

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 19-0765.02 Duane Gall x4335

HOUSE BILL 19-1212

HOUSE SPONSORSHIP

Titone and Duran, Exum, Kipp, Snyder

SENATE SPONSORSHIP

Fields and Todd,

House Committees

Transportation & Local Government
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE RECREATION OF THE COMMUNITY ASSOCIATION**
102 **MANAGER LICENSING PROGRAM.**

Bill Summary

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

The licensing program for community association managers (CAMs), who engage in the business of handling certain matters on behalf of the executive boards of common interest communities, was created in 2013 and sunsetted on July 1, 2018.

Section 1 of the bill recreates and reenacts the CAM licensing program and the duties and responsibilities of the division of real estate

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

HOUSE
3rd Reading Unamended
April 26, 2019

HOUSE
Amended 2nd Reading
April 25, 2019

1 (a) HAS NOT COMPLETED THE EDUCATION AND EXAMINATION
2 REQUIREMENTS FOR OBTAINING A COMMUNITY ASSOCIATION MANAGER
3 LICENSE;

4 (b) IS UNDER THE CONTROL AND SUPERVISION OF A LICENSED
5 COMMUNITY ASSOCIATION MANAGER; AND

6 (c) ABIDES BY THE REQUIREMENTS AND PERFORMS DUTIES
7 ESTABLISHED IN RULE BY THE DIRECTOR AFTER CONSULTATION WITH THE
8 ADVISORY COMMITTEE CREATED IN SECTION 12-61-1013 FOR PURPOSES OF
9 LEARNING AND PERFORMING ANY PRACTICES THAT REQUIRE ENTRY INTO
10 THE COMMUNITY ASSOCIATION MANAGER PROFESSION.

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

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

16 (I) A COMMUNITY MANAGED BY AN ASSOCIATION OR UNIT
17 OWNERS' ASSOCIATION IN WHICH A MAJORITY OF UNITS THAT ARE
18 DESIGNATED FOR RESIDENTIAL USE ARE TIME SHARE UNITS, AS DEFINED IN
19 SECTION 38-33-110(7), OR CONSIST OF TIME SHARE INTERESTS AS DEFINED
20 IN SECTION 12-61-401 (4); OR

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

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

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

5 (I) ACTING WITH THE AUTHORITY OF THE COMMON INTEREST
6 COMMUNITY WITH RESPECT TO ITS BUSINESS, LEGAL, OR FINANCIAL
7 TRANSACTIONS;

8 (II) EXECUTING THE RESOLUTIONS, DECISIONS, AND CONTRACTS OF
9 THE EXECUTIVE BOARD;

10 (III) ENFORCING THE RIGHTS OF THE COMMON INTEREST
11 COMMUNITY SECURED BY STATUTE, CONTRACT, COVENANT, RULE, OR
12 BYLAW;

13 (IV) ADMINISTERING OR COORDINATING CONTRACTS FOR
14 MAINTENANCE OF PROPERTY OR FACILITIES OF THE COMMON INTEREST
15 COMMUNITY;

16 (V) EVALUATING APPLICATIONS FOR ARCHITECTURAL REVIEW AND
17 RECOMMENDING OR MAKING FINAL DECISIONS REGARDING THOSE
18 APPLICATIONS;

19 (VI) CONDUCTING MEETINGS OF THE COMMON INTEREST
20 COMMUNITY'S MEMBERSHIP OR EXECUTIVE BOARD;

21 (VII) MAINTAINING THE COMMON INTEREST COMMUNITY'S
22 RECORDS PURSUANT TO ITS GOVERNING DOCUMENTS AND APPLICABLE
23 PROVISIONS OF THE CCIOA; OR

24 (VIII) ADMINISTERING, OR OTHERWISE EXERCISING CONTROL OF,
25 A COMMON INTEREST COMMUNITY'S FUNDS, INCLUDING THE
26 ADMINISTRATION OF A RESERVE PROGRAM FOR THE MAJOR REPAIR OR
27 REPLACEMENT OF CAPITAL ASSETS.

1 (b) "COMMUNITY ASSOCIATION MANAGEMENT" DOES NOT MEAN
2 THE PERFORMANCE OF ANY CLERICAL, MINISTERIAL, ACCOUNTING, OR
3 MAINTENANCE FUNCTION. AFTER CONSULTING WITH THE ADVISORY
4 COMMITTEE CREATED IN SECTION 12-61-1013, THE DIRECTOR MAY ADOPT
5 RULES TO FURTHER DEFINE OR CLARIFY WHETHER A SPECIFIC FUNCTION
6 FALLS WITHIN THIS SUBSECTION (4)(b) AND THE REQUIREMENTS, IF ANY,
7 THAT APPLY FOR SUPERVISION OF SUPPORT STAFF BY LICENSED MANAGERS.

8 (5) (a) "COMMUNITY ASSOCIATION MANAGER" OR "MANAGER"
9 MEANS ANY PERSON THAT SIGNS A WRITTEN CONTRACT TO PROVIDE
10 COMMUNITY ASSOCIATION MANAGEMENT SERVICES TO A COMMON
11 INTEREST COMMUNITY OR THAT, IN CONSIDERATION OF COMPENSATION BY
12 FEE, COMMISSION, SALARY, OR ANYTHING ELSE OF VALUE OR WITH THE
13 INTENTION OF RECEIVING OR COLLECTING THE COMPENSATION, WHETHER
14 OR NOT THE COMPENSATION IS RECEIVED BY THE LICENSED MANAGER
15 DIRECTLY OR BY THE LICENSED ENTITY THAT EMPLOYS THE LICENSED
16 MANAGER, ENGAGES IN OR OFFERS OR ATTEMPTS TO ENGAGE IN
17 COMMUNITY ASSOCIATION MANAGEMENT IN COLORADO.

18 (b) "COMMUNITY ASSOCIATION MANAGER" OR "MANAGER" DOES
19 NOT INCLUDE:

20 (I) A PERSON WHO, UNDER THE SUPERVISION OF A MANAGER OR
21 THE EXECUTIVE BOARD, PERFORMS ANY CLERICAL, MINISTERIAL,
22 ACCOUNTING, OR MAINTENANCE FUNCTION;

23 (II) ANY PUBLIC OFFICIAL IN THE CONDUCT OF THE PUBLIC
24 OFFICIAL'S OFFICIAL DUTIES;

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

27 (IV) A PERSON IN ACQUIRING OR IN NEGOTIATING TO ACQUIRE ANY

1 INTEREST IN REAL ESTATE;

2 (V) AN ATTORNEY-AT-LAW IN CONNECTION WITH THE ATTORNEY'S
3 REPRESENTATION OF CLIENTS IN THE PRACTICE OF LAW;

4 (VI) A CORPORATION WITH RESPECT TO PROPERTY OWNED OR
5 LEASED BY IT, ACTING THROUGH ITS OFFICERS OR REGULAR SALARIED
6 EMPLOYEES, WHEN THE ACTS ARE INCIDENTAL AND NECESSARY IN THE
7 ORDINARY COURSE OF THE CORPORATION'S BUSINESS ACTIVITIES OF A
8 NON-PROPERTY MANAGEMENT NATURE. FOR THE PURPOSES OF THIS
9 SUBSECTION (5)(b), THE TERM "OFFICERS OR REGULAR SALARIED
10 EMPLOYEES" MEANS PERSONS REGULARLY EMPLOYED WHO DERIVE NOT
11 LESS THAN SEVENTY-FIVE PERCENT OF THEIR COMPENSATION FROM THE
12 CORPORATION IN THE FORM OF SALARIES;

13 (VII) AN INDEPENDENT CONTRACTOR WHO:

14 (A) PERFORMS ANY CLERICAL, MINISTERIAL, ACCOUNTING, OR
15 MAINTENANCE FUNCTION; OR

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

18 (VIII) AN APPRENTICE WORKING UNDER THE SUPERVISION OF A
19 LICENSED MANAGER.

20 (6) "DESIGNATED MANAGER" MEANS A PERSON WHO IS CURRENTLY
21 LICENSED AS A MANAGER AND WHO, ON BEHALF OF A LICENSED ENTITY, IS
22 RESPONSIBLE FOR PERFORMING COMMUNITY ASSOCIATION MANAGEMENT
23 PRACTICES AND SUPERVISING COMMUNITY ASSOCIATION MANAGEMENT
24 PRACTICES PERFORMED BY PERSONS EMPLOYED BY, OR ACTING ON BEHALF
25 OF, THE LICENSED ENTITY.

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

27 (8) "DIVISION" MEANS THE DIVISION OF REAL ESTATE IN THE

1 DEPARTMENT OF REGULATORY AGENCIES.

2 (9) "EXECUTIVE BOARD" HAS THE MEANING SET FORTH IN SECTION
3 38-33.3-103 (16).

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

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

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

25 (2) AFTER CONSULTING WITH THE ADVISORY COMMITTEE CREATED
26 IN SECTION 12-61-1013, THE DIRECTOR SHALL PROMULGATE RULES AS
27 NECESSARY TO ENABLE THE DIRECTOR TO CARRY OUT THE DIRECTOR'S

1 DUTIES UNDER THIS PART 10 AND SHALL ADOPT RULES TO DEFINE THE
2 APPROPRIATE LEVEL OF OVERSIGHT REQUIRED BY THE DIVISION TO
3 BECOME AN APPRENTICE AS WELL AS SPECIFYING APPROPRIATE
4 SUPERVISION, EDUCATIONAL REQUIREMENTS, SPECIFIC DUTIES, AND ANY
5 OTHER NECESSARY COMPONENTS OF THE APPRENTICESHIP PROGRAM.

6 (3) IN ADDITION TO CONDUCTING HEARINGS AS PROVIDED IN
7 SECTION 12-61-1014, THE DIRECTOR MAY ENFORCE THIS PART 10 AND
8 RULES ADOPTED UNDER THIS PART 10 BY TAKING ONE OR MORE OF THE
9 FOLLOWING ACTIONS:

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

20 (b) IF THERE IS SUBSTANTIAL PROBABILITY OF FINANCIAL
21 MISCONDUCT, THE DIRECTOR MAY CONDUCT AUDITS OF FINANCIAL AND
22 TRANSACTIONAL RECORDS AND ACCOUNTS OF LICENSEES IN ACCORDANCE
23 WITH RULES ADOPTED BY THE DIRECTOR.

24 **12-61-1003. Application for license - criminal history record**
25 **check - examination - rules.** (1) (a) BEFORE ACTING OR ATTEMPTING OR
26 OFFERING TO ACT AS A COMMUNITY ASSOCIATION MANAGER, A PERSON
27 MUST APPLY TO THE DIRECTOR FOR A LICENSE IN THE FORM AND MANNER

1 PRESCRIBED BY THE DIRECTOR.

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

17 (2) EVERY COMMUNITY ASSOCIATION MANAGER LICENSED UNDER
18 THIS PART 10 SHALL MAINTAIN A PLACE OF BUSINESS WITHIN THIS STATE,
19 EXCEPT AS PROVIDED IN SECTION 12-61-1008. IF A COMMUNITY
20 ASSOCIATION MANAGER MAINTAINS MORE THAN ONE PLACE OF BUSINESS
21 WITHIN THE STATE, THE MANAGER IS RESPONSIBLE FOR SUPERVISING ALL
22 LICENSED ACTIVITIES ORIGINATING IN THOSE OFFICES.

23 (3) (a) THE DIRECTOR MAY REQUIRE AND PROCURE ANY PROOF
24 NECESSARY IN REFERENCE TO THE TRUTHFULNESS, HONESTY, AND GOOD
25 MORAL CHARACTER OF ANY APPLICANT FOR A LICENSE OR, IF THE
26 APPLICANT IS A PARTNERSHIP, LIMITED LIABILITY COMPANY, OR
27 CORPORATION, OF ANY PARTNER, MANAGER, DIRECTOR, OFFICER, MEMBER,

1 OR STOCKHOLDER IF THE PERSON HAS, EITHER DIRECTLY OR INDIRECTLY,
2 A SUBSTANTIAL INTEREST IN THE APPLICANT PRIOR TO THE ISSUANCE OF
3 THE LICENSE.

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

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

18 (I) THE NATURE OF THE CONVICTION;

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

27 (III) ANY INFORMATION PRODUCED BY THE APPLICANT OR

1 PRODUCED ON THE APPLICANT'S BEHALF REGARDING THE APPLICANT'S
2 REHABILITATION AND GOOD CONDUCT; AND

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

4 (d) NOTWITHSTANDING SUBSECTION (3)(c) OF THIS SECTION, AN
5 APPLICANT IS INELIGIBLE FOR LICENSURE IF THE APPLICANT HAS, WITHIN
6 THE IMMEDIATELY PRECEDING TEN YEARS, BEEN CONVICTED OF AN
7 OFFENSE INVOLVING UNLAWFUL SEXUAL BEHAVIOR AS LISTED IN SECTION
8 16-22-102 (9); A BURGLARY OFFENSE, AS DEFINED IN SECTION 18-4-202 OR
9 18-4-203; OR ANY FELONY INVOLVING FRAUD, THEFT, LARCENY,
10 EMBEZZLEMENT, FRAUDULENT CONVERSION, OR MISAPPROPRIATION OF
11 PROPERTY.

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

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

17 (I) (A) HOLD ONE OR MORE CREDENTIALS IDENTIFIED IN RULES
18 ADOPTED BY THE DIRECTOR IN CONSULTATION WITH THE ADVISORY
19 COMMITTEE CREATED IN SECTION 12-61-1013; OR

20 (B) CERTIFY COMPLETION OF ANY EDUCATIONAL OR CONTINUING
21 EDUCATIONAL REQUIREMENTS AS DETERMINED BY THE DIRECTOR IN RULES
22 AND PUBLISHED ON THE DIVISION'S WEBSITE; AND

23 (II) SUBMIT TO AND PASS AN EXAMINATION WITH TWO SEPARATE
24 PORTIONS, WHICH MAY BE ADMINISTERED SEPARATELY. THE
25 EXAMINATION MUST MEASURE THE COMPETENCY OF THE APPLICANT IN
26 CARRYING OUT THE CORE FUNCTIONS OF COMMUNITY ASSOCIATION
27 MANAGEMENT, REFERRED TO AS THE "GENERAL PORTION" OF THE

1 EXAMINATION, AND IN UNDERSTANDING THE BASIC PROVISIONS OF LEGAL
2 DOCUMENTS AND COLORADO LAW WITH WHICH MANAGERS ARE REQUIRED
3 TO COMPLY, REFERRED TO AS THE "COLORADO LAW PORTION" OF THE
4 EXAMINATION. THE EXAMINATION MUST BE PREPARED BY OR UNDER THE
5 SUPERVISION OF THE DIRECTOR OR THE DIRECTOR'S DESIGNATED
6 CONTRACTOR OR CONTRACTORS. THE DIRECTOR MAY CONTRACT WITH ONE
7 OR MORE INDEPENDENT TESTING SERVICES TO DEVELOP, ADMINISTER, OR
8 GRADE EXAMINATIONS OR TO ADMINISTER LICENSEE RECORDS. THE
9 CONTRACTS MAY ALLOW THE TESTING SERVICE TO RECOVER FROM THE
10 APPLICANT THE COSTS OF THE EXAMINATION AND THE COSTS OF
11 ADMINISTERING THE EXAMINATION AND LICENSE RECORDS. THE DIRECTOR
12 MAY CONTRACT SEPARATELY FOR THESE FUNCTIONS AND ALLOW
13 RECOVERED COSTS TO BE COLLECTED AND RETAINED BY A SINGLE
14 CONTRACTOR FOR DISTRIBUTION TO OTHER CONTRACTORS. THE DIRECTOR
15 MAY SET THE SEPARATE MINIMUM PASSING SCORES FOR THE GENERAL
16 PORTION AND THE COLORADO LAW PORTION OF THE EXAMINATION. THE
17 DIRECTOR SHALL PRESCRIBE THE TIMES AND PLACES AT WHICH THE
18 EXAMINATION AS A WHOLE IS GIVEN OR AT WHICH THE SEPARATE
19 PORTIONS OF THE EXAMINATION ARE GIVEN.

20 (b) AN APPLICANT WHO HOLDS A CREDENTIAL APPROVED BY THE
21 DIRECTOR PURSUANT TO SUBSECTION (5)(a)(I) OF THIS SECTION AND HAS
22 MAINTAINED THE CREDENTIAL IN GOOD STANDING, INCLUDING HAVING
23 COMPLETED ALL ONGOING EDUCATION REQUIRED TO MAINTAIN THE
24 CREDENTIAL, MUST COMPLETE THE COLORADO LAW PORTION, BUT SHALL
25 BE EXEMPTED FROM THE REQUIREMENT TO COMPLETE THE GENERAL
26 PORTION, OF THE EXAMINATION DESCRIBED IN SUBSECTION (5)(a)(II) OF
27 THIS SECTION.

1 (c) THE SEPARATE PORTIONS OF THE EXAMINATION DEVELOPED
2 UNDER SUBSECTION (5)(a)(II) OF THIS SECTION MUST ASSESS AN
3 APPLICANT'S COMPETENCY IN THE FOLLOWING SUBJECT MATTER AREAS:

4 (I) FOR THE COLORADO LAW PORTION OF THE EXAMINATION,
5 LEGAL DOCUMENTS; STATUTES, INCLUDING THE CCIOA; AND OTHER
6 APPLICABLE PROVISIONS OF COLORADO LAW; AND

7 (II) FOR THE GENERAL PORTION OF THE EXAMINATION, OTHER
8 CORE COMPETENCIES OF COMMUNITY ASSOCIATION MANAGEMENT, AS
9 SPECIFIED BY THE DIRECTOR.

10 (d) EXAMINATION RESULTS MEASURING AN APPLICANT'S
11 KNOWLEDGE OF THE MATTERS DESCRIBED IN SUBSECTION (5)(c) OF THIS
12 SECTION ARE VALID FOR ONE YEAR. A PERSON WHO TAKES THE
13 EXAMINATION AND DOES NOT APPLY FOR A LICENSE WITHIN ONE YEAR
14 THEREAFTER MUST RETAKE THAT PORTION OF THE EXAMINATION BEFORE
15 APPLYING.

16 (e) THE DIVISION SHALL WAIVE THE GENERAL PORTION OF THE
17 EXAMINATION FOR AN APPLICANT WHO HAS HELD A COMMUNITY
18 ASSOCIATION MANAGER LICENSE IN ANOTHER JURISDICTION THAT
19 REGULATES COMMUNITY ASSOCIATION MANAGERS AND WHO HAS BEEN
20 LICENSED FOR TWO OR MORE YEARS PRIOR TO APPLYING FOR A COLORADO
21 LICENSE IF THE APPLICANT ESTABLISHES THAT THE APPLICANT POSSESSES
22 CREDENTIALS AND QUALIFICATIONS THAT ARE SUBSTANTIVELY
23 EQUIVALENT TO THE REQUIREMENTS IN COLORADO FOR LICENSURE BY
24 EXAMINATION, AS DETERMINED BY THE DIRECTOR BY RULE. IF THE
25 DIRECTOR GRANTS SUCH A WAIVER, THE DIRECTOR SHALL MAKE THE
26 LICENSE CONDITIONAL UPON THE APPLICANT'S COMPLETION OF THE
27 COLORADO LAW PORTION OF THE EXAMINATION WITHIN A SPECIFIED TIME.

1 (6) (a) COMMUNITY ASSOCIATION MANAGERS' LICENSES MAY BE
2 GRANTED TO INDIVIDUALS OR ENTITIES.

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

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

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

27 (8) A PERSON SHALL NOT:

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

3 (b) CONDUCT OR PROMOTE BUSINESS AS A COMMUNITY
4 ASSOCIATION MANAGER EXCEPT UNDER THE NAME UNDER WHICH THE
5 PERSON IS LICENSED.

6 (9) AN APPRENTICE SHALL NOT PERFORM AN ACT THAT OTHERWISE
7 REQUIRES A COMMUNITY ASSOCIATION MANAGER LICENSE.

8

9 **12-61-1004. Insurance required - rules.** EVERY LICENSEE UNDER
10 THIS PART 10, EXCEPT AN INACTIVE MANAGER OR AN ATTORNEY LICENSEE
11 WHO MAINTAINS A POLICY OF PROFESSIONAL MALPRACTICE INSURANCE
12 THAT PROVIDES COVERAGE FOR THE LICENSEE'S ACTIVITIES UNDER THIS
13 PART 10, MUST BE INSURED UNDER INSURANCE NECESSARY TO COVER ALL
14 ACTIVITIES CONTEMPLATED UNDER THIS PART 10 IN AN AMOUNT AND
15 UNDER TERMS AND CONDITIONS SPECIFIED BY THE DIRECTOR BY RULE. IN
16 PROMULGATING RULES UNDER THIS SECTION, THE DIRECTOR SHALL SOLICIT
17 AND CONSIDER INFORMATION AND COMMENTS FROM INTERESTED PERSONS.

18 **12-61-1005. Fees and charges for contracted services and**
19 **home sales - disclosure required.** (1) EVERY MANAGER, AND EVERY
20 AGENT OR OTHER PERSON WHO REPRESENTS OR NEGOTIATES ON BEHALF
21 OF A MANAGER, SHALL DISCLOSE TO THE EXECUTIVE BOARD OF EACH HOA
22 FOR WHICH IT PROVIDES OR OFFERS TO PROVIDE SERVICES, DURING
23 CONTRACT NEGOTIATIONS AND THEREAFTER ON AN ANNUAL BASIS, ALL
24 FEES AND OTHER AMOUNTS THAT THE MANAGER CHARGES OR WILL
25 CHARGE TO THE COMMON INTEREST COMMUNITY, UNIT OWNERS, AND
26 PURCHASERS OF UNITS IN THE COMMON INTEREST COMMUNITY FOR OR AS
27 A RESULT OF ANY SERVICE, PRODUCT, TRANSACTION, OR ITEM OF VALUE

1 PROVIDED BY THE MANAGER, ANY EMPLOYEE OR CONTRACTOR OF THE
2 MANAGER, OR ANY OTHER INDIVIDUAL OR ENTITY WITH WHOM THE
3 MANAGER ASSOCIATES IN THE PERFORMANCE OF COMMUNITY
4 ASSOCIATION MANAGEMENT SERVICES.

5 (2) NEITHER A MANAGER NOR ANY AGENT OF A MANAGER MAY
6 ENFORCE ANY FEE OR CHARGE, INCLUDING A TRANSFER FEE, AGAINST THE
7 HOA OR ANY BUYER OR SELLER OF PROPERTY SERVED BY THE HOA
8 UNLESS THE AMOUNT OF THE FEE OR CHARGE IS EXPLICITLY DISCLOSED IN
9 THE MANAGER'S CONTRACT WITH THE HOA OR IN AN ADDENDUM TO THE
10 CONTRACT.

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

17 (4) THE DIVISION MAY REGULATE, INVESTIGATE, AND TAKE
18 DISCIPLINARY ACTION AGAINST ANY MANAGER OR, IF THE MANAGER IS AN
19 ENTITY, A PRINCIPAL OF THE ENTITY FOR A VIOLATION OF THIS SECTION.

20 **12-61-1006. Licenses - issuance - contents - display.** THE
21 DIRECTOR SHALL MAKE AVAILABLE FOR EACH LICENSEE A LICENSE IN SUCH
22 FORM AND SIZE AS THE DIRECTOR MAY PRESCRIBE. THE LICENSE MUST
23 SHOW THE NAME OF THE LICENSEE AND MAY CONTAIN SUCH OTHER
24 MATTER AS THE DIRECTOR PRESCRIBES.

25 **12-61-1007. Resident licensee - nonresident licensee - consent**
26 **to service.** (1) A NONRESIDENT OF THE STATE MAY BECOME A
27 COMMUNITY ASSOCIATION MANAGER IN THIS STATE BY CONFORMING

1 TO ALL THE CONDITIONS OF THIS PART 10; EXCEPT THAT THE NONRESIDENT
2 MANAGER IS NOT REQUIRED TO MAINTAIN A PLACE OF BUSINESS WITHIN
3 THIS STATE IF THAT MANAGER MAINTAINS A DEFINITE PLACE OF BUSINESS
4 IN ANOTHER STATE.

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

14 (a) THE DATE THE MANAGER RECEIVES THE PROCESS, NOTICE, OR
15 DEMAND;

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

18 (c) FIVE DAYS AFTER MAILING.

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

23 **12-61-1008. Record of licensees - publications.** THE DIRECTOR
24 SHALL MAINTAIN A RECORD OF THE NAMES AND ADDRESSES OF ALL
25 COMMUNITY ASSOCIATION MANAGERS LICENSED UNDER THIS PART 10,
26 TOGETHER WITH SUCH OTHER INFORMATION RELATIVE TO THE
27 ENFORCEMENT OF THIS PART 10 AS THE DIRECTOR DEEMS NECESSARY. THE

1 DIRECTOR SHALL PUBLISH THE NAME AND ADDRESS RECORD AND OTHER
2 NONPROPRIETARY INFORMATION THE DIRECTOR DEEMS USEFUL TO THE
3 PUBLIC ON THE DIVISION'S WEBSITE. PUBLICATION OF THE RECORD AND OF
4 ANY OTHER INFORMATION CIRCULATED IN QUANTITY OUTSIDE THE
5 EXECUTIVE BRANCH MUST BE IN ACCORDANCE WITH SECTION 24-1-136.

6 **12-61-1009. Change of location or employment status - notice**
7 **required.** (1) A COMMUNITY ASSOCIATION MANAGER LICENSED UNDER
8 THIS PART 10 SHALL NOTIFY THE DIRECTOR WITHIN THIRTY DAYS AFTER
9 ANY CHANGE OF BUSINESS LOCATION OR EMPLOYMENT. A CHANGE OF
10 BUSINESS ADDRESS OR EMPLOYMENT STATUS WITHOUT NOTIFICATION TO
11 THE DIRECTOR AUTOMATICALLY INACTIVATES THE LICENSEE'S LICENSE.

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

17 **12-61-1010. License fees - partnership, limited liability**
18 **company, and corporation licenses - rules.** (1) THE DIRECTOR SHALL
19 ESTABLISH, PUBLISH ON THE DIVISION'S WEBSITE, COLLECT, AND
20 ANNUALLY ADJUST, IN ACCORDANCE WITH SECTION 12-61-111.5, FEES
21 FOR:

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

1 REQUIRING A CHANGE IN DIRECTOR RECORDS.

2 (2) THE DIRECTOR SHALL TRANSMIT ALL FEES TO THE STATE
3 TREASURER, WHO SHALL CREDIT THEM TO THE DIVISION OF REAL ESTATE
4 CASH FUND, CREATED IN SECTION 12-61-111.5 (2)(b). FEES COLLECTED
5 UNDER SUBSECTIONS (1)(b) TO (1)(d) OF THIS SECTION ARE
6 NONREFUNDABLE.

7 (3) LICENSES ARE VALID FOR UP TO THREE YEARS, SUBJECT TO
8 EXPIRATION AND RENEWAL ON A SCHEDULE DETERMINED BY THE
9 DIRECTOR. THE DIRECTOR SHALL ESTABLISH, BY RULE, THE REQUIREMENTS
10 FOR CONTINUING EDUCATION, REEXAMINATION, AND SUBSEQUENT
11 CRIMINAL HISTORY RECORD CHECKS; EXCEPT THAT THESE REQUIREMENTS
12 MUST NOT BE MORE STRINGENT THAN THE EQUIVALENT REQUIREMENTS
13 FOR REAL ESTATE BROKERS UNDER PART 1 OF THIS ARTICLE 61.

14

15 **12-61-1011. Investigation - revocation - actions against**

16 **licensee - rules.** (1) THE DIRECTOR, UPON THE DIRECTOR'S OWN MOTION,
17 MAY, AND, UPON THE COMPLAINT IN WRITING OF ANY PERSON, SHALL,
18 INVESTIGATE THE ACTIVITIES OF ANY LICENSEE OR ANY PERSON WHO
19 ASSUMES TO ACT IN THE CAPACITY OF A LICENSEE WITHIN THE STATE UPON
20 THE DIRECTOR'S DETERMINATION THAT THE COMPLAINT IS VALID. THE
21 DIRECTOR SHALL GIVE THE LICENSEE WRITTEN NOTICE BY FIRST-CLASS
22 MAIL OF THE RULE OR STATUTE IDENTIFIED AS A VALID POTENTIAL
23 VIOLATION LISTED UNDER THIS SECTION. NO LICENSEE SHALL BE ASSESSED
24 AN ADMINISTRATIVE FINE FOR A VIOLATION THAT IS NOT IDENTIFIED IN THE
25 NOTICE PROVIDED TO THE LICENSEE. THE DIRECTOR, AFTER HOLDING A
26 HEARING IN ACCORDANCE WITH THE "STATE ADMINISTRATIVE PROCEDURE
27 ACT", ARTICLE 4 OF TITLE 24, MAY IMPOSE AN ADMINISTRATIVE FINE ON

1 A SLIDING SCALE, BASED ON THE SEVERITY OF THE OFFENSE, BUT NOT TO
2 EXCEED TWO THOUSAND FIVE HUNDRED DOLLARS FOR EACH SEPARATE
3 OFFENSE, CENSURE A LICENSEE, PLACE THE LICENSEE ON PROBATION AND
4 SET THE TERMS OF PROBATION, OR TEMPORARILY SUSPEND OR
5 PERMANENTLY REVOKE A LICENSE WHEN THE LICENSEE HAS PERFORMED,
6 IS PERFORMING, OR IS ATTEMPTING TO PERFORM ANY OF THE FOLLOWING
7 ACTS AND IS GUILTY OF:

8 (a) KNOWINGLY MAKING ANY MISREPRESENTATION OR
9 KNOWINGLY MAKING USE OF ANY FALSE OR MISLEADING ADVERTISING;

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

13 (c) KNOWINGLY MISREPRESENTING OR MAKING FALSE PROMISES
14 THROUGH AGENTS, ADVERTISING, OR OTHERWISE;

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

17 (e) KNOWINGLY VIOLATING OR KNOWINGLY DIRECTING OTHERS TO
18 VIOLATE CCIOA;

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

26 (g) CONVERTING FUNDS OF OTHERS, DIVERTING FUNDS OF OTHERS
27 WITHOUT PROPER AUTHORIZATION, COMMINGLING FUNDS OF OTHERS WITH

1 THE MANAGER'S OWN FUNDS, OR FAILING TO KEEP SUCH FUNDS OF OTHERS
2 IN A SEGREGATED ACCOUNT WITH SOME BANK OR RECOGNIZED
3 DEPOSITORY IN THIS STATE, WHICH ACCOUNT MAY BE ANY TYPE OF
4 CHECKING, DEMAND, PASSBOOK, OR STATEMENT ACCOUNT INSURED BY AN
5 AGENCY OF THE UNITED STATES GOVERNMENT, AND TO SO KEEP RECORDS
6 RELATIVE TO THE DEPOSIT THAT CONTAIN ANY INFORMATION REQUIRED BY
7 RULES OF THE DIRECTOR AND ARE SUBJECT TO AUDIT BY THE DIRECTOR;

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

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

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

1 (k) HAVING DEMONSTRATED UNWORTHINESS OR INCOMPETENCY
2 TO ACT AS A COMMUNITY ASSOCIATION MANAGER BY CONDUCTING
3 BUSINESS IN SUCH A MANNER AS TO SIGNIFICANTLY ENDANGER THE
4 INTEREST OF A COMMON INTEREST COMMUNITY OR OF THE PUBLIC;

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

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

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

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

22 (p) HAVING HAD A LICENSE OR A SUBDIVISION DEVELOPER'S
23 REGISTRATION SUSPENDED OR REVOKED IN ANY JURISDICTION, OR HAVING
24 HAD ANY DISCIPLINARY ACTION TAKEN AGAINST THE MANAGER OR
25 SUBDIVISION DEVELOPER IN ANY OTHER JURISDICTION IF THE LICENSEE'S
26 OR SUBDIVISION DEVELOPER'S ACTION WOULD CONSTITUTE A VIOLATION
27 OF THIS SUBSECTION (1). A CERTIFIED COPY OF THE ORDER OF

1 DISCIPLINARY ACTION IS PRIMA FACIE EVIDENCE OF SUCH DISCIPLINARY
2 ACTION.

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

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

9 (II) A REAL ESTATE BROKER OR SALESPERSON;

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

12 (IV) AN INSURANCE PRODUCER, AS DEFINED BY SECTION 10-2-103
13 (6);

14 (V) AN ATTORNEY;

15 (VI) A SECURITIES BROKER-DEALER, AS DEFINED BY SECTION
16 11-51-201 (2);

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

19 (VIII) AN INVESTMENT ADVISOR, AS DEFINED BY SECTION
20 11-51-201 (9.5); OR

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

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

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

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

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

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

25 (5) COMPLAINTS OF RECORD IN THE OFFICE OF THE DIRECTOR AND
26 DIVISION INVESTIGATIONS, INCLUDING INVESTIGATIVE FILES, ARE CLOSED
27 TO PUBLIC INSPECTION. STIPULATIONS AND FINAL AGENCY ORDERS ARE

1 PUBLIC RECORDS SUBJECT TO SECTIONS 24-72-203 AND 24-72-204.

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

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

19 (8) WHEN THE DIVISION BECOMES AWARE OF FACTS OR
20 CIRCUMSTANCES THAT FALL WITHIN THE JURISDICTION OF A CRIMINAL
21 JUSTICE OR OTHER LAW ENFORCEMENT AUTHORITY UPON INVESTIGATION
22 OF THE ACTIVITIES OF A LICENSEE, THE DIVISION SHALL, IN ADDITION TO
23 THE EXERCISE OF ITS AUTHORITY UNDER THIS PART 10, REFER AND
24 TRANSMIT SUCH INFORMATION, WHICH MAY INCLUDE ORIGINALS OR COPIES
25 OF DOCUMENTS AND MATERIALS, TO ONE OR MORE CRIMINAL JUSTICE OR
26 OTHER LAW ENFORCEMENT AUTHORITIES FOR INVESTIGATION AND
27 PROSECUTION AS AUTHORIZED BY LAW.

1 **12-61-1012. Authority of director - cease-and-desist orders -**

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

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

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

27 (b) IF THE DIRECTOR HAS ISSUED AN ORDER TO SHOW CAUSE

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

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

21 (II) IF A PERSON AGAINST WHOM AN ORDER TO SHOW CAUSE HAS
22 BEEN ISSUED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION DOES NOT
23 APPEAR AT THE HEARING, THE DIRECTOR MAY PRESENT EVIDENCE THAT
24 NOTICE WAS PROPERLY SENT OR SERVED UPON THE PERSON PURSUANT TO
25 SUBSECTION (2)(b) OF THIS SECTION AND ANY OTHER EVIDENCE RELATED
26 TO THE MATTER AS THE DIRECTOR DEEMS APPROPRIATE. THE DIRECTOR
27 SHALL ISSUE THE ORDER WITHIN TEN DAYS AFTER THE DIRECTOR'S

1 DETERMINATION RELATED TO REASONABLE ATTEMPTS TO NOTIFY THE
2 RESPONDENT, AND THE ORDER BECOMES FINAL AS TO THE RESPONDENT BY
3 OPERATION OF LAW. THE HEARING SHALL BE CONDUCTED PURSUANT TO
4 SECTIONS 24-4-104 AND 24-4-105.

5 (III) IF THE DIRECTOR REASONABLY FINDS THAT THE PERSON
6 AGAINST WHOM THE ORDER TO SHOW CAUSE WAS ISSUED IS ACTING OR
7 HAS ACTED WITHOUT THE REQUIRED LICENSE, OR HAS OR IS ABOUT TO
8 ENGAGE IN ACTS OR PRACTICES CONSTITUTING VIOLATIONS OF THIS PART
9 10 OR RULES ADOPTED PURSUANT TO THIS PART 10, A FINAL
10 CEASE-AND-DESIST ORDER MAY BE ISSUED, DIRECTING THE PERSON TO
11 CEASE AND DESIST FROM FURTHER UNLAWFUL ACTS OR UNLICENSED
12 PRACTICES.

13 (IV) THE DIRECTOR SHALL PROVIDE NOTICE, IN THE MANNER SET
14 FORTH IN SUBSECTION (2)(b) OF THIS SECTION, OF THE FINAL
15 CEASE-AND-DESIST ORDER WITHIN TEN CALENDAR DAYS AFTER THE
16 HEARING CONDUCTED PURSUANT TO THIS SUBSECTION (2)(c) TO EACH
17 PERSON AGAINST WHOM THE FINAL ORDER HAS BEEN ISSUED. THE FINAL
18 ORDER ISSUED PURSUANT TO SUBSECTION (2)(c)(III) OF THIS SECTION IS
19 EFFECTIVE WHEN ISSUED AND CONSTITUTES A FINAL ORDER FOR PURPOSES
20 OF JUDICIAL REVIEW.

21 (3) IF IT APPEARS TO THE DIRECTOR, BASED UPON CREDIBLE
22 EVIDENCE PRESENTED TO THE DIRECTOR, THAT A PERSON HAS ENGAGED IN
23 OR IS ABOUT TO ENGAGE IN ANY UNLICENSED ACT OR PRACTICE, ANY ACT
24 OR PRACTICE CONSTITUTING A VIOLATION OF THIS PART 10, ANY RULE
25 PROMULGATED PURSUANT TO THIS PART 10, ANY ORDER ISSUED PURSUANT
26 TO THIS PART 10, OR ANY ACT OR PRACTICE CONSTITUTING GROUNDS FOR
27 ADMINISTRATIVE SANCTION PURSUANT TO THIS PART 10, THE DIRECTOR

1 MAY ENTER INTO A STIPULATION WITH THE PERSON.

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

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

12 **12-61-1013. Hearings - use of administrative law judges -**
13 **subpoenas - rules - judicial review - immunity.** (1) EXCEPT AS
14 OTHERWISE PROVIDED IN THIS SECTION, ALL PROCEEDINGS BEFORE THE
15 DIRECTOR WITH RESPECT TO DISCIPLINARY ACTIONS AND DENIAL OF
16 LICENSURE UNDER THIS PART 10, AT THE DISCRETION OF THE DIRECTOR,
17 MAY BE CONDUCTED BY AN AUTHORIZED REPRESENTATIVE OF THE
18 DIRECTOR OR BY AN ADMINISTRATIVE LAW JUDGE PURSUANT TO SECTIONS
19 24-4-104 AND 24-4-105.

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

27 (3) THE DIRECTOR, AN AUTHORIZED REPRESENTATIVE OF THE

1 DIRECTOR, OR AN ADMINISTRATIVE LAW JUDGE SHALL CONDUCT ALL
2 HEARINGS FOR DENYING, SUSPENDING, OR REVOKING A LICENSE OR
3 CERTIFICATE ON BEHALF OF THE DIRECTOR, SUBJECT TO APPROPRIATIONS
4 MADE TO THE DEPARTMENT OF PERSONNEL. EACH ADMINISTRATIVE LAW
5 JUDGE SHALL BE APPOINTED PURSUANT TO PART 10 OF ARTICLE 30 OF
6 TITLE 24. THE ADMINISTRATIVE LAW JUDGE SHALL CONDUCT THE HEARING
7 IN ACCORDANCE WITH SECTIONS 24-4-104 AND 24-4-105. A LICENSE MAY
8 NOT BE DENIED, SUSPENDED, OR REVOKED UNTIL THE DIRECTOR HAS MADE
9 A DECISION.

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

24 (5) THE DECISION OF THE DIRECTOR IN ANY DISCIPLINARY ACTION
25 OR DENIAL OF LICENSURE UNDER THIS SECTION IS SUBJECT TO JUDICIAL
26 REVIEW BY THE COURT OF APPEALS. IN ORDER TO EFFECTUATE THE
27 PURPOSES OF THIS PART 10, THE DIRECTOR HAS THE POWER TO

1 PROMULGATE RULES IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24.

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

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

24 (8) A PERSON PARTICIPATING IN GOOD FAITH IN THE FILING OF A
25 COMPLAINT OR REPORT OR PARTICIPATING IN AN INVESTIGATION OR
26 HEARING BEFORE THE DIRECTOR OR AN ADMINISTRATIVE LAW JUDGE
27 PURSUANT TO THIS PART 10 IS IMMUNE FROM ANY LIABILITY, CIVIL OR

1 CRIMINAL, THAT OTHERWISE MIGHT RESULT BY REASON OF SUCH ACTION.

2 **12-61-1014. Advisory committee - rules.** (1) THERE IS HEREBY
3 ESTABLISHED AN ADVISORY COMMITTEE FOR COMMUNITY ASSOCIATION
4 MANAGEMENT. THE PURPOSES OF THE COMMITTEE ARE TO GATHER
5 INFORMATION AND FEEDBACK FROM HOMEOWNERS AND MANAGERS; TO
6 ACT AS A SOUNDING BOARD FOR DISCUSSION OF ISSUES AFFECTING
7 COMMON INTEREST COMMUNITIES; AND TO MAKE RECOMMENDATIONS TO
8 THE DIRECTOR CONCERNING:

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

11 (b) THE COMPLAINT PROCESS, INCLUDING:

12 (I) INFORMATION OR EDUCATION FOR HOMEOWNERS ON FILING A
13 COMPLAINT;

14 (II) THE TIME PERIODS AND PROCESSES THAT APPLY TO THE
15 RESPONSE BY A PERSON ACCUSED OF A VIOLATION AND THE
16 INVESTIGATION OF THE COMPLAINT;

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

19 (IV) COMMUNICATION AMONG THE COMPLAINANT, THE
20 RESPONDENT, AND INVESTIGATORS DURING THE PENDENCY OF A
21 COMPLAINT AND ANY SUBSEQUENT ACTION BY THE DIRECTOR; AND

22 (c) ANY OTHER ISSUES ABOUT WHICH THE DIRECTOR SEEKS INPUT
23 FROM THE ADVISORY COMMITTEE.

24 (2) (a) THE ADVISORY COMMITTEE HAS NO ENFORCEMENT OR
25 DISCIPLINARY ROLE.

26 (b) MEMBERS OF THE ADVISORY COMMITTEE SERVE ON A
27 VOLUNTARY BASIS, WITHOUT COMPENSATION.

1 (c) EVERY MEMBER OF THE ADVISORY COMMITTEE MUST HAVE
2 DEMONSTRATED TRAINING OR EXPERIENCE AND INTEREST IN COMMUNITY
3 ASSOCIATION MANAGEMENT.

4 (3) THE ADVISORY COMMITTEE CONSISTS OF SEVEN MEMBERS,
5 APPOINTED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
6 REGULATORY AGENCIES, AS FOLLOWS:

7 (a) ONE MEMBER WHO IS A UNIT OWNER RESIDING IN COLORADO
8 WHO HAS NOT SERVED ON AN EXECUTIVE BOARD OF A COMMUNITY
9 ASSOCIATION MANAGED BY A LICENSED MANAGER AND HAS NOT, FOR AT
10 LEAST ONE YEAR IMMEDIATELY PRECEDING THE MEMBER'S APPOINTMENT,
11 ACTED AS A LICENSED COMMUNITY ASSOCIATION MANAGER OR WORKED
12 FOR AN ENTITY THAT IS PRIMARILY FOCUSED ON COMMUNITY ASSOCIATION
13 MANAGEMENT OR DEVELOPMENT;

14 (b) ONE MEMBER WHO IS A UNIT OWNER RESIDING IN COLORADO
15 WHO HAS SERVED AT LEAST ONE YEAR ON AN EXECUTIVE BOARD OF A
16 COMMUNITY ASSOCIATION MANAGED BY A LICENSED MANAGER AND HAS
17 NOT, FOR AT LEAST ONE YEAR IMMEDIATELY PRECEDING THE MEMBER'S
18 APPOINTMENT, ACTED AS A LICENSED COMMUNITY ASSOCIATION MANAGER
19 OR WORKED FOR AN ENTITY THAT IS PRIMARILY FOCUSED ON COMMUNITY
20 ASSOCIATION MANAGEMENT OR DEVELOPMENT;

21 (c) THREE MEMBERS WHO RESIDE IN COLORADO AND WHO HOLD
22 ACTIVE COMMUNITY ASSOCIATION MANAGER LICENSES FIRST ISSUED NO
23 LESS THAN THREE YEARS BEFORE APPOINTMENT TO THE COMMITTEE;

24 (d) ONE MEMBER WHO IS A CERTIFIED PUBLIC ACCOUNTANT
25 AUTHORIZED TO PRACTICE IN COLORADO WITH AT LEAST FIVE YEARS OF
26 DIRECT EXPERIENCE WORKING WITH THE FINANCES OF COMMON INTEREST
27 COMMUNITIES; AND

1 (e) ONE MEMBER WHO IS AN ATTORNEY LICENSED TO PRACTICE IN
2 COLORADO WITH AT LEAST FIVE YEARS OF EXPERIENCE ADVISING CLIENTS
3 ON THE "COLORADO COMMON INTEREST OWNERSHIP ACT", ARTICLE 33.3
4 OF TITLE 38, AND COMMUNITY ASSOCIATION LAW.

5 (4) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
6 REGULATORY AGENCIES SHALL TAKE INTO CONSIDERATION GEOGRAPHIC
7 DIVERSITY AND POTENTIAL CONFLICTS OF INTEREST WHEN MAKING
8 APPOINTMENTS TO THE ADVISORY COMMITTEE.

9 (5) (a) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
10 REGULATORY AGENCIES SHALL MAKE INITIAL APPOINTMENTS TO THE
11 ADVISORY COMMITTEE ON OR BEFORE SEPTEMBER 15, 2019. ONCE
12 APPOINTED, THE TERMS OF THE FOLLOWING COMMITTEE MEMBERS ARE
13 TWO YEARS, WHICH TERMS BEGIN ON THE DATE OF NOTIFICATION OF
14 APPOINTMENT:

15 (I) THE UNIT OWNER WHO QUALIFIES UNDER SUBSECTION (3)(a) OF
16 THIS SECTION;

17 (II) ONE COMMUNITY ASSOCIATION MANAGER WHO QUALIFIES
18 UNDER SUBSECTION (3)(c) OF THIS SECTION;

19 (III) THE CERTIFIED PUBLIC ACCOUNTANT WHO QUALIFIES UNDER
20 SUBSECTION (3)(d) OF THIS SECTION; AND

21 (IV) THE ATTORNEY WHO QUALIFIES UNDER SUBSECTION (3)(e) OF
22 THIS SECTION.

23 (b) THE INITIAL TERMS OF THE REMAINING MEMBERS OF THE
24 ADVISORY COMMITTEE ARE THREE YEARS. AFTER THE INITIAL TERMS, THE
25 TERMS OF ALL MEMBERS OF THE COMMITTEE ARE TWO YEARS. NO
26 COMMITTEE MEMBER MAY SERVE MORE THAN TWO FULL TERMS
27 CONSECUTIVELY.

1 (c) IF A VACANCY OCCURS DURING A COMMITTEE MEMBER'S TERM,
2 THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REGULATORY
3 AGENCIES SHALL APPOINT A PERSON QUALIFIED UNDER THIS SECTION TO
4 REPLACE THE MEMBER FOR THE REMAINDER OF THAT MEMBER'S TERM. IF
5 A QUALIFIED SUCCESSOR HAS NOT BEEN FOUND, OR IF THE DIRECTOR IS
6 UNABLE TO SECURE THE SERVICES OF A QUALIFIED PERSON TO FILL ANY OF
7 THE POSITIONS SPECIFIED IN SUBSECTIONS (3)(a) TO (3)(e) OF THIS SECTION
8 FOR AN INITIAL TERM OR A SUBSEQUENT TERM, THE ADVISORY COMMITTEE
9 SHALL NONETHELESS MEET AND ADVISE THE DIRECTOR TO THE BEST OF ITS
10 ABILITY. THERE IS NO QUORUM REQUIREMENT.

11 (6) THE ADVISORY COMMITTEE SHALL ANNUALLY ELECT A
12 CHAIRPERSON FROM AMONG THE MEMBERS OF THE COMMITTEE FOR A
13 TERM OF ONE YEAR. A CHAIRPERSON MAY SERVE MORE THAN ONE TERM
14 AS CHAIR; EXCEPT THAT THE COMMITTEE MUST ELECT THE CHAIRPERSON
15 EACH YEAR. THE COMMITTEE MAY REMOVE THE CHAIRPERSON FROM THAT
16 ROLE, WITH OR WITHOUT CAUSE, AND ELECT A NEW CHAIRPERSON TO FILL
17 THE REMAINDER OF THE TERM.

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

24 **12-61-1015. Saving provision - extension of licenses in effect**
25 **during windup period.** TO ENSURE CONTINUITY IN THE LICENSING
26 PROGRAM UNDER THIS PART 10, A MANAGER WHO, AS OF JUNE 30, 2019,
27 WAS LICENSED UNDER THIS PART 10 AND NOT SUBJECT TO A PENDING

1 REVOCATION PROCEEDING, IS DEEMED TO HAVE BEEN GRANTED A LICENSE
2 RENEWAL FOR ONE YEAR OR UNTIL THE DIRECTOR ADOPTS RULES
3 ADDRESSING THE TREATMENT OF LICENSES ISSUED BEFORE OR DURING THE
4 WIND-UP PERIOD SPECIFIED IN SECTION 24-34-104 (2)(b), WHICHEVER
5 OCCURS FIRST.

6 **12-61-1016. Repeal of part.** THIS PART 10 IS REPEALED,
7 EFFECTIVE SEPTEMBER 1, 2025. BEFORE THE REPEAL, THE FUNCTIONS OF
8 THE DIRECTOR AND THE ADVISORY COMMITTEE FOR COMMUNITY
9 ASSOCIATION MANAGEMENT UNDER THIS PART 10 ARE SCHEDULED FOR
10 REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

11 **SECTION 2.** In Colorado Revised Statutes, 24-34-104, **repeal**
12 (15)(a)(VII); and **add** (26)(a)(VIII) as follows:

13 **24-34-104. General assembly review of regulatory agencies**
14 **and functions for repeal, continuation, or reestablishment - legislative**
15 **declaration - repeal.** (15) (a) The following agencies, functions, or both,
16 will repeal on September 1, 2018:

17 (VII) ~~The licensing of community association managers and~~
18 ~~apprentices by the director of the division of real estate in accordance~~
19 ~~with part 10 of article 61 of title 12, C.R.S.~~

20 (26) (a) The following agencies, functions, or both, are scheduled
21 for repeal on September 1, 2025:

22 (VIII) THE LICENSING OF COMMUNITY ASSOCIATION MANAGERS
23 BY THE DIRECTOR OF THE DIVISION OF REAL ESTATE IN ACCORDANCE WITH
24 PART 10 OF ARTICLE 61 OF TITLE 12.

25 **SECTION 3.** In Colorado Revised Statutes, **add to article 10 of**
26 **title 12 as relocated by House Bill 19-1172** part 10 as follows:

27 PART 10

1 COMMUNITY ASSOCIATION MANAGERS

2 **12-10-1001. Definitions.** AS USED IN THIS PART 10, UNLESS THE
3 CONTEXT OTHERWISE REQUIRES:

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

5 (a) HAS NOT COMPLETED THE EDUCATION AND EXAMINATION
6 REQUIREMENTS FOR OBTAINING A COMMUNITY ASSOCIATION MANAGER
7 LICENSE;

8 (b) IS UNDER THE CONTROL AND SUPERVISION OF A LICENSED
9 COMMUNITY ASSOCIATION MANAGER; AND

10 (c) ABIDES BY THE REQUIREMENTS AND PERFORMS DUTIES
11 ESTABLISHED IN RULE BY THE DIRECTOR AFTER CONSULTATION WITH THE
12 ADVISORY COMMITTEE CREATED IN SECTION 12-61-1013 FOR PURPOSES OF
13 LEARNING AND PERFORMING ANY PRACTICES THAT REQUIRE ENTRY INTO
14 THE COMMUNITY ASSOCIATION MANAGER PROFESSION.

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

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

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

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

27 (b) AS USED IN THIS SUBSECTION (3), "MAJORITY OF UNITS" MEANS

1 THE UNITS TO WHICH ARE ALLOCATED MORE THAN FIFTY PERCENT OF THE
2 ALLOCATED INTERESTS IN THE COMMON INTEREST COMMUNITY
3 APPURTENANT TO ALL UNITS THAT ARE DESIGNATED FOR RESIDENTIAL
4 USE.

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

9 (I) ACTING WITH THE AUTHORITY OF THE COMMON INTEREST
10 COMMUNITY WITH RESPECT TO ITS BUSINESS, LEGAL, OR FINANCIAL
11 TRANSACTIONS;

12 (II) EXECUTING THE RESOLUTIONS, DECISIONS, AND CONTRACTS OF
13 THE EXECUTIVE BOARD;

14 (III) ENFORCING THE RIGHTS OF THE COMMON INTEREST
15 COMMUNITY SECURED BY STATUTE, CONTRACT, COVENANT, RULE, OR
16 BYLAW;

17 (IV) ADMINISTERING OR COORDINATING CONTRACTS FOR
18 MAINTENANCE OF PROPERTY OR FACILITIES OF THE COMMON INTEREST
19 COMMUNITY;

20 (V) EVALUATING APPLICATIONS FOR ARCHITECTURAL REVIEW AND
21 RECOMMENDING OR MAKING FINAL DECISIONS REGARDING THOSE
22 APPLICATIONS;

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

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

1 (VIII) ADMINISTERING, OR OTHERWISE EXERCISING CONTROL OF,
2 A COMMON INTEREST COMMUNITY'S FUNDS, INCLUDING THE
3 ADMINISTRATION OF A RESERVE PROGRAM FOR THE MAJOR REPAIR OR
4 REPLACEMENT OF CAPITAL ASSETS.

5 (b) "COMMUNITY ASSOCIATION MANAGEMENT" DOES NOT MEAN
6 THE PERFORMANCE OF ANY CLERICAL, MINISTERIAL, ACCOUNTING, OR
7 MAINTENANCE FUNCTION. AFTER CONSULTING WITH THE ADVISORY
8 COMMITTEE CREATED IN SECTION 12-10-1013, THE DIRECTOR MAY ADOPT
9 RULES TO FURTHER DEFINE OR CLARIFY WHETHER A SPECIFIC FUNCTION
10 FALLS WITHIN THIS SUBSECTION (4)(b) AND THE REQUIREMENTS, IF ANY,
11 THAT APPLY FOR SUPERVISION OF SUPPORT STAFF BY LICENSED MANAGERS.

12 (5) (a) "COMMUNITY ASSOCIATION MANAGER" OR "MANAGER"
13 MEANS ANY PERSON THAT SIGNS A WRITTEN CONTRACT TO PROVIDE
14 COMMUNITY ASSOCIATION MANAGEMENT SERVICES TO A COMMON
15 INTEREST COMMUNITY OR THAT, IN CONSIDERATION OF COMPENSATION BY
16 FEE, COMMISSION, SALARY, OR ANYTHING ELSE OF VALUE OR WITH THE
17 INTENTION OF RECEIVING OR COLLECTING THE COMPENSATION, WHETHER
18 OR NOT THE COMPENSATION IS RECEIVED BY THE LICENSED MANAGER
19 DIRECTLY OR BY THE LICENSED ENTITY THAT EMPLOYS THE LICENSED
20 MANAGER, ENGAGES IN OR OFFERS OR ATTEMPTS TO ENGAGE IN
21 COMMUNITY ASSOCIATION MANAGEMENT IN COLORADO.

22 (b) "COMMUNITY ASSOCIATION MANAGER" OR "MANAGER" DOES
23 NOT INCLUDE:

24 (I) A PERSON WHO, UNDER THE SUPERVISION OF A MANAGER OR
25 THE EXECUTIVE BOARD, PERFORMS ANY CLERICAL, MINISTERIAL,
26 ACCOUNTING, OR MAINTENANCE FUNCTION;

27 (II) ANY PUBLIC OFFICIAL IN THE CONDUCT OF THE PUBLIC

1 OFFICIAL'S OFFICIAL DUTIES;

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

4 (IV) A PERSON IN ACQUIRING OR IN NEGOTIATING TO ACQUIRE ANY
5 INTEREST IN REAL ESTATE;

6 (V) AN ATTORNEY-AT-LAW IN CONNECTION WITH THE ATTORNEY'S
7 REPRESENTATION OF CLIENTS IN THE PRACTICE OF LAW;

8 (VI) A CORPORATION WITH RESPECT TO PROPERTY OWNED OR
9 LEASED BY IT, ACTING THROUGH ITS OFFICERS OR REGULAR SALARIED
10 EMPLOYEES, WHEN THE ACTS ARE INCIDENTAL AND NECESSARY IN THE
11 ORDINARY COURSE OF THE CORPORATION'S BUSINESS ACTIVITIES OF A
12 NON-PROPERTY MANAGEMENT NATURE. FOR THE PURPOSES OF THIS
13 SUBSECTION (5)(b), THE TERM "OFFICERS OR REGULAR SALARIED
14 EMPLOYEES" MEANS PERSONS REGULARLY EMPLOYED WHO DERIVE NOT
15 LESS THAN SEVENTY-FIVE PERCENT OF THEIR COMPENSATION FROM THE
16 CORPORATION IN THE FORM OF SALARIES;

17 (VII) AN INDEPENDENT CONTRACTOR WHO:

18 (A) PERFORMS ANY CLERICAL, MINISTERIAL, ACCOUNTING, OR
19 MAINTENANCE FUNCTION; OR

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

22 (VIII) AN APPRENTICE WORKING UNDER THE SUPERVISION OF A
23 LICENSED MANAGER.

24 (6) "DESIGNATED MANAGER" MEANS A PERSON WHO IS CURRENTLY
25 LICENSED AS A MANAGER AND WHO, ON BEHALF OF A LICENSED ENTITY, IS
26 RESPONSIBLE FOR PERFORMING COMMUNITY ASSOCIATION MANAGEMENT
27 PRACTICES AND SUPERVISING COMMUNITY ASSOCIATION MANAGEMENT

1 PRACTICES PERFORMED BY PERSONS EMPLOYED BY, OR ACTING ON BEHALF
2 OF, THE LICENSED ENTITY.

3 (7) "EXECUTIVE BOARD" HAS THE MEANING SET FORTH IN SECTION
4 38-33.3-103 (16).

5 (8) "HOA" OR "HOMEOWNERS' ASSOCIATION" MEANS AN HOA AS
6 DEFINED IN SECTION 12-10-101 (3); EXCEPT THAT THE TERM DOES NOT
7 INCLUDE AN ASSOCIATION OR UNIT OWNERS' ASSOCIATION IN WHICH A
8 MAJORITY OF UNITS THAT ARE DESIGNATED FOR RESIDENTIAL USE ARE
9 TIME SHARE UNITS, AS DEFINED IN SECTION 38-33-110 (7). AS USED IN THIS
10 SUBSECTION (10), "MAJORITY OF UNITS" MEANS THE UNITS TO WHICH ARE
11 ALLOCATED MORE THAN FIFTY PERCENT OF THE ALLOCATED INTERESTS IN
12 THE COMMON INTEREST COMMUNITY APPURTENANT TO ALL UNITS THAT
13 ARE DESIGNATED FOR 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 - rules - violations -**
17 **administrative and legal remedies.** (1) IT IS UNLAWFUL FOR ANY
18 PERSON TO ENGAGE IN, OR TO HOLD OUT HIMSELF, HERSELF, OR ITSELF AS
19 QUALIFIED TO ENGAGE IN, THE BUSINESS OF COMMUNITY ASSOCIATION
20 MANAGEMENT OR TO ACT AS A COMMUNITY ASSOCIATION MANAGER
21 WITHOUT FIRST HAVING OBTAINED A LICENSE FROM THE DIRECTOR IN
22 ACCORDANCE WITH SECTION 12-10-1003 OR DURING ANY PERIOD IN WHICH
23 THE MANAGER'S LICENSE IS REVOKED OR SUSPENDED.

24 (2) AFTER CONSULTING WITH THE ADVISORY COMMITTEE CREATED
25 IN SECTION 12-10-1013, THE DIRECTOR SHALL PROMULGATE RULES AS
26 NECESSARY TO ENABLE THE DIRECTOR TO CARRY OUT THE DIRECTOR'S
27 DUTIES UNDER THIS PART 10 AND SHALL ADOPT RULES TO DEFINE THE

1 APPROPRIATE LEVEL OF OVERSIGHT REQUIRED BY THE DIVISION TO
2 BECOME AN APPRENTICE AS WELL AS SPECIFYING APPROPRIATE
3 SUPERVISION, EDUCATIONAL REQUIREMENTS, SPECIFIC DUTIES, AND ANY
4 OTHER NECESSARY COMPONENTS OF THE APPRENTICESHIP PROGRAM.

5 (3) IN ADDITION TO CONDUCTING HEARINGS AS PROVIDED IN
6 SECTION 12-10-1014, THE DIRECTOR MAY ENFORCE THIS PART 10 AND
7 RULES ADOPTED UNDER THIS PART 10 BY TAKING ONE OR MORE OF THE
8 FOLLOWING ACTIONS:

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

19 (b) IF THERE IS SUBSTANTIAL PROBABILITY OF FINANCIAL
20 MISCONDUCT, THE DIRECTOR MAY CONDUCT AUDITS OF FINANCIAL AND
21 TRANSACTIONAL RECORDS AND ACCOUNTS OF LICENSEES IN ACCORDANCE
22 WITH RULES ADOPTED BY THE DIRECTOR.

23 **12-10-1003. Application for license - criminal history record**
24 **check - examination - rules.** (1) (a) BEFORE ACTING OR ATTEMPTING OR
25 OFFERING TO ACT AS A COMMUNITY ASSOCIATION MANAGER, A PERSON
26 MUST APPLY TO THE DIRECTOR FOR A LICENSE IN THE FORM AND MANNER
27 PRESCRIBED BY THE DIRECTOR.

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

16 (2) EVERY COMMUNITY ASSOCIATION MANAGER LICENSED UNDER
17 THIS PART 10 SHALL MAINTAIN A PLACE OF BUSINESS WITHIN THIS STATE,
18 EXCEPT AS PROVIDED IN SECTION 12-10-1008. IF A COMMUNITY
19 ASSOCIATION MANAGER MAINTAINS MORE THAN ONE PLACE OF BUSINESS
20 WITHIN THE STATE, THE MANAGER IS RESPONSIBLE FOR SUPERVISING ALL
21 LICENSED ACTIVITIES ORIGINATING IN THOSE OFFICES.

22 (3) (a) THE DIRECTOR MAY REQUIRE AND PROCURE ANY PROOF
23 NECESSARY IN REFERENCE TO THE TRUTHFULNESS, HONESTY, AND GOOD
24 MORAL CHARACTER OF ANY APPLICANT FOR A LICENSE OR, IF THE
25 APPLICANT IS A PARTNERSHIP, LIMITED LIABILITY COMPANY, OR
26 CORPORATION, OF ANY PARTNER, MANAGER, DIRECTOR, OFFICER, MEMBER,
27 OR STOCKHOLDER IF THE PERSON HAS, EITHER DIRECTLY OR INDIRECTLY,

1 A SUBSTANTIAL INTEREST IN THE APPLICANT PRIOR TO THE ISSUANCE OF
2 THE LICENSE.

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

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

17 (I) THE NATURE OF THE CONVICTION;

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

26 (III) ANY INFORMATION PRODUCED BY THE APPLICANT OR
27 PRODUCED ON THE APPLICANT'S BEHALF REGARDING THE APPLICANT'S

1 REHABILITATION AND GOOD CONDUCT; AND

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

3 (d) NOTWITHSTANDING SUBSECTION (3)(c) OF THIS SECTION, AN
4 APPLICANT IS INELIGIBLE FOR LICENSURE IF THE APPLICANT HAS, WITHIN
5 THE IMMEDIATELY PRECEDING TEN YEARS, BEEN CONVICTED OF AN
6 OFFENSE INVOLVING UNLAWFUL SEXUAL BEHAVIOR AS LISTED IN SECTION
7 16-22-102 (9); A BURGLARY OFFENSE, AS DEFINED IN SECTION 18-4-202 OR
8 18-4-203; OR ANY FELONY INVOLVING FRAUD, THEFT, LARCENY,
9 EMBEZZLEMENT, FRAUDULENT CONVERSION, OR MISAPPROPRIATION OF
10 PROPERTY.

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

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

16 (I) (A) HOLD ONE OR MORE CREDENTIALS IDENTIFIED IN RULES
17 ADOPTED BY THE DIRECTOR IN CONSULTATION WITH THE ADVISORY
18 COMMITTEE CREATED IN SECTION 12-10-1013; OR

19 (B) CERTIFY COMPLETION OF ANY EDUCATIONAL OR CONTINUING
20 EDUCATIONAL REQUIREMENTS AS DETERMINED BY THE DIRECTOR IN RULES
21 AND PUBLISHED ON THE DIVISION'S WEBSITE; AND

22 (II) SUBMIT TO AND PASS AN EXAMINATION WITH TWO SEPARATE
23 PORTIONS, WHICH MAY BE ADMINISTERED SEPARATELY. THE
24 EXAMINATION MUST MEASURE THE COMPETENCY OF THE APPLICANT IN
25 CARRYING OUT THE CORE FUNCTIONS OF COMMUNITY ASSOCIATION
26 MANAGEMENT, REFERRED TO AS THE "GENERAL PORTION" OF THE
27 EXAMINATION, AND IN UNDERSTANDING THE BASIC PROVISIONS OF LEGAL

1 DOCUMENTS AND COLORADO LAW WITH WHICH MANAGERS ARE REQUIRED
2 TO COMPLY, REFERRED TO AS THE "COLORADO LAW PORTION" OF THE
3 EXAMINATION. THE EXAMINATION MUST BE PREPARED BY OR UNDER THE
4 SUPERVISION OF THE DIRECTOR OR THE DIRECTOR'S DESIGNATED
5 CONTRACTOR OR CONTRACTORS. THE DIRECTOR MAY CONTRACT WITH ONE
6 OR MORE INDEPENDENT TESTING SERVICES TO DEVELOP, ADMINISTER, OR
7 GRADE EXAMINATIONS OR TO ADMINISTER LICENSEE RECORDS. THE
8 CONTRACTS MAY ALLOW THE TESTING SERVICE TO RECOVER FROM THE
9 APPLICANT THE COSTS OF THE EXAMINATION AND THE COSTS OF
10 ADMINISTERING THE EXAMINATION AND LICENSE RECORDS. THE DIRECTOR
11 MAY CONTRACT SEPARATELY FOR THESE FUNCTIONS AND ALLOW
12 RECOVERED COSTS TO BE COLLECTED AND RETAINED BY A SINGLE
13 CONTRACTOR FOR DISTRIBUTION TO OTHER CONTRACTORS. THE DIRECTOR
14 MAY SET THE SEPARATE MINIMUM PASSING SCORES FOR THE GENERAL
15 PORTION AND THE COLORADO LAW PORTION OF THE EXAMINATION. THE
16 DIRECTOR SHALL PRESCRIBE THE TIMES AND PLACES AT WHICH THE
17 EXAMINATION AS A WHOLE IS GIVEN OR AT WHICH THE SEPARATE
18 PORTIONS OF THE EXAMINATION ARE GIVEN.

19 (b) AN APPLICANT WHO HOLDS A CREDENTIAL APPROVED BY THE
20 DIRECTOR PURSUANT TO SUBSECTION (5)(a)(I) OF THIS SECTION AND HAS
21 MAINTAINED THE CREDENTIAL IN GOOD STANDING, INCLUDING HAVING
22 COMPLETED ALL ONGOING EDUCATION REQUIRED TO MAINTAIN THE
23 CREDENTIAL, MUST COMPLETE THE COLORADO LAW PORTION, BUT SHALL
24 BE EXEMPTED FROM THE REQUIREMENT TO COMPLETE THE GENERAL
25 PORTION, OF THE EXAMINATION DESCRIBED IN SUBSECTION (5)(a)(II) OF
26 THIS SECTION.

27 (c) THE SEPARATE PORTIONS OF THE EXAMINATION DEVELOPED

1 UNDER SUBSECTION (5)(a)(II) OF THIS SECTION MUST ASSESS AN
2 APPLICANT'S COMPETENCY IN THE FOLLOWING SUBJECT MATTER AREAS:

3 (I) FOR THE COLORADO LAW PORTION OF THE EXAMINATION,
4 LEGAL DOCUMENTS; STATUTES, INCLUDING THE CCIOA; AND OTHER
5 APPLICABLE PROVISIONS OF COLORADO LAW; AND

6 (II) FOR THE GENERAL PORTION OF THE EXAMINATION, OTHER
7 CORE COMPETENCIES OF COMMUNITY ASSOCIATION MANAGEMENT, AS
8 SPECIFIED BY THE DIRECTOR.

9 (d) EXAMINATION RESULTS MEASURING AN APPLICANT'S
10 KNOWLEDGE OF THE MATTERS DESCRIBED IN SUBSECTION (5)(c) OF THIS
11 SECTION ARE VALID FOR ONE YEAR. A PERSON WHO TAKES THE
12 EXAMINATION AND DOES NOT APPLY FOR A LICENSE WITHIN ONE YEAR
13 THEREAFTER MUST RETAKE THAT PORTION OF THE EXAMINATION BEFORE
14 APPLYING.

15 (e) THE DIVISION SHALL WAIVE THE GENERAL PORTION OF THE
16 EXAMINATION FOR AN APPLICANT WHO HAS HELD A COMMUNITY
17 ASSOCIATION MANAGER LICENSE IN ANOTHER JURISDICTION THAT
18 REGULATES COMMUNITY ASSOCIATION MANAGERS AND WHO HAS BEEN
19 LICENSED FOR TWO OR MORE YEARS PRIOR TO APPLYING FOR A COLORADO
20 LICENSE IF THE APPLICANT ESTABLISHES THAT THE APPLICANT POSSESSES
21 CREDENTIALS AND QUALIFICATIONS THAT ARE SUBSTANTIVELY
22 EQUIVALENT TO THE REQUIREMENTS IN COLORADO FOR LICENSURE BY
23 EXAMINATION, AS DETERMINED BY THE DIRECTOR BY RULE. IF THE
24 DIRECTOR GRANTS SUCH A WAIVER, THE DIRECTOR SHALL MAKE THE
25 LICENSE CONDITIONAL UPON THE APPLICANT'S COMPLETION OF THE
26 COLORADO LAW PORTION OF THE EXAMINATION WITHIN A SPECIFIED TIME.

27 (6) (a) COMMUNITY ASSOCIATION MANAGERS' LICENSES MAY BE

1 GRANTED TO INDIVIDUALS OR ENTITIES.

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

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

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

26 (8) A PERSON SHALL NOT:

27 (a) BE LICENSED AS A COMMUNITY ASSOCIATION MANAGER UNDER

1 MORE THAN ONE NAME; OR

2 (b) CONDUCT OR PROMOTE BUSINESS AS A COMMUNITY
3 ASSOCIATION MANAGER EXCEPT UNDER THE NAME UNDER WHICH THE
4 PERSON IS LICENSED.

5 (9) AN APPRENTICE SHALL NOT PERFORM AN ACT THAT OTHERWISE
6 REQUIRES A COMMUNITY ASSOCIATION MANAGER LICENSE.

7

8 **12-10-1004. Insurance required - rules.** EVERY LICENSEE UNDER
9 THIS PART 10, EXCEPT AN INACTIVE MANAGER OR AN ATTORNEY LICENSEE
10 WHO MAINTAINS A POLICY OF PROFESSIONAL MALPRACTICE INSURANCE
11 THAT PROVIDES COVERAGE FOR THE LICENSEE'S ACTIVITIES UNDER THIS
12 PART 10, MUST BE INSURED UNDER INSURANCE NECESSARY TO COVER ALL
13 ACTIVITIES CONTEMPLATED UNDER THIS PART 10 IN AN AMOUNT AND
14 UNDER TERMS AND CONDITIONS SPECIFIED BY THE DIRECTOR BY RULE. IN
15 PROMULGATING RULES UNDER THIS SECTION, THE DIRECTOR SHALL SOLICIT
16 AND CONSIDER INFORMATION AND COMMENTS FROM INTERESTED PERSONS.

17 **12-10-1005. Fees and charges for contracted services and**
18 **home sales - disclosure required.** (1) EVERY MANAGER, AND EVERY
19 AGENT OR OTHER PERSON WHO REPRESENTS OR NEGOTIATES ON BEHALF
20 OF A MANAGER, SHALL DISCLOSE TO THE EXECUTIVE BOARD OF EACH HOA
21 FOR WHICH IT PROVIDES OR OFFERS TO PROVIDE SERVICES, DURING
22 CONTRACT NEGOTIATIONS AND THEREAFTER ON AN ANNUAL BASIS, ALL
23 FEES AND OTHER AMOUNTS THAT THE MANAGER CHARGES OR WILL
24 CHARGE TO THE COMMON INTEREST COMMUNITY, UNIT OWNERS, AND
25 PURCHASERS OF UNITS IN THE COMMON INTEREST COMMUNITY FOR OR AS
26 A RESULT OF ANY SERVICE, PRODUCT, TRANSACTION, OR ITEM OF VALUE
27 PROVIDED BY THE MANAGER, ANY EMPLOYEE OR CONTRACTOR OF THE

1 MANAGER, OR ANY OTHER INDIVIDUAL OR ENTITY WITH WHOM THE
2 MANAGER ASSOCIATES IN THE PERFORMANCE OF COMMUNITY
3 ASSOCIATION MANAGEMENT SERVICES.

4 (2) NEITHER A MANAGER NOR ANY AGENT OF A MANAGER MAY
5 ENFORCE ANY FEE OR CHARGE, INCLUDING A TRANSFER FEE, AGAINST THE
6 HOA OR ANY BUYER OR SELLER OF PROPERTY SERVED BY THE HOA
7 UNLESS THE AMOUNT OF THE FEE OR CHARGE IS EXPLICITLY DISCLOSED IN
8 THE MANAGER'S CONTRACT WITH THE HOA OR IN AN ADDENDUM TO THE
9 CONTRACT.

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

16 (4) THE DIVISION MAY REGULATE, INVESTIGATE, AND TAKE
17 DISCIPLINARY ACTION AGAINST ANY MANAGER OR, IF THE MANAGER IS AN
18 ENTITY, A PRINCIPAL OF THE ENTITY FOR A VIOLATION OF THIS SECTION.

19 **12-10-1006. Licenses - issuance - contents - display.** THE
20 DIRECTOR SHALL MAKE AVAILABLE FOR EACH LICENSEE A LICENSE IN SUCH
21 FORM AND SIZE AS THE DIRECTOR MAY PRESCRIBE. THE LICENSE MUST
22 SHOW THE NAME OF THE LICENSEE AND MAY CONTAIN SUCH OTHER
23 MATTER AS THE DIRECTOR PRESCRIBES.

24 **12-10-1007. Resident licensee - nonresident licensee - consent**
25 **to service.** (1) A NONRESIDENT OF THE STATE MAY BECOME A
26 COMMUNITY ASSOCIATION MANAGER IN THIS STATE BY CONFORMING
27 TO ALL THE CONDITIONS OF THIS PART 10; EXCEPT THAT THE NONRESIDENT

1 MANAGER IS NOT REQUIRED TO MAINTAIN A PLACE OF BUSINESS WITHIN
2 THIS STATE IF THAT MANAGER MAINTAINS A DEFINITE PLACE OF BUSINESS
3 IN ANOTHER STATE.

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

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

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

17 (c) FIVE DAYS AFTER MAILING.

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

22 **12-10-1008. Record of licensees - publications.** THE DIRECTOR
23 SHALL MAINTAIN A RECORD OF THE NAMES AND ADDRESSES OF ALL
24 COMMUNITY ASSOCIATION MANAGERS LICENSED UNDER THIS PART 10,
25 TOGETHER WITH SUCH OTHER INFORMATION RELATIVE TO THE
26 ENFORCEMENT OF THIS PART 10 AS THE DIRECTOR DEEMS NECESSARY. THE
27 DIRECTOR SHALL PUBLISH THE NAME AND ADDRESS RECORD AND OTHER

1 NONPROPRIETARY INFORMATION THE DIRECTOR DEEMS USEFUL TO THE
2 PUBLIC ON THE DIVISION'S WEBSITE. PUBLICATION OF THE RECORD AND OF
3 ANY OTHER INFORMATION CIRCULATED IN QUANTITY OUTSIDE THE
4 EXECUTIVE BRANCH MUST BE IN ACCORDANCE WITH SECTION 24-1-136.

5 **12-10-1009. Change of location or employment status - notice**
6 **required.** (1) A COMMUNITY ASSOCIATION MANAGER LICENSED UNDER
7 THIS PART 10 SHALL NOTIFY THE DIRECTOR WITHIN THIRTY DAYS AFTER
8 ANY CHANGE OF BUSINESS LOCATION OR EMPLOYMENT. A CHANGE OF
9 BUSINESS ADDRESS OR EMPLOYMENT STATUS WITHOUT NOTIFICATION TO
10 THE DIRECTOR AUTOMATICALLY INACTIVATES THE LICENSEE'S LICENSE.

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

16 **12-10-1010. License fees - partnership, limited liability**
17 **company, and corporation licenses - rules.** (1) THE DIRECTOR SHALL
18 ESTABLISH, PUBLISH ON THE DIVISION'S WEBSITE, COLLECT, AND
19 ANNUALLY ADJUST, IN ACCORDANCE WITH SECTION 12-10-215, FEES FOR:

- 20 (a) EACH EXAMINATION;
- 21 (b) EACH MANAGER'S OR ENTITY'S ORIGINAL APPLICATION AND
22 LICENSE;
- 23 (c) EACH RENEWAL OR REINSTATEMENT OF A MANAGER'S LICENSE;
- 24 **AND**
- 25 (d) ANY CHANGE OF NAME, ADDRESS, OR EMPLOYMENT STATUS
26 REQUIRING A CHANGE IN DIRECTOR RECORDS.

27 (2) THE DIRECTOR SHALL TRANSMIT ALL FEES TO THE STATE

1 TREASURER, WHO SHALL CREDIT THEM TO THE DIVISION OF REAL ESTATE
2 CASH FUND, CREATED IN SECTION 12-10-215 (2)(b). FEES COLLECTED
3 UNDER SUBSECTIONS (1)(b) TO (1)(d) OF THIS SECTION ARE
4 NONREFUNDABLE.

5 (3) LICENSES ARE VALID FOR UP TO THREE YEARS, SUBJECT TO
6 EXPIRATION AND RENEWAL ON A SCHEDULE DETERMINED BY THE
7 DIRECTOR. THE DIRECTOR SHALL ESTABLISH, BY RULE, THE REQUIREMENTS
8 FOR CONTINUING EDUCATION, REEXAMINATION, AND SUBSEQUENT
9 CRIMINAL HISTORY RECORD CHECKS; EXCEPT THAT THESE REQUIREMENTS
10 MUST NOT BE MORE STRINGENT THAN THE EQUIVALENT REQUIREMENTS
11 FOR REAL ESTATE BROKERS UNDER PART 2 OF THIS ARTICLE 10.

12

13 **12-10-1011. Investigation - revocation - actions against**

14 **licensee - rules.** (1) THE DIRECTOR, UPON THE DIRECTOR'S OWN MOTION,
15 MAY, AND, UPON THE COMPLAINT IN WRITING OF ANY PERSON, SHALL,
16 INVESTIGATE THE ACTIVITIES OF ANY LICENSEE OR ANY PERSON WHO
17 ASSUMES TO ACT IN THE CAPACITY OF A LICENSEE WITHIN THE STATE UPON
18 THE DIRECTOR'S DETERMINATION THAT THE COMPLAINT IS VALID. THE
19 DIRECTOR SHALL GIVE THE LICENSEE WRITTEN NOTICE BY FIRST-CLASS
20 MAIL OF THE RULE OR STATUTE IDENTIFIED AS A VALID POTENTIAL
21 VIOLATION LISTED UNDER THIS SECTION. NO LICENSEE SHALL BE ASSESSED
22 AN ADMINISTRATIVE FINE FOR A VIOLATION THAT IS NOT IDENTIFIED IN THE
23 NOTICE PROVIDED TO THE LICENSEE. THE DIRECTOR, AFTER HOLDING A
24 HEARING IN ACCORDANCE WITH THE "STATE ADMINISTRATIVE PROCEDURE
25 ACT", ARTICLE 4 OF TITLE 24, MAY IMPOSE AN ADMINISTRATIVE FINE ON
26 A SLIDING SCALE, BASED ON THE SEVERITY OF THE OFFENSE, BUT NOT TO
27 EXCEED TWO THOUSAND FIVE HUNDRED DOLLARS FOR EACH SEPARATE

1 OFFENSE, CENSURE A LICENSEE, PLACE THE LICENSEE ON PROBATION AND
2 SET THE TERMS OF PROBATION, OR TEMPORARILY SUSPEND OR
3 PERMANENTLY REVOKE A LICENSE WHEN THE LICENSEE HAS PERFORMED,
4 IS PERFORMING, OR IS ATTEMPTING TO PERFORM ANY OF THE FOLLOWING
5 ACTS AND IS GUILTY OF:

6 (a) KNOWINGLY MAKING ANY MISREPRESENTATION OR
7 KNOWINGLY MAKING USE OF ANY FALSE OR MISLEADING ADVERTISING;

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

11 (c) KNOWINGLY MISREPRESENTING OR MAKING FALSE PROMISES
12 THROUGH AGENTS, ADVERTISING, OR OTHERWISE;

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

15 (e) KNOWINGLY VIOLATING OR KNOWINGLY DIRECTING OTHERS TO
16 VIOLATE CCIOA;

17 (f) FAILING TO ACCOUNT FOR OR TO REMIT, WITHIN A REASONABLE
18 TIME, ANY MONEY COMING INTO THE LICENSEE'S POSSESSION THAT
19 BELONGS TO OTHERS, WHETHER ACTING AS A COMMUNITY ASSOCIATION
20 MANAGER, APPRENTICE, OR OTHERWISE, AND FAILING TO KEEP RECORDS
21 RELATIVE TO THE MONEY, WHICH RECORDS MUST CONTAIN ANY
22 INFORMATION REQUIRED BY RULES OF THE DIRECTOR AND ARE SUBJECT TO
23 AUDIT BY THE DIRECTOR;

24 (g) CONVERTING FUNDS OF OTHERS, DIVERTING FUNDS OF OTHERS
25 WITHOUT PROPER AUTHORIZATION, COMMINGLING FUNDS OF OTHERS WITH
26 THE MANAGER'S OWN FUNDS, OR FAILING TO KEEP SUCH FUNDS OF OTHERS
27 IN A SEGREGATED ACCOUNT WITH SOME BANK OR RECOGNIZED

1 DEPOSITORY IN THIS STATE, WHICH ACCOUNT MAY BE ANY TYPE OF
2 CHECKING, DEMAND, PASSBOOK, OR STATEMENT ACCOUNT INSURED BY AN
3 AGENCY OF THE UNITED STATES GOVERNMENT, AND TO SO KEEP RECORDS
4 RELATIVE TO THE DEPOSIT THAT CONTAIN ANY INFORMATION REQUIRED BY
5 RULES OF THE DIRECTOR AND ARE SUBJECT TO AUDIT BY THE DIRECTOR;

6 (h) DISREGARDING OR VIOLATING, OR AIDING OR ABETTING ANY
7 VIOLATION OF, THIS PART 10 OR ANY APPLICABLE RULE OR ORDER OF THE
8 DIRECTOR;

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

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

26 (k) HAVING DEMONSTRATED UNWORTHINESS OR INCOMPETENCY
27 TO ACT AS A COMMUNITY ASSOCIATION MANAGER BY CONDUCTING

1 BUSINESS IN SUCH A MANNER AS TO SIGNIFICANTLY ENDANGER THE
2 INTEREST OF A COMMON INTEREST COMMUNITY OR OF THE PUBLIC;

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

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

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

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

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

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

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

7 (II) A REAL ESTATE BROKER OR SALESPERSON;

8 (III) A REAL ESTATE APPRAISER, AS DEFINED BY SECTION
9 12-61-702 (11);

10 (IV) AN INSURANCE PRODUCER, AS DEFINED BY SECTION 10-2-103
11 (6);

12 (V) AN ATTORNEY;

13 (VI) A SECURITIES BROKER-DEALER, AS DEFINED BY SECTION
14 11-51-201 (2);

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

17 (VIII) AN INVESTMENT ADVISOR, AS DEFINED BY SECTION
18 11-51-201 (9.5); OR

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

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

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

26 (2) IF A FIRM, PARTNERSHIP, LIMITED LIABILITY COMPANY,
27 ASSOCIATION, OR CORPORATION OPERATING UNDER THE LICENSE OF A

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

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

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

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

27 (6) WHEN A COMPLAINT OR AN INVESTIGATION DISCLOSES AN

1 INSTANCE OF MISCONDUCT THAT, IN THE OPINION OF THE DIRECTOR, DOES
2 NOT WARRANT FORMAL ACTION BY THE DIRECTOR BUT SHOULD NOT BE
3 DISMISSED AS BEING WITHOUT MERIT, THE DIRECTOR MAY SEND A LETTER
4 OF ADMONITION TO THE LICENSEE AGAINST WHOM THE COMPLAINT WAS
5 MADE AND A COPY OF THE LETTER TO THE PERSON MAKING THE
6 COMPLAINT, BUT THE LETTER MUST ADVISE THE LICENSEE THAT THE
7 LICENSEE HAS THE RIGHT TO REQUEST IN WRITING, WITHIN TWENTY DAYS
8 AFTER RECEIPT, THAT FORMAL DISCIPLINARY PROCEEDINGS BE INITIATED
9 TO ADJUDICATE THE PROPRIETY OF THE CONDUCT UPON WHICH THE LETTER
10 OF ADMONITION IS BASED. IF THE REQUEST IS TIMELY MADE, THE LETTER
11 OF ADMONITION IS VACATED, AND THE MATTER SHALL BE PROCESSED BY
12 MEANS OF FORMAL DISCIPLINARY PROCEEDINGS.

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

17 (8) WHEN THE DIVISION BECOMES AWARE OF FACTS OR
18 CIRCUMSTANCES THAT FALL WITHIN THE JURISDICTION OF A CRIMINAL
19 JUSTICE OR OTHER LAW ENFORCEMENT AUTHORITY UPON INVESTIGATION
20 OF THE ACTIVITIES OF A LICENSEE, THE DIVISION SHALL, IN ADDITION TO
21 THE EXERCISE OF ITS AUTHORITY UNDER THIS PART 10, REFER AND
22 TRANSMIT SUCH INFORMATION, WHICH MAY INCLUDE ORIGINALS OR COPIES
23 OF DOCUMENTS AND MATERIALS, TO ONE OR MORE CRIMINAL JUSTICE OR
24 OTHER LAW ENFORCEMENT AUTHORITIES FOR INVESTIGATION AND
25 PROSECUTION AS AUTHORIZED BY LAW.

26 **12-10-1012. Authority of director - cease-and-desist orders -**
27 **rules.** (1) (a) IF IT APPEARS TO THE DIRECTOR, BASED UPON CREDIBLE

1 EVIDENCE AS PRESENTED IN A WRITTEN COMPLAINT BY ANY PERSON, THAT
2 A MANAGER OR APPRENTICE IS VIOLATING THIS PART 10 OR RULES
3 ADOPTED PURSUANT TO THIS PART 10 OR THAT A PERSON IS ACTING OR HAS
4 ACTED WITHOUT THE REQUIRED LICENSE, THE DIRECTOR MAY ISSUE AN
5 ORDER TO CEASE AND DESIST THE ACTIVITY. THE ORDER MUST SET FORTH
6 THE STATUTES AND RULES THE MANAGER, APPRENTICE, OR PERSON
7 ALLEGEDLY VIOLATED, THE FACTS THAT ALLEGEDLY CONSTITUTED THE
8 VIOLATION, AND THE REQUIREMENT THAT ALL UNLAWFUL ACTS OR
9 UNLICENSED PRACTICES IMMEDIATELY CEASE.

10 (b) WITHIN TEN DAYS AFTER SERVICE OF THE ORDER TO CEASE AND
11 DESIST PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION, THE
12 RESPONDENT MAY REQUEST A HEARING ON THE QUESTION OF WHETHER
13 ACTS OR PRACTICES IN VIOLATION OF THIS PART 10 HAVE OCCURRED. THE
14 HEARING MUST BE CONDUCTED PURSUANT TO SECTIONS 24-4-104 AND
15 24-4-105.

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

25 (b) IF THE DIRECTOR HAS ISSUED AN ORDER TO SHOW CAUSE
26 PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION TO ANY PERSON, THE
27 DIRECTOR SHALL PROMPTLY GIVE THE PERSON NOTICE OF THE ISSUANCE

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

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

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

1 OPERATION OF LAW. THE HEARING SHALL BE CONDUCTED PURSUANT TO
2 SECTIONS 24-4-104 AND 24-4-105.

3 (III) IF THE DIRECTOR REASONABLY FINDS THAT THE PERSON
4 AGAINST WHOM THE ORDER TO SHOW CAUSE WAS ISSUED IS ACTING OR
5 HAS ACTED WITHOUT THE REQUIRED LICENSE, OR HAS OR IS ABOUT TO
6 ENGAGE IN ACTS OR PRACTICES CONSTITUTING VIOLATIONS OF THIS PART
7 10 OR RULES ADOPTED PURSUANT TO THIS PART 10, A FINAL
8 CEASE-AND-DESIST ORDER MAY BE ISSUED, DIRECTING THE PERSON TO
9 CEASE AND DESIST FROM FURTHER UNLAWFUL ACTS OR UNLICENSED
10 PRACTICES.

11 (IV) THE DIRECTOR SHALL PROVIDE NOTICE, IN THE MANNER SET
12 FORTH IN SUBSECTION (2)(b) OF THIS SECTION, OF THE FINAL
13 CEASE-AND-DESIST ORDER WITHIN TEN CALENDAR DAYS AFTER THE
14 HEARING CONDUCTED PURSUANT TO THIS SUBSECTION (2)(c) TO EACH
15 PERSON AGAINST WHOM THE FINAL ORDER HAS BEEN ISSUED. THE FINAL
16 ORDER ISSUED PURSUANT TO SUBSECTION (2)(c)(III) OF THIS SECTION IS
17 EFFECTIVE WHEN ISSUED AND CONSTITUTES A FINAL ORDER FOR PURPOSES
18 OF JUDICIAL REVIEW.

19 (3) IF IT APPEARS TO THE DIRECTOR, BASED UPON CREDIBLE
20 EVIDENCE PRESENTED TO THE DIRECTOR, THAT A PERSON HAS ENGAGED IN
21 OR IS ABOUT TO ENGAGE IN ANY UNLICENSED ACT OR PRACTICE, ANY ACT
22 OR PRACTICE CONSTITUTING A VIOLATION OF THIS PART 10, ANY RULE
23 PROMULGATED PURSUANT TO THIS PART 10, ANY ORDER ISSUED PURSUANT
24 TO THIS PART 10, OR ANY ACT OR PRACTICE CONSTITUTING GROUNDS FOR
25 ADMINISTRATIVE SANCTION PURSUANT TO THIS PART 10, THE DIRECTOR
26 MAY ENTER INTO A STIPULATION WITH THE PERSON.

27 (4) IF A PERSON FAILS TO COMPLY WITH A FINAL

1 CEASE-AND-DESIST ORDER OR A STIPULATION, THE DIRECTOR MAY
2 REQUEST THE ATTORNEY GENERAL OR THE DISTRICT ATTORNEY FOR THE
3 JUDICIAL DISTRICT IN WHICH THE ALLEGED VIOLATION EXISTS TO BRING,
4 AND IF SO REQUESTED THE ATTORNEY SHALL BRING, SUIT FOR A
5 TEMPORARY RESTRAINING ORDER AND FOR INJUNCTIVE RELIEF TO
6 PREVENT ANY FURTHER OR CONTINUED VIOLATION OF THE FINAL ORDER.

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

10 **12-10-1013. Hearings - use of administrative law judges -**
11 **subpoenas - rules - judicial review - immunity.** (1) EXCEPT AS
12 OTHERWISE PROVIDED IN THIS SECTION, ALL PROCEEDINGS BEFORE THE
13 DIRECTOR WITH RESPECT TO DISCIPLINARY ACTIONS AND DENIAL OF
14 LICENSURE UNDER THIS PART 10, AT THE DISCRETION OF THE DIRECTOR,
15 MAY BE CONDUCTED BY AN AUTHORIZED REPRESENTATIVE OF THE
16 DIRECTOR OR BY AN ADMINISTRATIVE LAW JUDGE PURSUANT TO SECTIONS
17 24-4-104 AND 24-4-105.

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

25 (3) THE DIRECTOR, AN AUTHORIZED REPRESENTATIVE OF THE
26 DIRECTOR, OR AN ADMINISTRATIVE LAW JUDGE SHALL CONDUCT ALL
27 HEARINGS FOR DENYING, SUSPENDING, OR REVOKING A LICENSE OR

1 CERTIFICATE ON BEHALF OF THE DIRECTOR, SUBJECT TO APPROPRIATIONS
2 MADE TO THE DEPARTMENT OF PERSONNEL. EACH ADMINISTRATIVE LAW
3 JUDGE SHALL BE APPOINTED PURSUANT TO PART 10 OF ARTICLE 30 OF
4 TITLE 24. THE ADMINISTRATIVE LAW JUDGE SHALL CONDUCT THE HEARING
5 IN ACCORDANCE WITH SECTIONS 24-4-104 AND 24-4-105. A LICENSE MAY
6 NOT BE DENIED, SUSPENDED, OR REVOKED UNTIL THE DIRECTOR HAS MADE
7 A DECISION.

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

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

27 (6) IN A JUDICIAL REVIEW PROCEEDING, THE COURT MAY STAY THE

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

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

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

27 **12-10-1014. Advisory committee - rules.** (1) THERE IS HEREBY

1 ESTABLISHED AN ADVISORY COMMITTEE FOR COMMUNITY ASSOCIATION
2 MANAGEMENT. THE PURPOSES OF THE COMMITTEE ARE TO GATHER
3 INFORMATION AND FEEDBACK FROM HOMEOWNERS AND MANAGERS; TO
4 ACT AS A SOUNDING BOARD FOR DISCUSSION OF ISSUES AFFECTING
5 COMMON INTEREST COMMUNITIES; AND TO MAKE RECOMMENDATIONS TO
6 THE DIRECTOR CONCERNING:

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

9 (b) THE COMPLAINT PROCESS, INCLUDING:

10 (I) INFORMATION OR EDUCATION FOR HOMEOWNERS ON FILING A
11 COMPLAINT;

12 (II) THE TIME PERIODS AND PROCESSES THAT APPLY TO THE
13 RESPONSE BY A PERSON ACCUSED OF A VIOLATION AND THE
14 INVESTIGATION OF THE COMPLAINT;

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

17 (IV) COMMUNICATION AMONG THE COMPLAINANT, THE
18 RESPONDENT, AND INVESTIGATORS DURING THE PENDENCY OF A
19 COMPLAINT AND ANY SUBSEQUENT ACTION BY THE DIRECTOR; AND

20 (c) ANY OTHER ISSUES ABOUT WHICH THE DIRECTOR SEEKS INPUT
21 FROM THE ADVISORY COMMITTEE.

22 (2) (a) THE ADVISORY COMMITTEE HAS NO ENFORCEMENT OR
23 DISCIPLINARY ROLE.

24 (b) MEMBERS OF THE ADVISORY COMMITTEE SERVE ON A
25 VOLUNTARY BASIS, WITHOUT COMPENSATION.

26 (c) EVERY MEMBER OF THE ADVISORY COMMITTEE MUST HAVE
27 DEMONSTRATED TRAINING OR EXPERIENCE AND INTEREST IN COMMUNITY

1 ASSOCIATION MANAGEMENT.

2 (3) THE ADVISORY COMMITTEE CONSISTS OF SEVEN MEMBERS,
3 APPOINTED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
4 REGULATORY AGENCIES, AS FOLLOWS:

5 (a) ONE MEMBER WHO IS A UNIT OWNER RESIDING IN COLORADO
6 WHO HAS NOT SERVED ON AN EXECUTIVE BOARD OF A COMMUNITY
7 ASSOCIATION MANAGED BY A LICENSED MANAGER AND HAS NOT, FOR AT
8 LEAST ONE YEAR IMMEDIATELY PRECEDING THE MEMBER'S APPOINTMENT,
9 ACTED AS A LICENSED COMMUNITY ASSOCIATION MANAGER OR WORKED
10 FOR AN ENTITY THAT IS PRIMARILY FOCUSED ON COMMUNITY ASSOCIATION
11 MANAGEMENT OR DEVELOPMENT;

12 (b) ONE MEMBER WHO IS A UNIT OWNER RESIDING IN COLORADO
13 WHO HAS SERVED AT LEAST ONE YEAR ON AN EXECUTIVE BOARD OF A
14 COMMUNITY ASSOCIATION MANAGED BY A LICENSED MANAGER AND HAS
15 NOT, FOR AT LEAST ONE YEAR IMMEDIATELY PRECEDING THE MEMBER'S
16 APPOINTMENT, ACTED AS A LICENSED COMMUNITY ASSOCIATION MANAGER
17 OR WORKED FOR AN ENTITY THAT IS PRIMARILY FOCUSED ON COMMUNITY
18 ASSOCIATION MANAGEMENT OR DEVELOPMENT;

19 (c) THREE MEMBERS WHO RESIDE IN COLORADO AND WHO HOLD
20 ACTIVE COMMUNITY ASSOCIATION MANAGER LICENSES FIRST ISSUED NO
21 LESS THAN THREE YEARS BEFORE APPOINTMENT TO THE COMMITTEE;

22 (d) ONE MEMBER WHO IS A CERTIFIED PUBLIC ACCOUNTANT
23 AUTHORIZED TO PRACTICE IN COLORADO WITH AT LEAST FIVE YEARS OF
24 DIRECT EXPERIENCE WORKING WITH THE FINANCES OF COMMON INTEREST
25 COMMUNITIES; AND

26 (e) ONE MEMBER WHO IS AN ATTORNEY LICENSED TO PRACTICE IN
27 COLORADO WITH AT LEAST FIVE YEARS OF EXPERIENCE ADVISING CLIENTS

1 ON THE "COLORADO COMMON INTEREST OWNERSHIP ACT", ARTICLE 33.3
2 OF TITLE 38, AND COMMUNITY ASSOCIATION LAW.

3 (4) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
4 REGULATORY AGENCIES SHALL TAKE INTO CONSIDERATION GEOGRAPHIC
5 DIVERSITY AND POTENTIAL CONFLICTS OF INTEREST WHEN MAKING
6 APPOINTMENTS TO THE ADVISORY COMMITTEE.

7 (5) (a) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
8 REGULATORY AGENCIES SHALL MAKE INITIAL APPOINTMENTS TO THE
9 ADVISORY COMMITTEE ON OR BEFORE SEPTEMBER 15, 2019. ONCE
10 APPOINTED, THE TERMS OF THE FOLLOWING COMMITTEE MEMBERS ARE
11 TWO YEARS, WHICH TERMS BEGIN ON THE DATE OF NOTIFICATION OF
12 APPOINTMENT:

13 (I) THE UNIT OWNER WHO QUALIFIES UNDER SUBSECTION (3)(a) OF
14 THIS SECTION;

15 (II) ONE COMMUNITY ASSOCIATION MANAGER WHO QUALIFIES
16 UNDER SUBSECTION (3)(c) OF THIS SECTION;

17 (III) THE CERTIFIED PUBLIC ACCOUNTANT WHO QUALIFIES UNDER
18 SUBSECTION (3)(d) OF THIS SECTION; AND

19 (IV) THE ATTORNEY WHO QUALIFIES UNDER SUBSECTION (3)(e) OF
20 THIS SECTION.

21 (b) THE INITIAL TERMS OF THE REMAINING MEMBERS OF THE
22 ADVISORY COMMITTEE ARE THREE YEARS. AFTER THE INITIAL TERMS, THE
23 TERMS OF ALL MEMBERS OF THE COMMITTEE ARE TWO YEARS. NO
24 COMMITTEE MEMBER MAY SERVE MORE THAN TWO FULL TERMS
25 CONSECUTIVELY.

26 (c) IF A VACANCY OCCURS DURING A COMMITTEE MEMBER'S TERM,
27 THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REGULATORY

1 AGENCIES SHALL APPOINT A PERSON QUALIFIED UNDER THIS SECTION TO
2 REPLACE THE MEMBER FOR THE REMAINDER OF THAT MEMBER'S TERM. IF
3 A QUALIFIED SUCCESSOR HAS NOT BEEN FOUND, OR IF THE DIRECTOR IS
4 UNABLE TO SECURE THE SERVICES OF A QUALIFIED PERSON TO FILL ANY OF
5 THE POSITIONS SPECIFIED IN SUBSECTIONS (3)(a) TO (3)(e) OF THIS SECTION
6 FOR AN INITIAL TERM OR A SUBSEQUENT TERM, THE ADVISORY COMMITTEE
7 SHALL NONETHELESS MEET AND ADVISE THE DIRECTOR TO THE BEST OF ITS
8 ABILITY. THERE IS NO QUORUM REQUIREMENT.

9 (6) THE ADVISORY COMMITTEE SHALL ANNUALLY ELECT A
10 CHAIRPERSON FROM AMONG THE MEMBERS OF THE COMMITTEE FOR A
11 TERM OF ONE YEAR. A CHAIRPERSON MAY SERVE MORE THAN ONE TERM
12 AS CHAIR; EXCEPT THAT THE COMMITTEE MUST ELECT THE CHAIRPERSON
13 EACH YEAR. THE COMMITTEE MAY REMOVE THE CHAIRPERSON FROM THAT
14 ROLE, WITH OR WITHOUT CAUSE, AND ELECT A NEW CHAIRPERSON TO FILL
15 THE REMAINDER OF THE TERM.

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

22 **12-10-1015. Saving provision - extension of licenses in effect**
23 **during windup period.** TO ENSURE CONTINUITY IN THE LICENSING
24 PROGRAM UNDER THIS PART 10, A MANAGER WHO, AS OF JUNE 30, 2019,
25 WAS LICENSED UNDER THIS PART 10 AND NOT SUBJECT TO A PENDING
26 REVOCATION PROCEEDING, IS DEEMED TO HAVE BEEN GRANTED A LICENSE
27 RENEWAL FOR ONE YEAR OR UNTIL THE DIRECTOR ADOPTS RULES

1 ADDRESSING THE TREATMENT OF LICENSES ISSUED BEFORE OR DURING THE
2 WIND-UP PERIOD SPECIFIED IN SECTION 24-34-104 (2)(b), WHICHEVER
3 OCCURS FIRST.

4 **12-10-1016. Repeal of part.** THIS PART 10 IS REPEALED,
5 EFFECTIVE SEPTEMBER 1, 2025. BEFORE THE REPEAL, THE FUNCTIONS OF
6 THE DIRECTOR AND THE ADVISORY COMMITTEE FOR COMMUNITY
7 ASSOCIATION MANAGEMENT UNDER THIS PART 10 ARE SCHEDULED FOR
8 REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

9 **SECTION 4. Effective date.** This act takes effect upon passage;
10 except that section 3 of this act takes effect only if House Bill 19-1172
11 becomes law, in which case section 3 takes effect October 1, 2019.

12 **SECTION 5. Safety clause.** The general assembly hereby finds,
13 determines, and declares that this act is necessary for the immediate
14 preservation of the public peace, health, and safety.