeholder meetings - topics - frequency - report.**

40 (1) THE DIVISION SHALL ESTABLISH A STAKEHOLDER PROCESS WITH
41 REGULAR MEETINGS, NO LESS FREQUENTLY THAN EVERY THREE MONTHS,

1 EXCEPT AS PROVIDED IN SUBSECTION (3) OF THIS SECTION. THE PURPOSES
2 OF THE MEETINGS ARE TO GATHER INFORMATION AND FEEDBACK FROM
3 HOMEOWNERS AND MANAGERS; TO ACT AS A SOUNDING BOARD FOR
4 DISCUSSION OF ISSUES AFFECTING COMMON INTEREST COMMUNITIES; AND
5 TO MAKE RECOMMENDATIONS TO THE DIRECTOR CONCERNING:

6 (a) ANY NECESSARY UPDATES OR CHANGES TO THE RULES
7 PROMULGATED BY THE DIRECTOR PURSUANT TO THIS PART 10;

8 (b) APPROPRIATE ADJUSTMENTS TO THE DEFINITION OF, AND
9 EXCLUSIONS FROM, THE PRACTICE OF COMMUNITY ASSOCIATION
10 MANAGEMENT AS SET FORTH IN SECTION 12-10-1001 (4);

11 (c) APPRENTICE CREDENTIALING, INCLUDING THE LEVEL OF
12 OVERSIGHT REQUIRED BY THE DIVISION, APPROPRIATE SUPERVISION,
13 EDUCATIONAL REQUIREMENTS, SPECIFIC DUTIES, AND ANY OTHER
14 NECESSARY COMPONENTS RELATED TO APPRENTICES;

15 (d) THE COMPLAINT PROCESS, INCLUDING:

16 (I) INFORMATION OR EDUCATION FOR HOMEOWNERS ON FILING A
17 COMPLAINT;

18 (II) THE TIME PERIODS AND PROCESSES THAT APPLY TO THE
19 RESPONSE BY A PERSON ACCUSED OF A VIOLATION AND THE
20 INVESTIGATION OF THE COMPLAINT;

21 (III) THE TYPES OF RECORDS AND OTHER EVIDENCE THAT SHOULD
22 BE PRODUCED OR PRESERVED WHEN A COMPLAINT IS FILED; AND

23 (IV) COMMUNICATION AMONG THE COMPLAINANT, THE
24 RESPONDENT, AND INVESTIGATORS DURING THE PENDENCY OF A
25 COMPLAINT AND ANY SUBSEQUENT ACTION BY THE DIRECTOR; AND

26 (e) ANY OTHER ISSUES ABOUT WHICH THE DIRECTOR SEEKS
27 INFORMATION AND FEEDBACK FROM THE STAKEHOLDERS.

28 (2) THE DIRECTOR SHALL APPOINT AT LEAST FIVE MEMBERS TO THE
29 STAKEHOLDER GROUP. THE MEMBERSHIP MUST INCLUDE HOMEOWNERS
30 THAT LIVE IN MANAGED COMMUNITIES; LICENSED COMMUNITY
31 ASSOCIATION MANAGERS; COMPANIES THAT ARE IN THE BUSINESS OF
32 COMMUNITY ASSOCIATION MANAGEMENT; REALTORS AND COMPANIES
33 THAT EMPLOY REALTORS; INDIVIDUALS OR COMPANIES IN THE BUSINESS OF
34 PROVIDING LAND TITLE INSURANCE AND CLOSING SERVICES; ASSOCIATIONS
35 THAT REPRESENT HOMEOWNERS; COMMUNITY ASSOCIATION MANAGERS;
36 AND BUSINESSES THAT SERVE MANAGED COMMUNITIES.

37 (3) THE STAKEHOLDER GROUP SHALL MEET AT LEAST FOUR TIMES
38 DURING THE 2019 INTERIM AND SHALL REPORT ITS FINDINGS AND
39 RECOMMENDATIONS ON THE TOPICS LISTED IN SUBSECTION (1) OF THIS
40 SECTION TO THE DIRECTOR, WHO SHALL INCLUDE THEM IN THE DIVISION'S
41 ANNUAL REPORT TO THE GENERAL ASSEMBLY REQUIRED UNDER THE

1 "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND
2 TRANSPARENT (SMART) GOVERNMENT ACT", PART 2 OF ARTICLE 7 OF
3 TITLE 2. THE DIRECTOR SHALL SHARE A DRAFT OF THE REPORT WITH THE
4 STAKEHOLDER GROUP AND INVITE REVISIONS BEFORE FINALIZING THE
5 DIVISION'S PRESENTATION.

6 **12-10-1014. Repeal of part.** THIS PART 10 IS REPEALED,
7 EFFECTIVE SEPTEMBER 1, 2020.

8 **SECTION 3. Effective date.** This act takes effect upon passage;
9 except that section 2 of this act takes effect October 1, 2019.

10 **SECTION 4. Safety clause.** The general assembly hereby finds,
11 determines, and declares that this act is necessary for the immediate
12 preservation of the public peace, health, and safety."

** *** ** *** **