

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

PREAMENDED

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

LLS NO. 19-0765.02 Duane Gall x4335

HOUSE BILL 19-1212

HOUSE SPONSORSHIP

Titone and Duran,

SENATE SPONSORSHIP

(None),

House Committees

Transportation & Local Government
Finance

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.

and its director with regard to CAM licensing, as they existed on June 30, 2018, with amendments reflecting an extended sunset date of September 1, 2024, and the recommendations of the department of regulatory agencies as contained in its 2017 sunset report as well as other changes. The changes made in accordance with the sunset report are:

- ! Allowing certain ministerial functions to be delegated to unlicensed persons while maintaining the license requirement for higher-level management functions such as the conduct of board meetings, handling of money, and negotiation of maintenance contracts. The director is authorized to adopt rules further clarifying these distinctions if necessary.
- ! Scaling back the amount of, and circumstances in which, direct supervision of an apprentice is required; specifying that a supervising manager is accountable for the actions of an apprentice; and giving the director authority to adopt rules governing supervision of apprentices; and
- ! Removing the automatic acceptance of certain private credentials as qualifications for licensure and substituting a requirement that the director specify the acceptable credentials by rule.

Additional changes include the creation of a 7-member advisory committee to make recommendations to the director of the division of real estate regarding changes to the rules, adoption of guidelines and processes for the handling of complaints, and other matters on which the director seeks input.

Section 3 duplicates and carries forward all of the preceding content as part of the recodification of title 12, Colorado Revised Statutes, contingent on the passage of House Bill 19-1172.

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

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

4 **PART 10**

5 **COMMUNITY ASSOCIATION MANAGERS**

6 **12-61-1001. Definitions.** AS USED IN THIS PART 10, UNLESS THE
 7 CONTEXT OTHERWISE REQUIRES:

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

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) IS LICENSED WITH THE DIRECTOR FOR PURPOSES OF LEARNING
7 AND PERFORMING ANY PRACTICES THAT REQUIRE A COMMUNITY
8 ASSOCIATION MANAGER LICENSE.

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

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

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

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

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

26 (4) (a) "COMMUNITY ASSOCIATION MANAGEMENT" MEANS ANY OF
27 THE FOLLOWING PRACTICES RELATING TO THE MANAGEMENT OF A

1 COMMON INTEREST COMMUNITY, AT THE DIRECTION OR ON BEHALF OF ITS
2 EXECUTIVE BOARD:

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

6 (II) EXECUTING THE RESOLUTIONS, DECISIONS, AND CONTRACTS OF
7 THE EXECUTIVE BOARD;

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

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

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

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

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

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

26 (b) "COMMUNITY ASSOCIATION MANAGEMENT" DOES NOT MEAN
27 THE PERFORMANCE OF ANY CLERICAL, MINISTERIAL, ACCOUNTING, OR

1 MAINTENANCE FUNCTION. AFTER CONSULTING WITH THE ADVISORY
2 COMMITTEE CREATED IN SECTION 12-61-1013, THE DIRECTOR MAY ADOPT
3 RULES TO FURTHER DEFINE OR CLARIFY WHETHER A SPECIFIC FUNCTION
4 FALLS WITHIN THIS SUBSECTION (4)(b) AND THE REQUIREMENTS, IF ANY,
5 THAT APPLY FOR SUPERVISION OF SUPPORT STAFF BY LICENSED MANAGERS.

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

16 (b) "COMMUNITY ASSOCIATION MANAGER" OR "MANAGER" DOES
17 NOT INCLUDE:

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

21 (II) ANY PUBLIC OFFICIAL IN THE CONDUCT OF THE PUBLIC
22 OFFICIAL'S OFFICIAL DUTIES;

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

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

27 (V) AN ATTORNEY-AT-LAW IN CONNECTION WITH THE ATTORNEY'S

1 REPRESENTATION OF CLIENTS IN THE PRACTICE OF LAW;

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

11 (VII) AN INDEPENDENT CONTRACTOR WHO:

12 (A) PERFORMS ANY CLERICAL, MINISTERIAL, ACCOUNTING, OR
13 MAINTENANCE FUNCTION; OR

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

16 (VIII) AN APPRENTICE WORKING UNDER THE SUPERVISION OF A
17 LICENSED MANAGER.

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

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

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

27 (9) "EXECUTIVE BOARD" HAS THE MEANING SET FORTH IN SECTION

1 38-33.3-103 (16).

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

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

15 **12-61-1002. License required - rules - violations -**
16 **administrative and legal remedies.** (1) IT IS UNLAWFUL FOR ANY
17 PERSON TO ENGAGE IN, OR TO HOLD OUT HIMSELF, HERSELF, OR ITSELF AS
18 QUALIFIED TO ENGAGE IN, THE BUSINESS OF COMMUNITY ASSOCIATION
19 MANAGEMENT OR TO ACT AS A COMMUNITY ASSOCIATION MANAGER
20 WITHOUT FIRST HAVING OBTAINED A LICENSE FROM THE DIRECTOR IN
21 ACCORDANCE WITH SECTION 12-61-1003 OR DURING ANY PERIOD IN WHICH
22 THE MANAGER'S LICENSE IS REVOKED OR SUSPENDED.

23 (2) AFTER CONSULTING WITH THE ADVISORY COMMITTEE CREATED
24 IN SECTION 12-61-1013, THE DIRECTOR SHALL PROMULGATE RULES AS
25 NECESSARY TO ENABLE THE DIRECTOR TO CARRY OUT THE DIRECTOR'S
26 DUTIES UNDER THIS PART 10 AND SHALL ADOPT RULES TO DEFINE THE
27 APPROPRIATE LEVEL OF SUPERVISION FOR SPECIFIC DUTIES PERFORMED BY

1 AN APPRENTICE.

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

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

16 (b) THE DIRECTOR MAY CONDUCT AUDITS OF FINANCIAL AND
17 TRANSACTIONAL RECORDS AND ACCOUNTS OF LICENSEES IN ACCORDANCE
18 WITH RULES ADOPTED BY THE DIRECTOR.

19 **12-61-1003. Application for license - criminal history record**
20 **check - examination - rules.** (1) (a) BEFORE ACTING OR ATTEMPTING OR
21 OFFERING TO ACT AS A COMMUNITY ASSOCIATION MANAGER OR
22 APPRENTICE, A PERSON MUST APPLY TO THE DIRECTOR FOR A LICENSE IN
23 THE FORM AND MANNER PRESCRIBED BY THE DIRECTOR.

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

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

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

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

26 (b) AN APPLICANT IS INELIGIBLE FOR A LICENSE IF THE PERSON
27 HAS, WITHIN THE IMMEDIATELY PRECEDING TEN YEARS, HAD A LICENSE OR

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

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

13 (I) THE NATURE OF THE CONVICTION;

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

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

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

26 (d) NOTWITHSTANDING SUBSECTION (3)(c) OF THIS SECTION, AN
27 APPLICANT IS INELIGIBLE FOR LICENSURE IF THE APPLICANT HAS, WITHIN

1 THE IMMEDIATELY PRECEDING TEN YEARS, BEEN CONVICTED OF AN
2 OFFENSE INVOLVING UNLAWFUL SEXUAL BEHAVIOR AS LISTED IN SECTION
3 16-22-102 (9); A BURGLARY OFFENSE, AS DEFINED IN SECTION 18-4-202 OR
4 18-4-203; OR ANY FELONY INVOLVING FRAUD, THEFT, LARCENY,
5 EMBEZZLEMENT, FRAUDULENT CONVERSION, OR MISAPPROPRIATION OF
6 PROPERTY.

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

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

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

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

18 (II) SUBMIT TO AND PASS AN EXAMINATION WITH TWO SEPARATE
19 PORTIONS, WHICH MAY BE ADMINISTERED SEPARATELY. THE
20 EXAMINATION MUST MEASURE THE COMPETENCY OF THE APPLICANT IN
21 CARRYING OUT THE CORE FUNCTIONS OF COMMUNITY ASSOCIATION
22 MANAGEMENT, REFERRED TO AS THE "GENERAL PORTION" OF THE
23 EXAMINATION, AND IN UNDERSTANDING THE BASIC PROVISIONS OF LEGAL
24 DOCUMENTS AND COLORADO LAW WITH WHICH MANAGERS ARE REQUIRED
25 TO COMPLY, REFERRED TO AS THE "COLORADO LAW PORTION" OF THE
26 EXAMINATION. THE EXAMINATION MUST BE PREPARED BY OR UNDER THE
27 SUPERVISION OF THE DIRECTOR OR THE DIRECTOR'S DESIGNATED

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

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

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

26 (I) FOR THE COLORADO LAW PORTION OF THE EXAMINATION,
27 LEGAL DOCUMENTS; STATUTES, INCLUDING THE CCIOA; AND OTHER

1 APPLICABLE PROVISIONS OF COLORADO LAW; AND

2 (II) FOR THE GENERAL PORTION OF THE EXAMINATION, OTHER
3 CORE COMPETENCIES OF COMMUNITY ASSOCIATION MANAGEMENT, AS
4 SPECIFIED BY THE DIRECTOR.

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

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

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

25 (b) AN ENTITY, IN ITS APPLICATION FOR A LICENSE, SHALL
26 DESIGNATE A QUALIFIED, ACTIVE MANAGER TO BE RESPONSIBLE FOR
27 MANAGEMENT AND SUPERVISION OF THE LICENSED ACTIONS OF THE

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

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

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

22 (8) A PERSON SHALL NOT:

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

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

1 (9) AN APPRENTICE SHALL NOT PERFORM AN ACT THAT OTHERWISE
2 REQUIRES A COMMUNITY ASSOCIATION MANAGER LICENSE EXCEPT:

3 (a) WHEN UNDER THE SUPERVISION OF A LICENSED COMMUNITY
4 ASSOCIATION MANAGER; AND

5 (b) IN ACCORDANCE WITH ANY APPLICABLE RULES OF THE
6 DIRECTOR ADOPTED PURSUANT TO SECTION 12-61-1002 (2).

7 **12-61-1004. Supervision of apprentices - limitation on**
8 **permissible functions.** (1) A SUPERVISING MANAGER, DESIGNATED
9 MANAGER, OR LICENSED ENTITY UNDER WHOSE SUPERVISION AN
10 APPRENTICE PERFORMS MANAGEMENT DUTIES IS ACCOUNTABLE FOR THE
11 APPRENTICE'S ACTIONS.

12 (2) AN APPRENTICE SHALL NOT ATTEND AN EXECUTIVE BOARD
13 MEETING WITHOUT THE PRESENCE OF A LICENSED MANAGER.

14 **12-61-1005. Insurance required - rules.** EVERY LICENSEE UNDER
15 THIS PART 10, EXCEPT AN INACTIVE MANAGER OR AN ATTORNEY LICENSEE
16 WHO MAINTAINS A POLICY OF PROFESSIONAL MALPRACTICE INSURANCE
17 THAT PROVIDES COVERAGE FOR THE LICENSEE'S ACTIVITIES UNDER THIS
18 PART 10, MUST BE INSURED UNDER INSURANCE NECESSARY TO COVER ALL
19 ACTIVITIES CONTEMPLATED UNDER THIS PART 10 IN AN AMOUNT AND
20 UNDER TERMS AND CONDITIONS SPECIFIED BY THE DIRECTOR BY RULE. IN
21 PROMULGATING RULES UNDER THIS SECTION, THE DIRECTOR SHALL SOLICIT
22 AND CONSIDER INFORMATION AND COMMENTS FROM INTERESTED PERSONS.

23 **12-61-1006. Fees and charges for contracted services and**
24 **home sales - disclosure required.** (1) EVERY MANAGER, AND EVERY
25 AGENT OR OTHER PERSON WHO REPRESENTS OR NEGOTIATES ON BEHALF
26 OF A MANAGER, SHALL DISCLOSE TO THE EXECUTIVE BOARD OF EACH HOA
27 FOR WHICH IT PROVIDES OR OFFERS TO PROVIDE SERVICES, DURING

1 CONTRACT NEGOTIATIONS AND THEREAFTER ON AN ANNUAL BASIS, ALL
2 FEES AND OTHER AMOUNTS THAT THE MANAGER CHARGES OR WILL
3 CHARGE TO THE COMMON INTEREST COMMUNITY, UNIT OWNERS, AND
4 PURCHASERS OF UNITS IN THE COMMON INTEREST COMMUNITY FOR OR AS
5 A RESULT OF ANY SERVICE, PRODUCT, TRANSACTION, OR ITEM OF VALUE
6 PROVIDED BY THE MANAGER, ANY EMPLOYEE OR CONTRACTOR OF THE
7 MANAGER, OR ANY OTHER INDIVIDUAL OR ENTITY WITH WHOM THE
8 MANAGER ASSOCIATES IN THE PERFORMANCE OF COMMUNITY
9 ASSOCIATION MANAGEMENT SERVICES.

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

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

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

25 **12-61-1007. Licenses - issuance - contents - display.** THE
26 DIRECTOR SHALL MAKE AVAILABLE FOR EACH LICENSEE A LICENSE IN SUCH
27 FORM AND SIZE AS THE DIRECTOR MAY PRESCRIBE. THE LICENSE MUST

1 SHOW THE NAME OF THE LICENSEE AND MAY CONTAIN SUCH OTHER
2 MATTER AS THE DIRECTOR PRESCRIBES.

3 **12-61-1008. Resident licensee - nonresident licensee - consent**
4 **to service.** (1) A NONRESIDENT OF THE STATE MAY BECOME A
5 COMMUNITY ASSOCIATION MANAGER OR APPRENTICE IN THIS STATE BY
6 CONFORMING TO ALL THE CONDITIONS OF THIS PART 10; EXCEPT THAT THE
7 NONRESIDENT MANAGER IS NOT REQUIRED TO MAINTAIN A PLACE OF
8 BUSINESS WITHIN THIS STATE IF THAT MANAGER MAINTAINS A DEFINITE
9 PLACE OF BUSINESS IN ANOTHER STATE.

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

19 (a) THE DATE THE MANAGER RECEIVES THE PROCESS, NOTICE, OR
20 DEMAND;

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

23 (c) FIVE DAYS AFTER MAILING.

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

1 **12-61-1009. Record of licensees - publications.** THE DIRECTOR
2 SHALL MAINTAIN A RECORD OF THE NAMES AND ADDRESSES OF ALL
3 COMMUNITY ASSOCIATION MANAGERS LICENSED UNDER THIS PART 10,
4 TOGETHER WITH SUCH OTHER INFORMATION RELATIVE TO THE
5 ENFORCEMENT OF THIS PART 10 AS THE DIRECTOR DEEMS NECESSARY. THE
6 DIRECTOR SHALL PUBLISH THE NAME AND ADDRESS RECORD AND OTHER
7 NONPROPRIETARY INFORMATION THE DIRECTOR DEEMS USEFUL TO THE
8 PUBLIC ON THE DIVISION'S WEBSITE. PUBLICATION OF THE RECORD AND OF
9 ANY OTHER INFORMATION CIRCULATED IN QUANTITY OUTSIDE THE
10 EXECUTIVE BRANCH MUST BE IN ACCORDANCE WITH SECTION 24-1-136.

11 **12-61-1010. Change of location or employment status - notice**
12 **required.** (1) A COMMUNITY ASSOCIATION MANAGER LICENSED UNDER
13 THIS PART 10 SHALL NOTIFY THE DIRECTOR WITHIN THIRTY DAYS AFTER
14 ANY CHANGE OF BUSINESS LOCATION OR EMPLOYMENT. A CHANGE OF
15 BUSINESS ADDRESS OR EMPLOYMENT STATUS WITHOUT NOTIFICATION TO
16 THE DIRECTOR AUTOMATICALLY INACTIVATES THE LICENSEE'S LICENSE.

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

22 **12-61-1011. License fees - partnership, limited liability**
23 **company, and corporation licenses - rules.** (1) THE DIRECTOR SHALL
24 ESTABLISH, COLLECT, AND PERIODICALLY ADJUST, IN ACCORDANCE WITH
25 SECTION 12-61-111.5, FEES FOR:

- 26 (a) EACH EXAMINATION;
- 27 (b) EACH MANAGER'S OR ENTITY'S ORIGINAL APPLICATION AND

1 LICENSE;

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

3 (d) ANY CHANGE OF NAME, ADDRESS, OR EMPLOYMENT STATUS
4 REQUIRING A CHANGE IN DIRECTOR RECORDS; AND

5 (e) EACH APPRENTICE'S ORIGINAL APPLICATION AND LICENSE.

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

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

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

21 **12-61-1012. Investigation - revocation - actions against**

22 **licensee - rules.** (1) THE DIRECTOR, UPON THE DIRECTOR'S OWN MOTION,
23 MAY, AND, UPON THE COMPLAINT IN WRITING OF ANY PERSON, SHALL,
24 INVESTIGATE THE ACTIVITIES OF ANY LICENSEE OR ANY PERSON WHO
25 ASSUMES TO ACT IN THE CAPACITY OF A LICENSEE WITHIN THE STATE UPON
26 THE DIRECTOR'S DETERMINATION THAT THE COMPLAINT IS VALID. THE
27 DIRECTOR, AFTER HOLDING A HEARING IN ACCORDANCE WITH THE "STATE

1 ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24, MAY IMPOSE
2 AN ADMINISTRATIVE FINE NOT TO EXCEED TWO THOUSAND FIVE HUNDRED
3 DOLLARS FOR EACH SEPARATE OFFENSE, CENSURE A LICENSEE, PLACE THE
4 LICENSEE ON PROBATION AND SET THE TERMS OF PROBATION, OR
5 TEMPORARILY SUSPEND OR PERMANENTLY REVOKE A LICENSE WHEN THE
6 LICENSEE HAS PERFORMED, IS PERFORMING, OR IS ATTEMPTING TO
7 PERFORM ANY OF THE FOLLOWING 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 **12-61-1013. 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 **12-61-1014. 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 **12-61-1015. 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 **12-61-1016. Repeal of part.** THIS PART 10 IS REPEALED,
25 EFFECTIVE SEPTEMBER 1, 2025. BEFORE THE REPEAL, THE FUNCTIONS OF
26 THE DIRECTOR AND THE ADVISORY COMMITTEE FOR COMMUNITY
27 ASSOCIATION MANAGEMENT UNDER THIS PART 10 ARE SCHEDULED FOR

1 REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

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

4 **24-34-104. General assembly review of regulatory agencies**
5 **and functions for repeal, continuation, or reestablishment - legislative**
6 **declaration - repeal.** (15) (a) The following agencies, functions, or both,
7 will repeal on September 1, 2018:

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

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

13 (VIII) THE LICENSING OF COMMUNITY ASSOCIATION MANAGERS
14 AND APPRENTICES BY THE DIRECTOR OF THE DIVISION OF REAL ESTATE IN
15 ACCORDANCE WITH PART 10 OF ARTICLE 61 OF TITLE 12.

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

18 PART 10

19 COMMUNITY ASSOCIATION MANAGERS

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

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

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

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

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

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

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

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

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

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

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

25 (I) ACTING WITH THE AUTHORITY OF THE COMMON INTEREST
26 COMMUNITY WITH RESPECT TO ITS BUSINESS, LEGAL, FINANCIAL, OR OTHER
27 TRANSACTIONS;

1 (II) EXECUTING THE RESOLUTIONS, DECISIONS, AND CONTRACTS OF
2 THE EXECUTIVE BOARD;

3 (III) ENFORCING THE RIGHTS OF THE COMMON INTEREST
4 COMMUNITY SECURED BY STATUTE, CONTRACT, COVENANT, RULE, OR
5 BYLAW;

6 (IV) ADMINISTERING OR COORDINATING CONTRACTS FOR
7 MAINTENANCE OF PROPERTY OR FACILITIES OF THE COMMON INTEREST
8 COMMUNITY;

9 (V) EVALUATING APPLICATIONS FOR ARCHITECTURAL REVIEW AND
10 RECOMMENDING OR MAKING FINAL DECISIONS REGARDING THOSE
11 APPLICATIONS;

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

14 (VII) MAINTAINING THE COMMON INTEREST COMMUNITY'S
15 RECORDS PURSUANT TO ITS GOVERNING DOCUMENTS AND APPLICABLE
16 PROVISIONS OF THE CCIOA; OR

17 (VIII) ADMINISTERING, OR OTHERWISE EXERCISING CONTROL OF,
18 A COMMON INTEREST COMMUNITY'S FUNDS, INCLUDING THE
19 ADMINISTRATION OF A RESERVE PROGRAM FOR THE MAJOR REPAIR OR
20 REPLACEMENT OF CAPITAL ASSETS.

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

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

11 (b) "COMMUNITY ASSOCIATION MANAGER" OR "MANAGER" DOES
12 NOT INCLUDE:

13 (I) A PERSON WHO, UNDER THE SUPERVISION OF A MANAGER OR
14 THE EXECUTIVE BOARD, PERFORMS ANY CLERICAL, MINISTERIAL,
15 ACCOUNTING, OR MAINTENANCE FUNCTION;

16 (II) ANY PUBLIC OFFICIAL IN THE CONDUCT OF THE PUBLIC
17 OFFICIAL'S OFFICIAL DUTIES;

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

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

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

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

1 NON-PROPERTY MANAGEMENT NATURE. FOR THE PURPOSES OF THIS
2 SUBSECTION (5)(b), THE TERM "OFFICERS OR REGULAR SALARIED
3 EMPLOYEES" MEANS PERSONS REGULARLY EMPLOYED WHO DERIVE NOT
4 LESS THAN SEVENTY-FIVE PERCENT OF THEIR COMPENSATION FROM THE
5 CORPORATION IN THE FORM OF SALARIES;

6 (VII) AN INDEPENDENT CONTRACTOR WHO:

7 (A) PERFORMS ANY CLERICAL, MINISTERIAL, ACCOUNTING, OR
8 MAINTENANCE FUNCTION; OR

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

11 (VIII) AN APPRENTICE WORKING UNDER THE SUPERVISION OF A
12 LICENSED MANAGER.

13 (6) "DESIGNATED MANAGER" MEANS A PERSON WHO IS CURRENTLY
14 LICENSED AS A MANAGER AND WHO, ON BEHALF OF A LICENSED ENTITY, IS
15 RESPONSIBLE FOR PERFORMING COMMUNITY ASSOCIATION MANAGEMENT
16 PRACTICES AND SUPERVISING COMMUNITY ASSOCIATION MANAGEMENT
17 PRACTICES PERFORMED BY PERSONS EMPLOYED BY, OR ACTING ON BEHALF
18 OF, THE LICENSED ENTITY.

19 (7) "EXECUTIVE BOARD" HAS THE MEANING SET FORTH IN SECTION
20 38-33.3-103 (16).

21 (8) "HOA" OR "HOMEOWNERS' ASSOCIATION" MEANS AN HOA AS
22 DEFINED IN SECTION 12-10-101 (3); EXCEPT THAT THE TERM DOES NOT
23 INCLUDE AN ASSOCIATION OR UNIT OWNERS' ASSOCIATION IN WHICH A
24 MAJORITY OF UNITS THAT ARE DESIGNATED FOR RESIDENTIAL USE ARE
25 TIME SHARE UNITS, AS DEFINED IN SECTION 38-33-110 (7). AS USED IN THIS
26 SUBSECTION (10), "MAJORITY OF UNITS" MEANS THE UNITS TO WHICH ARE
27 ALLOCATED MORE THAN FIFTY PERCENT OF THE ALLOCATED INTERESTS IN

1 THE COMMON INTEREST COMMUNITY APPURTENANT TO ALL UNITS THAT
2 ARE DESIGNATED FOR RESIDENTIAL USE.

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

5 **12-10-1002. License required - rules - violations -**
6 **administrative and legal remedies.** (1) IT IS UNLAWFUL FOR ANY
7 PERSON TO ENGAGE IN, OR TO HOLD OUT HIMSELF, HERSELF, OR ITSELF AS
8 QUALIFIED TO ENGAGE IN, THE BUSINESS OF COMMUNITY ASSOCIATION
9 MANAGEMENT OR TO ACT AS A COMMUNITY ASSOCIATION MANAGER
10 WITHOUT FIRST HAVING OBTAINED A LICENSE FROM THE DIRECTOR IN
11 ACCORDANCE WITH SECTION 12-10-1003 OR DURING ANY PERIOD IN WHICH
12 THE MANAGER'S LICENSE IS REVOKED OR SUSPENDED.

13 (2) AFTER CONSULTING WITH THE ADVISORY COMMITTEE CREATED
14 IN SECTION 12-10-1013, THE DIRECTOR SHALL PROMULGATE RULES AS
15 NECESSARY TO ENABLE THE DIRECTOR TO CARRY OUT THE DIRECTOR'S
16 DUTIES UNDER THIS PART 10 AND SHALL ADOPT RULES TO DEFINE THE
17 APPROPRIATE LEVEL OF SUPERVISION FOR SPECIFIC DUTIES PERFORMED BY
18 AN APPRENTICE.

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

23 (a) THE DIRECTOR MAY APPLY TO A COURT OF COMPETENT
24 JURISDICTION FOR AN ORDER ENJOINING ANY ACT OR PRACTICE THAT
25 CONSTITUTES A VIOLATION OF THIS PART 10 OR A RULE ADOPTED UNDER
26 THIS PART 10, AND, UPON A SHOWING THAT A PERSON IS ENGAGING OR
27 INTENDS TO ENGAGE IN ANY SUCH ACT OR PRACTICE, THE COURT SHALL

1 GRANT AN INJUNCTION, RESTRAINING ORDER, OR OTHER APPROPRIATE
2 ORDER REGARDLESS OF THE EXISTENCE OF ANOTHER REMEDY FOR THE
3 VIOLATION. ANY NOTICE OR HEARING AND THE DURATION OF ANY
4 INJUNCTION OR RESTRAINING ORDER IS GOVERNED BY THE COLORADO
5 RULES OF CIVIL PROCEDURE.

6 (b) THE DIRECTOR MAY CONDUCT AUDITS OF FINANCIAL AND
7 TRANSACTIONAL RECORDS AND ACCOUNTS OF LICENSEES IN ACCORDANCE
8 WITH RULES ADOPTED BY THE DIRECTOR.

9 **12-10-1003. Application for license - criminal history record**
10 **check - examination - rules.** (1) (a) BEFORE ACTING OR ATTEMPTING OR
11 OFFERING TO ACT AS A COMMUNITY ASSOCIATION MANAGER OR
12 APPRENTICE, A PERSON MUST APPLY TO THE DIRECTOR FOR A LICENSE IN
13 THE FORM AND MANNER PRESCRIBED BY THE DIRECTOR.

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

1 FINGERPRINTS ARE UNCLASSIFIABLE.

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

8 (3) (a) THE DIRECTOR MAY REQUIRE AND PROCURE ANY PROOF
9 NECESSARY IN REFERENCE TO THE TRUTHFULNESS, HONESTY, AND GOOD
10 MORAL CHARACTER OF ANY APPLICANT FOR A LICENSE OR, IF THE
11 APPLICANT IS A PARTNERSHIP, LIMITED LIABILITY COMPANY, OR
12 CORPORATION, OF ANY PARTNER, MANAGER, DIRECTOR, OFFICER, MEMBER,
13 OR STOCKHOLDER IF THE PERSON HAS, EITHER DIRECTLY OR INDIRECTLY,
14 A SUBSTANTIAL INTEREST IN THE APPLICANT PRIOR TO THE ISSUANCE OF
15 THE LICENSE.

16 (b) AN APPLICANT IS INELIGIBLE FOR A LICENSE IF THE PERSON
17 HAS, WITHIN THE IMMEDIATELY PRECEDING TEN YEARS, HAD A LICENSE OR
18 CERTIFICATION AS A COMMUNITY ASSOCIATION MANAGER REVOKED OR
19 SUSPENDED IN COLORADO OR ANY OTHER JURISDICTION THAT REGULATES
20 COMMUNITY ASSOCIATION MANAGERS; EXCEPT THAT THE DIRECTOR HAS
21 THE DISCRETION TO ACCEPT THE PERSON'S APPLICATION IF AT LEAST TWO
22 YEARS HAVE ELAPSED SINCE THE DATE OF THE REVOCATION OR
23 SUSPENSION AND THE APPLICANT HAS PROVED TO THE DIRECTOR THAT THE
24 APPLICANT IS FIT TO BE LICENSED AS A COMMUNITY ASSOCIATION
25 MANAGER IN COLORADO.

26 (c) IF THE DIRECTOR DETERMINES THAT THE APPLICANT HAS BEEN
27 CONVICTED OF A CRIME, THE DIRECTOR SHALL CONSIDER THE FOLLOWING

1 FACTORS WHEN DETERMINING WHETHER THE CONVICTION DISQUALIFIES
2 THE APPLICANT FOR A LICENSE:

3 (I) THE NATURE OF THE CONVICTION;

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

12 (III) ANY INFORMATION PRODUCED BY THE APPLICANT OR
13 PRODUCED ON THE APPLICANT'S BEHALF REGARDING THE APPLICANT'S
14 REHABILITATION AND GOOD CONDUCT; AND

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

16 (d) NOTWITHSTANDING SUBSECTION (3)(c) OF THIS SECTION, AN
17 APPLICANT IS INELIGIBLE FOR LICENSURE IF THE APPLICANT HAS, WITHIN
18 THE IMMEDIATELY PRECEDING TEN YEARS, BEEN CONVICTED OF AN
19 OFFENSE INVOLVING UNLAWFUL SEXUAL BEHAVIOR AS LISTED IN SECTION
20 16-22-102 (9); A BURGLARY OFFENSE, AS DEFINED IN SECTION 18-4-202 OR
21 18-4-203; OR ANY FELONY INVOLVING FRAUD, THEFT, LARCENY,
22 EMBEZZLEMENT, FRAUDULENT CONVERSION, OR MISAPPROPRIATION OF
23 PROPERTY.

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

1 (5) (a) AN APPLICANT FOR A MANAGER'S LICENSE MUST:
2 (I) (A) HOLD ONE OR MORE CREDENTIALS IDENTIFIED IN RULES
3 ADOPTED BY THE DIRECTOR IN CONSULTATION WITH THE ADVISORY
4 COMMITTEE CREATED IN SECTION 12-10-1013; OR
5 (B) CERTIFY COMPLETION OF ANY EDUCATIONAL OR CONTINUING
6 EDUCATIONAL REQUIREMENTS AS DETERMINED BY THE DIRECTOR IN RULES
7 AND PUBLISHED ON THE DIVISION'S WEBSITE; AND
8 (II) SUBMIT TO AND PASS AN EXAMINATION WITH TWO SEPARATE
9 PORTIONS, WHICH MAY BE ADMINISTERED SEPARATELY. THE
10 EXAMINATION MUST MEASURE THE COMPETENCY OF THE APPLICANT IN
11 CARRYING OUT THE CORE FUNCTIONS OF COMMUNITY ASSOCIATION
12 MANAGEMENT, REFERRED TO AS THE "GENERAL PORTION" OF THE
13 EXAMINATION, AND IN UNDERSTANDING THE BASIC PROVISIONS OF LEGAL
14 DOCUMENTS AND COLORADO LAW WITH WHICH MANAGERS ARE REQUIRED
15 TO COMPLY, REFERRED TO AS THE "COLORADO LAW PORTION" OF THE
16 EXAMINATION. THE EXAMINATION MUST BE PREPARED BY OR UNDER THE
17 SUPERVISION OF THE DIRECTOR OR THE DIRECTOR'S DESIGNATED
18 CONTRACTOR OR CONTRACTORS. THE DIRECTOR MAY CONTRACT WITH ONE
19 OR MORE INDEPENDENT TESTING SERVICES TO DEVELOP, ADMINISTER, OR
20 GRADE EXAMINATIONS OR TO ADMINISTER LICENSEE RECORDS. THE
21 CONTRACTS MAY ALLOW THE TESTING SERVICE TO RECOVER FROM THE
22 APPLICANT THE COSTS OF THE EXAMINATION AND THE COSTS OF
23 ADMINISTERING THE EXAMINATION AND LICENSE RECORDS. THE DIRECTOR
24 MAY CONTRACT SEPARATELY FOR THESE FUNCTIONS AND ALLOW
25 RECOVERED COSTS TO BE COLLECTED AND RETAINED BY A SINGLE
26 CONTRACTOR FOR DISTRIBUTION TO OTHER CONTRACTORS. THE DIRECTOR
27 MAY SET THE SEPARATE MINIMUM PASSING SCORES FOR THE GENERAL

1 PORTION AND THE COLORADO LAW PORTION OF THE EXAMINATION. THE
2 DIRECTOR SHALL PRESCRIBE THE TIMES AND PLACES AT WHICH THE
3 EXAMINATION AS A WHOLE IS GIVEN OR AT WHICH THE SEPARATE
4 PORTIONS OF THE EXAMINATION ARE GIVEN.

5 (b) AN APPLICANT WHO HOLDS A CREDENTIAL APPROVED BY THE
6 DIRECTOR PURSUANT TO SUBSECTION (5)(a)(I) OF THIS SECTION AND HAS
7 MAINTAINED THE CREDENTIAL IN GOOD STANDING, INCLUDING HAVING
8 COMPLETED ALL ONGOING EDUCATION REQUIRED TO MAINTAIN THE
9 CREDENTIAL, MUST COMPLETE THE COLORADO LAW PORTION, BUT MAY BE
10 EXEMPTED FROM THE REQUIREMENT TO COMPLETE THE GENERAL PORTION,
11 OF THE EXAMINATION DESCRIBED IN SUBSECTION (5)(a)(II) OF THIS
12 SECTION.

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

16 (I) FOR THE COLORADO LAW PORTION OF THE EXAMINATION,
17 LEGAL DOCUMENTS; STATUTES, INCLUDING THE CCIOA; AND OTHER
18 APPLICABLE PROVISIONS OF COLORADO LAW; AND

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

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

1 (e) THE DIVISION MAY WAIVE THE GENERAL PORTION OF THE
2 EXAMINATION FOR AN APPLICANT WHO HAS HELD A COMMUNITY
3 ASSOCIATION MANAGER LICENSE IN ANOTHER JURISDICTION THAT
4 REGULATES COMMUNITY ASSOCIATION MANAGERS AND WHO HAS BEEN
5 LICENSED FOR TWO OR MORE YEARS PRIOR TO APPLYING FOR A COLORADO
6 LICENSE IF THE APPLICANT ESTABLISHES THAT THE APPLICANT POSSESSES
7 CREDENTIALS AND QUALIFICATIONS THAT ARE SUBSTANTIVELY
8 EQUIVALENT TO THE REQUIREMENTS IN COLORADO FOR LICENSURE BY
9 EXAMINATION, AS DETERMINED BY THE DIRECTOR BY RULE. IF THE
10 DIRECTOR GRANTS SUCH A WAIVER, THE DIRECTOR SHALL MAKE THE
11 LICENSE CONDITIONAL UPON THE APPLICANT'S COMPLETION OF THE
12 COLORADO LAW PORTION OF THE EXAMINATION WITHIN A SPECIFIED TIME.

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

15 (b) AN ENTITY, IN ITS APPLICATION FOR A LICENSE, SHALL
16 DESIGNATE A QUALIFIED, ACTIVE MANAGER TO BE RESPONSIBLE FOR
17 MANAGEMENT AND SUPERVISION OF THE LICENSED ACTIONS OF THE
18 ENTITY AND ALL PERSONS EMPLOYED BY, OR ACTING AT ANY TIME ON
19 BEHALF OF, THE ENTITY. A LICENSE MAY NOT BE ISSUED TO THE ENTITY
20 UNLESS THE MANAGER SO DESIGNATED TAKES AND PASSES THE
21 EXAMINATION REQUIRED BY THIS PART 10 AND SUBMITS FINGERPRINTS IN
22 ACCORDANCE WITH SUBSECTION (1)(b) OF THIS SECTION. UPON THE
23 MANAGER SUCCESSFULLY PASSING THE EXAMINATION AND UPON
24 COMPLIANCE WITH ALL OTHER REQUIREMENTS OF LAW BY THE ENTITY AS
25 WELL AS BY THE MANAGER, THE DIRECTOR SHALL ISSUE A DESIGNATED
26 MANAGER'S LICENSE TO THE MANAGER.

27 (c) IF THE DESIGNATED MANAGER IS REFUSED A LICENSE BY THE

1 DIRECTOR OR CEASES TO BE THE DESIGNATED MANAGER OF THE ENTITY,
2 THE ENTITY MAY DESIGNATE ANOTHER PERSON TO APPLY FOR A LICENSE,
3 AND THE DIRECTOR MAY ISSUE A TEMPORARY LICENSE TO PREVENT
4 HARDSHIP FOR A PERIOD NOT TO EXCEED NINETY DAYS TO THE PERSON SO
5 DESIGNATED.

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

12 (8) A PERSON SHALL NOT:

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

15 (b) CONDUCT OR PROMOTE BUSINESS AS A COMMUNITY
16 ASSOCIATION MANAGER EXCEPT UNDER THE NAME UNDER WHICH THE
17 PERSON IS LICENSED.

18 (9) AN APPRENTICE SHALL NOT PERFORM AN ACT THAT OTHERWISE
19 REQUIRES A COMMUNITY ASSOCIATION MANAGER LICENSE EXCEPT:

20 (a) WHEN UNDER THE SUPERVISION OF A LICENSED COMMUNITY
21 ASSOCIATION MANAGER; AND

22 (b) IN ACCORDANCE WITH ANY APPLICABLE RULES OF THE
23 DIRECTOR ADOPTED PURSUANT TO SECTION 12-10-1002 (2).

24 **12-10-1004. Supervision of apprentices - limitation on**
25 **permissible functions.** (1) A SUPERVISING MANAGER, DESIGNATED
26 MANAGER, OR LICENSED ENTITY UNDER WHOSE SUPERVISION AN
27 APPRENTICE PERFORMS MANAGEMENT DUTIES IS ACCOUNTABLE FOR THE

1 APPRENTICE'S ACTIONS.

2 (2) AN APPRENTICE SHALL NOT ATTEND AN EXECUTIVE BOARD
3 MEETING WITHOUT THE PRESENCE OF A LICENSED MANAGER.

4 **12-10-1005. Insurance required - rules.** EVERY LICENSEE UNDER
5 THIS PART 10, EXCEPT AN INACTIVE MANAGER OR AN ATTORNEY LICENSEE
6 WHO MAINTAINS A POLICY OF PROFESSIONAL MALPRACTICE INSURANCE
7 THAT PROVIDES COVERAGE FOR THE LICENSEE'S ACTIVITIES UNDER THIS
8 PART 10, MUST BE INSURED UNDER INSURANCE NECESSARY TO COVER ALL
9 ACTIVITIES CONTEMPLATED UNDER THIS PART 10 IN AN AMOUNT AND
10 UNDER TERMS AND CONDITIONS SPECIFIED BY THE DIRECTOR BY RULE. IN
11 PROMULGATING RULES UNDER THIS SECTION, THE DIRECTOR SHALL SOLICIT
12 AND CONSIDER INFORMATION AND COMMENTS FROM INTERESTED PERSONS.

13 **12-10-1006. Fees and charges for contracted services and**
14 **home sales - disclosure required.** (1) EVERY MANAGER, AND EVERY
15 AGENT OR OTHER PERSON WHO REPRESENTS OR NEGOTIATES ON BEHALF
16 OF A MANAGER, SHALL DISCLOSE TO THE EXECUTIVE BOARD OF EACH HOA
17 FOR WHICH IT PROVIDES OR OFFERS TO PROVIDE SERVICES, DURING
18 CONTRACT NEGOTIATIONS AND THEREAFTER ON AN ANNUAL BASIS, ALL
19 FEES AND OTHER AMOUNTS THAT THE MANAGER CHARGES OR WILL
20 CHARGE TO THE COMMON INTEREST COMMUNITY, UNIT OWNERS, AND
21 PURCHASERS OF UNITS IN THE COMMON INTEREST COMMUNITY FOR OR AS
22 A RESULT OF ANY SERVICE, PRODUCT, TRANSACTION, OR ITEM OF VALUE
23 PROVIDED BY THE MANAGER, ANY EMPLOYEE OR CONTRACTOR OF THE
24 MANAGER, OR ANY OTHER INDIVIDUAL OR ENTITY WITH WHOM THE
25 MANAGER ASSOCIATES IN THE PERFORMANCE OF COMMUNITY
26 ASSOCIATION MANAGEMENT SERVICES.

27 (2) NEITHER A MANAGER NOR ANY AGENT OF A MANAGER MAY

1 ENFORCE ANY FEE OR CHARGE, INCLUDING A TRANSFER FEE, AGAINST THE
2 HOA OR ANY BUYER OR SELLER OF PROPERTY SERVED BY THE HOA
3 UNLESS THE AMOUNT OF THE FEE OR CHARGE IS EXPLICITLY DISCLOSED IN
4 THE MANAGER'S CONTRACT WITH THE HOA OR IN AN ADDENDUM TO THE
5 CONTRACT.

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

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

15 **12-10-1007. Licenses - issuance - contents - display.** THE
16 DIRECTOR SHALL MAKE AVAILABLE FOR EACH LICENSEE A LICENSE IN SUCH
17 FORM AND SIZE AS THE DIRECTOR MAY PRESCRIBE. THE LICENSE MUST
18 SHOW THE NAME OF THE LICENSEE AND MAY CONTAIN SUCH OTHER
19 MATTER AS THE DIRECTOR PRESCRIBES.

20 **12-10-1008. Resident licensee - nonresident licensee - consent**
21 **to service.** (1) A NONRESIDENT OF THE STATE MAY BECOME A
22 COMMUNITY ASSOCIATION MANAGER OR APPRENTICE IN THIS STATE BY
23 CONFORMING TO ALL THE CONDITIONS OF THIS PART 10; EXCEPT THAT THE
24 NONRESIDENT MANAGER IS NOT REQUIRED TO MAINTAIN A PLACE OF
25 BUSINESS WITHIN THIS STATE IF THAT MANAGER MAINTAINS A DEFINITE
26 PLACE OF BUSINESS IN ANOTHER STATE.

27 (2) IF A MANAGER HAS NO REGISTERED AGENT REGISTERED IN THIS

1 STATE AS CONTEMPLATED BY SECTION 7-90-701, THE REGISTERED AGENT
2 IS NOT LOCATED UNDER ITS REGISTERED AGENT NAME AT ITS REGISTERED
3 AGENT ADDRESS, OR THE REGISTERED AGENT CANNOT WITH REASONABLE
4 DILIGENCE BE SERVED, NOTWITHSTANDING SECTION 7-90-704, THE
5 MANAGER MAY BE SERVED BY REGISTERED MAIL OR BY CERTIFIED MAIL,
6 RETURN RECEIPT REQUESTED, ADDRESSED TO THE MANAGER AT THE
7 MANAGER'S LAST-KNOWN ADDRESS. SERVICE IS PERFECTED UNDER THIS
8 SUBSECTION (2) AT THE EARLIEST OF:

9 (a) THE DATE THE MANAGER RECEIVES THE PROCESS, NOTICE, OR
10 DEMAND;

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

13 (c) FIVE DAYS AFTER MAILING.

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

18 **12-10-1009. Record of licensees - publications.** THE DIRECTOR
19 SHALL MAINTAIN A RECORD OF THE NAMES AND ADDRESSES OF ALL
20 COMMUNITY ASSOCIATION MANAGERS LICENSED UNDER THIS PART 10,
21 TOGETHER WITH SUCH OTHER INFORMATION RELATIVE TO THE
22 ENFORCEMENT OF THIS PART 10 AS THE DIRECTOR DEEMS NECESSARY. THE
23 DIRECTOR SHALL PUBLISH THE NAME AND ADDRESS RECORD AND OTHER
24 NONPROPRIETARY INFORMATION THE DIRECTOR DEEMS USEFUL TO THE
25 PUBLIC ON THE DIVISION'S WEBSITE. PUBLICATION OF THE RECORD AND OF
26 ANY OTHER INFORMATION CIRCULATED IN QUANTITY OUTSIDE THE
27 EXECUTIVE BRANCH MUST BE IN ACCORDANCE WITH SECTION 24-1-136.

1 **12-10-1010. Change of location or employment status - notice**
2 **required.** (1) A COMMUNITY ASSOCIATION MANAGER LICENSED UNDER
3 THIS PART 10 SHALL NOTIFY THE DIRECTOR WITHIN THIRTY DAYS AFTER
4 ANY CHANGE OF BUSINESS LOCATION OR EMPLOYMENT. A CHANGE OF
5 BUSINESS ADDRESS OR EMPLOYMENT STATUS WITHOUT NOTIFICATION TO
6 THE DIRECTOR AUTOMATICALLY INACTIVATES THE LICENSEE'S LICENSE.

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

12 **12-10-1011. License fees - partnership, limited liability**
13 **company, and corporation licenses - rules.** (1) THE DIRECTOR SHALL
14 ESTABLISH, COLLECT, AND PERIODICALLY ADJUST, IN ACCORDANCE WITH
15 SECTION 12-10-215, FEES FOR:

- 16 (a) EACH EXAMINATION;
- 17 (b) EACH MANAGER'S OR ENTITY'S ORIGINAL APPLICATION AND
18 LICENSE;
- 19 (c) EACH RENEWAL OR REINSTATEMENT OF A MANAGER'S LICENSE;
- 20 (d) ANY CHANGE OF NAME, ADDRESS, OR EMPLOYMENT STATUS
21 REQUIRING A CHANGE IN DIRECTOR RECORDS; AND
- 22 (e) EACH APPRENTICE'S ORIGINAL APPLICATION AND LICENSE.

23 (2) THE DIRECTOR SHALL TRANSMIT ALL FEES TO THE STATE
24 TREASURER, WHO SHALL CREDIT THEM TO THE DIVISION OF REAL ESTATE
25 CASH FUND, CREATED IN SECTION 12-10-215 (2)(b). FEES COLLECTED
26 UNDER SUBSECTIONS (1)(b) TO (1)(e) OF THIS SECTION ARE
27 NONREFUNDABLE.

1 (3) EXCEPT AS PROVIDED IN SUBSECTION (4) OF THIS SECTION,
2 LICENSES ARE VALID FOR UP TO THREE YEARS, SUBJECT TO EXPIRATION
3 AND RENEWAL ON A SCHEDULE DETERMINED BY THE DIRECTOR. THE
4 DIRECTOR SHALL ESTABLISH, BY RULE, THE REQUIREMENTS FOR
5 CONTINUING EDUCATION, REEXAMINATION, AND SUBSEQUENT CRIMINAL
6 HISTORY RECORD CHECKS; EXCEPT THAT THESE REQUIREMENTS MUST NOT
7 BE MORE STRINGENT THAN THE EQUIVALENT REQUIREMENTS FOR REAL
8 ESTATE BROKERS UNDER PART 2 OF THIS ARTICLE 10.

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

11 **12-10-1012. Investigation - revocation - actions against**

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

25 (a) KNOWINGLY MAKING ANY MISREPRESENTATION OR
26 KNOWINGLY MAKING USE OF ANY FALSE OR MISLEADING ADVERTISING;

27 (b) MAKING ANY PROMISE OF A CHARACTER THAT INFLUENCES,

1 PERSUADES, OR INDUCES ANOTHER PERSON WHEN HE OR SHE COULD NOT
2 OR DID NOT INTEND TO KEEP SUCH PROMISE;

3 (c) KNOWINGLY MISREPRESENTING OR MAKING FALSE PROMISES
4 THROUGH AGENTS, ADVERTISING, OR OTHERWISE;

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

7 (e) KNOWINGLY VIOLATING OR KNOWINGLY DIRECTING OTHERS TO
8 VIOLATE CCIOA;

9 (f) FAILING TO ACCOUNT FOR OR TO REMIT, WITHIN A REASONABLE
10 TIME, ANY MONEY COMING INTO THE LICENSEE'S POSSESSION THAT
11 BELONGS TO OTHERS, WHETHER ACTING AS A COMMUNITY ASSOCIATION
12 MANAGER, APPRENTICE, OR OTHERWISE, AND FAILING TO KEEP RECORDS
13 RELATIVE TO THE MONEY, WHICH RECORDS MUST CONTAIN ANY
14 INFORMATION REQUIRED BY RULES OF THE DIRECTOR AND ARE SUBJECT TO
15 AUDIT BY THE DIRECTOR;

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

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

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

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

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

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

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

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

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

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

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

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

26 (II) A REAL ESTATE BROKER OR SALESPERSON;

27 (III) A REAL ESTATE APPRAISER, AS DEFINED BY SECTION

1 12-61-702 (11);
2 (IV) AN INSURANCE PRODUCER, AS DEFINED BY SECTION 10-2-103
3 (6);
4 (V) AN ATTORNEY;
5 (VI) A SECURITIES BROKER-DEALER, AS DEFINED BY SECTION
6 11-51-201 (2);
7 (VII) A SECURITIES SALES REPRESENTATIVE, AS DEFINED BY
8 SECTION 11-51-201 (14);
9 (VIII) AN INVESTMENT ADVISOR, AS DEFINED BY SECTION
10 11-51-201 (9.5); OR
11 (IX) AN INVESTMENT ADVISOR REPRESENTATIVE, AS DEFINED BY
12 SECTION 11-51-201 (9.6);
13 (r) ACTING OUTSIDE THE SCOPE OF AUTHORITY GRANTED BY THE
14 ISSUANCE OF A LICENSE; OR
15 (s) ANY OTHER CONDUCT, WHETHER OF THE SAME OR A DIFFERENT
16 CHARACTER THAN SPECIFIED IN THIS SUBSECTION (1), THAT CONSTITUTES
17 DISHONEST DEALING.
18 (2) IF A FIRM, PARTNERSHIP, LIMITED LIABILITY COMPANY,
19 ASSOCIATION, OR CORPORATION OPERATING UNDER THE LICENSE OF A
20 MANAGER DESIGNATED AND LICENSED AS A REPRESENTATIVE OF THE
21 ENTITY COMMITS ANY ACT OR PRACTICE LISTED IN SUBSECTION (1) OF THIS
22 SECTION, THE DIRECTOR MAY SUSPEND OR REVOKE THE RIGHT OF THE
23 ENTITY TO CONDUCT ITS BUSINESS UNDER THE LICENSE OF THE MANAGER,
24 WHETHER OR NOT THE DESIGNATED MANAGER HAD PERSONAL
25 KNOWLEDGE OF THE ACT OR PRACTICE AND WHETHER OR NOT THE
26 DIRECTOR SUSPENDS OR REVOKES THE INDIVIDUAL LICENSE OF ANY OTHER
27 PERSON.

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

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

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

19 (6) WHEN A COMPLAINT OR AN INVESTIGATION DISCLOSES AN
20 INSTANCE OF MISCONDUCT THAT, IN THE OPINION OF THE DIRECTOR, DOES
21 NOT WARRANT FORMAL ACTION BY THE DIRECTOR BUT SHOULD NOT BE
22 DISMISSED AS BEING WITHOUT MERIT, THE DIRECTOR MAY SEND A LETTER
23 OF ADMONITION TO THE LICENSEE AGAINST WHOM THE COMPLAINT WAS
24 MADE AND A COPY OF THE LETTER TO THE PERSON MAKING THE
25 COMPLAINT, BUT THE LETTER MUST ADVISE THE LICENSEE THAT THE
26 LICENSEE HAS THE RIGHT TO REQUEST IN WRITING, WITHIN TWENTY DAYS
27 AFTER RECEIPT, THAT FORMAL DISCIPLINARY PROCEEDINGS BE INITIATED

1 TO ADJUDICATE THE PROPRIETY OF THE CONDUCT UPON WHICH THE LETTER
2 OF ADMONITION IS BASED. IF THE REQUEST IS TIMELY MADE, THE LETTER
3 OF ADMONITION IS VACATED, AND THE MATTER SHALL BE PROCESSED BY
4 MEANS OF FORMAL DISCIPLINARY PROCEEDINGS.

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

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

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

1 UNLICENSED PRACTICES IMMEDIATELY CEASE.

2 (b) WITHIN TEN DAYS AFTER SERVICE OF THE ORDER TO CEASE AND
3 DESIST PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION, THE
4 RESPONDENT MAY REQUEST A HEARING ON THE QUESTION OF WHETHER
5 ACTS OR PRACTICES IN VIOLATION OF THIS PART 10 HAVE OCCURRED. THE
6 HEARING MUST BE CONDUCTED PURSUANT TO SECTIONS 24-4-104 AND
7 24-4-105.

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

17 (b) IF THE DIRECTOR HAS ISSUED AN ORDER TO SHOW CAUSE
18 PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION TO ANY PERSON, THE
19 DIRECTOR SHALL PROMPTLY GIVE THE PERSON NOTICE OF THE ISSUANCE
20 OF THE ORDER TOGETHER WITH A COPY OF THE ORDER, THE FACTUAL AND
21 LEGAL BASIS FOR THE ORDER, AND THE DATE SET BY THE DIRECTOR FOR A
22 HEARING ON THE ORDER. THE NOTICE MAY BE SERVED BY PERSONAL
23 SERVICE, BY FIRST-CLASS UNITED STATES MAIL, POSTAGE PREPAID, OR AS
24 MAY BE PRACTICABLE UPON ANY PERSON AGAINST WHOM THE ORDER IS
25 ISSUED. PERSONAL SERVICE OR MAILING OF AN ORDER OR DOCUMENT
26 PURSUANT TO THIS SUBSECTION (2) CONSTITUTES NOTICE TO THE PERSON
27 OF THE ORDER OR DOCUMENT.

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

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

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

1 CEASE AND DESIST FROM FURTHER UNLAWFUL ACTS OR UNLICENSED
2 PRACTICES.

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

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

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

26 (5) A PERSON AGGRIEVED BY THE FINAL CEASE-AND-DESIST ORDER
27 MAY SEEK JUDICIAL REVIEW OF THE DIRECTOR'S DETERMINATION OR OF

1 THE DIRECTOR'S FINAL ORDER AS PROVIDED IN SECTION 12-61-1014.

2 **12-10-1014. Hearings - use of administrative law judges -**
3 **subpoenas - rules - judicial review - immunity.** (1) EXCEPT AS
4 OTHERWISE PROVIDED IN THIS SECTION, ALL PROCEEDINGS BEFORE THE
5 DIRECTOR WITH RESPECT TO DISCIPLINARY ACTIONS AND DENIAL OF
6 LICENSURE UNDER THIS PART 10, AT THE DISCRETION OF THE DIRECTOR,
7 MAY BE CONDUCTED BY AN AUTHORIZED REPRESENTATIVE OF THE
8 DIRECTOR OR BY AN ADMINISTRATIVE LAW JUDGE PURSUANT TO SECTIONS
9 24-4-104 AND 24-4-105.

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

17 (3) THE DIRECTOR, AN AUTHORIZED REPRESENTATIVE OF THE
18 DIRECTOR, OR AN ADMINISTRATIVE LAW JUDGE SHALL CONDUCT ALL
19 HEARINGS FOR DENYING, SUSPENDING, OR REVOKING A LICENSE OR
20 CERTIFICATE ON BEHALF OF THE DIRECTOR, SUBJECT TO APPROPRIATIONS
21 MADE TO THE DEPARTMENT OF PERSONNEL. EACH ADMINISTRATIVE LAW
22 JUDGE SHALL BE APPOINTED PURSUANT TO PART 10 OF ARTICLE 30 OF
23 TITLE 24. THE ADMINISTRATIVE LAW JUDGE SHALL CONDUCT THE HEARING
24 IN ACCORDANCE WITH SECTIONS 24-4-104 AND 24-4-105. A LICENSE MAY
25 NOT BE DENIED, SUSPENDED, OR REVOKED UNTIL THE DIRECTOR HAS MADE
26 A DECISION.

27 (4) THE DIRECTOR, OR THE ADMINISTRATIVE LAW JUDGE

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

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

19 (6) IN A JUDICIAL REVIEW PROCEEDING, THE COURT MAY STAY THE
20 EXECUTION OR EFFECT OF ANY FINAL ORDER OF THE DIRECTOR; BUT A
21 HEARING SHALL BE HELD AFFORDING THE PARTIES AN OPPORTUNITY TO BE
22 HEARD FOR THE PURPOSE OF DETERMINING WHETHER THE PUBLIC HEALTH,
23 SAFETY, AND WELFARE WOULD BE ENDANGERED BY STAYING THE
24 DIRECTOR'S ORDER. IF THE COURT DETERMINES THAT THE ORDER SHOULD
25 BE STAYED, THE COURT SHALL ALSO DETERMINE AT THE HEARING
26 WHETHER THE PETITIONER SHOULD BE REQUIRED TO POST A BOND AND THE
27 AMOUNT OF THE BOND AND ADEQUACY OF THE SURETY, WHICH BOND

1 MUST BE CONDITIONED UPON THE FAITHFUL PERFORMANCE BY THE
2 PETITIONER OF ALL OBLIGATIONS AS A COMMUNITY ASSOCIATION
3 MANAGER AND UPON THE PROMPT PAYMENT OF ALL DAMAGES ARISING
4 FROM OR CAUSED BY THE DELAY IN THE TAKING EFFECT OF OR
5 ENFORCEMENT OF THE ORDER COMPLAINED OF AND FOR ALL COSTS THAT
6 MAY BE ASSESSED OR REQUIRED TO BE PAID IN CONNECTION WITH THE
7 PROCEEDINGS.

8 (7) IN ANY HEARING CONDUCTED BY THE DIRECTOR OR AN
9 AUTHORIZED REPRESENTATIVE OF THE DIRECTOR IN WHICH THERE IS A
10 POSSIBILITY OF THE DENIAL, SUSPENSION, OR REVOCATION OF A LICENSE
11 BECAUSE OF THE CONVICTION OF A FELONY OR OF A CRIME INVOLVING
12 MORAL TURPITUDE, THE DIRECTOR OR THE DIRECTOR'S AUTHORIZED
13 REPRESENTATIVE IS GOVERNED BY SECTION 24-5-101.

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

19 **12-10-1015. Advisory committee - rules.** (1) THERE IS HEREBY
20 ESTABLISHED AN ADVISORY COMMITTEE FOR COMMUNITY ASSOCIATION
21 MANAGEMENT. THE PURPOSES OF THE COMMITTEE ARE TO GATHER
22 INFORMATION AND FEEDBACK FROM HOMEOWNERS AND MANAGERS; TO
23 ACT AS A SOUNDING BOARD FOR DISCUSSION OF ISSUES AFFECTING
24 COMMON INTEREST COMMUNITIES; AND TO MAKE RECOMMENDATIONS TO
25 THE DIRECTOR CONCERNING:

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

1 (b) THE COMPLAINT PROCESS, INCLUDING:

2 (I) INFORMATION OR EDUCATION FOR HOMEOWNERS ON FILING A
3 COMPLAINT;

4 (II) THE TIME PERIODS AND PROCESSES THAT APPLY TO THE
5 RESPONSE BY A PERSON ACCUSED OF A VIOLATION AND THE
6 INVESTIGATION OF THE COMPLAINT;

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

9 (IV) COMMUNICATION AMONG THE COMPLAINANT, THE
10 RESPONDENT, AND INVESTIGATORS DURING THE PENDENCY OF A
11 COMPLAINT AND ANY SUBSEQUENT ACTION BY THE DIRECTOR; AND

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

14 (2) (a) THE ADVISORY COMMITTEE HAS NO ENFORCEMENT OR
15 DISCIPLINARY ROLE.

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

18 (c) EVERY MEMBER OF THE ADVISORY COMMITTEE MUST HAVE
19 DEMONSTRATED TRAINING OR EXPERIENCE AND INTEREST IN COMMUNITY
20 ASSOCIATION MANAGEMENT.

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

24 (a) ONE MEMBER WHO IS A UNIT OWNER RESIDING IN COLORADO
25 WHO HAS NOT SERVED ON AN EXECUTIVE BOARD OF A COMMUNITY
26 ASSOCIATION MANAGED BY A LICENSED MANAGER AND HAS NOT, FOR AT
27 LEAST ONE YEAR IMMEDIATELY PRECEDING THE MEMBER'S APPOINTMENT,

1 ACTED AS A LICENSED COMMUNITY ASSOCIATION MANAGER OR WORKED
2 FOR AN ENTITY THAT IS PRIMARILY FOCUSED ON COMMUNITY ASSOCIATION
3 MANAGEMENT OR DEVELOPMENT;

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

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

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

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

22 (4) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
23 REGULATORY AGENCIES SHALL TAKE INTO CONSIDERATION GEOGRAPHIC
24 DIVERSITY AND POTENTIAL CONFLICTS OF INTEREST WHEN MAKING
25 APPOINTMENTS TO THE ADVISORY COMMITTEE.

26 (5) (a) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
27 REGULATORY AGENCIES SHALL MAKE INITIAL APPOINTMENTS TO THE

1 ADVISORY COMMITTEE ON OR BEFORE SEPTEMBER 15, 2019. ONCE
2 APPOINTED, THE TERMS OF THE FOLLOWING COMMITTEE MEMBERS ARE
3 TWO YEARS, WHICH TERMS BEGIN ON THE DATE OF NOTIFICATION OF
4 APPOINTMENT:

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

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

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

11 (IV) THE ATTORNEY WHO QUALIFIES UNDER SUBSECTION (3)(e) OF
12 THIS SECTION.

13 (b) THE INITIAL TERMS OF THE REMAINING MEMBERS OF THE
14 ADVISORY COMMITTEE ARE THREE YEARS. AFTER THE INITIAL TERMS, THE
15 TERMS OF ALL MEMBERS OF THE COMMITTEE ARE TWO YEARS. NO
16 COMMITTEE MEMBER MAY SERVE MORE THAN TWO FULL TERMS
17 CONSECUTIVELY.

18 (c) IF A VACANCY OCCURS DURING A COMMITTEE MEMBER'S TERM,
19 THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REGULATORY
20 AGENCIES SHALL APPOINT A PERSON QUALIFIED UNDER THIS SECTION TO
21 REPLACE THE MEMBER FOR THE REMAINDER OF THAT MEMBER'S TERM. IF
22 A QUALIFIED SUCCESSOR HAS NOT BEEN FOUND, OR IF THE DIRECTOR IS
23 UNABLE TO SECURE THE SERVICES OF A QUALIFIED PERSON TO FILL ANY OF
24 THE POSITIONS SPECIFIED IN SUBSECTIONS (3)(a) TO (3)(e) OF THIS SECTION
25 FOR AN INITIAL TERM OR A SUBSEQUENT TERM, THE ADVISORY COMMITTEE
26 SHALL NONETHELESS MEET AND ADVISE THE DIRECTOR TO THE BEST OF ITS
27 ABILITY. THERE IS NO QUORUM REQUIREMENT.

1 (6) THE ADVISORY COMMITTEE SHALL ANNUALLY ELECT A
2 CHAIRPERSON FROM AMONG THE MEMBERS OF THE COMMITTEE FOR A
3 TERM OF ONE YEAR. A CHAIRPERSON MAY SERVE MORE THAN ONE TERM
4 AS CHAIR; EXCEPT THAT THE COMMITTEE MUST ELECT THE CHAIRPERSON
5 EACH YEAR. THE COMMITTEE MAY REMOVE THE CHAIRPERSON FROM THAT
6 ROLE, WITH OR WITHOUT CAUSE, AND ELECT A NEW CHAIRPERSON TO FILL
7 THE REMAINDER OF THE TERM.

8 (7) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF
9 REGULATORY AGENCIES SHALL, IN CONSULTATION WITH THE ADVISORY
10 COMMITTEE, ADOPT RULES CONCERNING THE APPOINTMENT AND REMOVAL
11 OF COMMITTEE MEMBERS AND OPERATION OF THE ADVISORY COMMITTEE
12 AND, IN ACCORDANCE WITH THOSE RULES, MAY REMOVE AN APPOINTED
13 COMMITTEE MEMBER.

14 **12-10-1016. Repeal of part.** THIS PART 10 IS REPEALED,
15 EFFECTIVE SEPTEMBER 1, 2025. BEFORE THE REPEAL, THE FUNCTIONS OF
16 THE DIRECTOR AND THE ADVISORY COMMITTEE FOR COMMUNITY
17 ASSOCIATION MANAGEMENT UNDER THIS PART 10 ARE SCHEDULED FOR
18 REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

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

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