

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

PREAMENDED

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

LLS NO. 24-0506.01 Brita Darling x2241

HOUSE BILL 24-1078

HOUSE SPONSORSHIP

Titone and Ricks,

SENATE SPONSORSHIP

(None),

House Committees

Transportation, Housing & Local Government
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE REGULATION OF COMMUNITY ASSOCIATION**
102 **MANAGEMENT COMPANIES BY THE DIVISION OF REAL ESTATE IN**
103 **THE DEPARTMENT OF REGULATORY AGENCIES.**

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 bill establishes licensure requirements for business entities that perform community association management for common interest communities in the state and makes it unlawful, on and after July 1, 2025, for a business entity to perform community association management duties without a license. The division of real estate (division) in the

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

department of regulatory agencies (department) is tasked with administering the regulatory program for community association managers (CAMs). To be licensed, a business entity must:

- Demonstrate compliance with insurance requirements specified by the director of the division (director) by rule;
- Designate an individual as the business entity's controlling manager who is responsible for the community association management activities of the business entity and its employees;
- Pay a fee based on a schedule of fees determined by the director through rule-making; and
- Obtain criminal history record checks for its controlling manager and each individual that performs community association management on behalf of the business entity.

The director shall establish by rule education requirements for controlling managers and any employees of a licensed business entity (licensed entity) who perform community association management on behalf of the licensed entity.

The bill sets forth various grounds for disciplining a licensed entity and directs the director to establish a points-based disciplinary system for determining the appropriate level of discipline to impose on a licensed entity based on the level of violation.

The bill repeals the licensure of CAMs on September 1, 2029, and directs the department to conduct a sunset review of the licensure program before that date.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and determines that:

4 (a) The department of regulatory agencies (department) has
5 considered the need for regulating community association managers and
6 management companies (CAMs) through two sunrise reviews and one
7 sunset review and has concluded that community association management
8 companies should be regulated by the state to protect the public;

9 (b) In response to the department's 2012 sunrise report, the general
10 assembly enacted House Bill 13-1277, which established a regulatory
11 scheme that required all CAMs to obtain a license through the division of

1 real estate;

2 (c) In its 2017 sunset review, the department recommended
3 continuing the regulation in order to gather additional, relevant
4 information, but proposed legislation to continue the regulatory program
5 failed in 2018 and 2019, and the regulation of CAMs ceased in 2019; and

6 (d) In 2021, the department conducted another sunrise review and
7 concluded that "minimal regulatory programs should be enacted to ensure
8 that CAMs who commit acts such as theft are held accountable through
9 regulatory oversight ..." and recommended, in part, that the state regulate
10 community association management companies.

11 (2) To address these concerns, the general assembly therefore
12 declares that the regulation of community association management
13 companies:

14 (a) Is important to protect the public and, in particular,
15 homeowners from financial harm and ensure that business entities
16 engaged in the practice of community association management have
17 knowledge of applicable laws and are able to perform community
18 association management services in a manner that ensures homeowners
19 are not financially harmed; and

20 (b) Must be accomplished in a manner that is least restrictive to
21 community association management companies, is efficient, and is
22 cost-effective in order to avoid significant impacts and minimize burdens
23 on both businesses and homeowners.

24 **SECTION 2.** In Colorado Revised Statutes, **add** part 10 to article
25 10 of title 12 as follows:

26 **PART 10**

27 **COMMUNITY ASSOCIATION MANAGEMENT COMPANIES**

1 **12-10-1001. Definitions - rules.** AS USED IN THIS PART 10, UNLESS
2 THE CONTEXT OTHERWISE REQUIRES:

3 (1) "ASSOCIATION" OR "UNIT OWNERS' ASSOCIATION" HAS THE
4 MEANING SET FORTH IN SECTION 38-33.3-103 (3).

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

7 (3) (a) EXCEPT AS PROVIDED IN SUBSECTION (3)(b) OF THIS
8 SECTION, "COMMON INTEREST COMMUNITY" HAS THE MEANING SET FORTH
9 IN SECTION 38-33.3-103 (8).

10 (b) "COMMON INTEREST COMMUNITY" DOES NOT INCLUDE:

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

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

17 (4) (a) "COMMUNITY ASSOCIATION MANAGEMENT COMPANY" OR
18 "MANAGEMENT COMPANY" MEANS A PERSON, A SOLE PROPRIETORSHIP,
19 FIRM, A PARTNERSHIP, A LIMITED LIABILITY COMPANY, AN ASSOCIATION,
20 A CORPORATION, OR ANOTHER LEGAL ENTITY THAT PROVIDES OR OFFERS
21 OR ATTEMPTS TO PROVIDE COMMUNITY ASSOCIATION MANAGEMENT
22 SERVICES IN COLORADO IN CONSIDERATION OF COMPENSATION BY FEE OR
23 ANYTHING ELSE OF VALUE OR WITH THE INTENTION OF RECEIVING OR
24 COLLECTING SUCH COMPENSATION.

25 (b) "COMMUNITY ASSOCIATION MANAGEMENT COMPANY" OR
26 "MANAGEMENT COMPANY" DOES NOT INCLUDE:

27 (I) AN INDIVIDUAL WHO IS EMPLOYED OR OTHERWISE ENGAGED BY

1 AN HOA TO PERFORM COMMUNITY ASSOCIATION MANAGEMENT SERVICES
2 FOR THE HOA, SO LONG AS THE INDIVIDUAL PERFORMS COMMUNITY
3 ASSOCIATION MANAGEMENT SERVICES FOR ONLY ONE HOA AND THE
4 HOA, UPON ANNUAL REGISTRATION PURSUANT TO SECTION 38-33.3-401,
5 HAS DISCLOSED THE NAME OF THE INDIVIDUAL AS ITS MANAGING AGENT
6 EMPLOYED OR ENGAGED BY THE HOA TO PERFORM COMMUNITY
7 ASSOCIATION MANAGEMENT SERVICES FOR THE HOA; OR

8 (II) (A) A CORPORATION, WITH RESPECT TO PROPERTY OWNED OR
9 LEASED BY THE CORPORATION, ACTING THROUGH ITS OFFICERS OR
10 REGULAR SALARIED EMPLOYEES, WHEN SUCH ACTS ARE INCIDENTAL AND
11 NECESSARY IN THE ORDINARY COURSE OF THE CORPORATION'S BUSINESS
12 ACTIVITIES AND ARE UNRELATED TO COMMUNITY ASSOCIATION
13 MANAGEMENT SERVICES.

14 (B) AS USED IN SUBSECTION (4)(b)(II)(A) OF THIS SECTION,
15 "OFFICERS OR REGULAR SALARIED EMPLOYEES" MEANS INDIVIDUALS
16 REGULARLY EMPLOYED WHO DERIVE NOT LESS THAN SEVENTY-FIVE
17 PERCENT OF THEIR COMPENSATION FROM THE CORPORATION IN THE FORM
18 OF SALARIES.

19 (5) (a) "COMMUNITY ASSOCIATION MANAGEMENT SERVICES"
20 MEANS ANY OF THE FOLLOWING SERVICES RELATING TO THE MANAGEMENT
21 OF A COMMON INTEREST COMMUNITY AT THE DIRECTION OF THE
22 EXECUTIVE BOARD OR AS SPECIFIED IN A CONTRACT FOR MANAGEMENT
23 SERVICES EXECUTED AND IN EFFECT BETWEEN A COMMUNITY ASSOCIATION
24 MANAGEMENT COMPANY AND THE COMMON INTEREST COMMUNITY:

25 (I) IN INTERACTIONS WITH MEMBERS OR NONMEMBERS OF THE
26 COMMON INTEREST COMMUNITY, ACTING WITH THE AUTHORITY OF THE
27 COMMON INTEREST COMMUNITY WITH RESPECT TO ITS BUSINESS, LEGAL,

- 1 FINANCIAL, OR OTHER TRANSACTIONS;
- 2 (II) ADMINISTERING THE RESOLUTIONS AND DECISIONS OF THE
3 EXECUTIVE BOARD;
- 4 (III) ENFORCING THE RIGHTS OF THE COMMON INTEREST
5 COMMUNITY SECURED BY STATUTE, CONTRACT, COVENANT, RULE, OR
6 BYLAW;
- 7 (IV) ADMINISTERING OR COORDINATING MAINTENANCE OF
8 PROPERTY OR FACILITIES OF THE COMMON INTEREST COMMUNITY;
- 9 (V) ADMINISTERING APPLICATIONS FOR ARCHITECTURAL REVIEW;
- 10 (VI) ARRANGING OR COORDINATING MEETINGS OF THE COMMON
11 INTEREST COMMUNITY'S MEMBERSHIP OR EXECUTIVE BOARD;
- 12 (VII) MAINTAINING THE COMMON INTEREST COMMUNITY'S
13 RECORDS PURSUANT TO ITS GOVERNING DOCUMENTS AND APPLICABLE
14 PROVISIONS OF THE CCIOA; OR
- 15 (VIII) ADMINISTERING, AS DIRECTED BY THE EXECUTIVE BOARD,
16 A COMMON INTEREST COMMUNITY'S MONEY, INCLUDING THE
17 ADMINISTRATION OF A RESERVE PROGRAM FOR THE MAJOR REPAIR OR
18 REPLACEMENT OF CAPITAL ASSETS.
- 19 (b) "COMMUNITY ASSOCIATION MANAGEMENT SERVICES" DO NOT
20 INCLUDE THE PERFORMANCE OF ANY CLERICAL, MINISTERIAL, OR
21 ACCOUNTING FUNCTION.
- 22 (6) "CONTROLLING MANAGER" MEANS AN INDIVIDUAL WHO:
- 23 (a) IS DESIGNATED BY THE LICENSED COMMUNITY ASSOCIATION
24 MANAGEMENT COMPANY;
- 25 (b) MEETS THE EDUCATION REQUIREMENTS ESTABLISHED BY THE
26 DIRECTOR BY RULE PURSUANT TO SECTION 12-10-1002;
- 27 (c) DEMONSTRATES KNOWLEDGE OF THE LAWS OF THIS STATE

1 THAT GOVERN COMMON INTEREST COMMUNITIES AND HOAs, INCLUDING
2 THE "COLORADO REVISED NONPROFIT CORPORATION ACT", ARTICLES 121
3 TO 137 OF TITLE 7; THE CCIOA; AND ANY OTHER LAWS SPECIFIED BY THE
4 DIRECTOR BY RULE; AND

5 (d) ON BEHALF OF A LICENSED COMMUNITY ASSOCIATION
6 MANAGEMENT COMPANY, IS RESPONSIBLE FOR:

7 (I) PERFORMING COMMUNITY ASSOCIATION MANAGEMENT
8 SERVICES AND SUPERVISING COMMUNITY ASSOCIATION MANAGEMENT
9 SERVICES PERFORMED BY INDIVIDUALS EMPLOYED BY, OR ACTING ON
10 BEHALF OF, THE LICENSED MANAGEMENT COMPANY;

11 (II) TRAINING OR SECURING TRAINING FOR LICENSED
12 MANAGEMENT COMPANY EMPLOYEES CONCERNING COMPLIANCE WITH
13 THIS PART 10; AND

14 (III) RESPONDING TO THE DIVISION REGARDING ANY MATTER
15 RELATED TO THE REQUIREMENTS OF THIS PART 10.

16 (7) "EXECUTIVE BOARD" HAS THE MEANING SET FORTH IN SECTION
17 38-33.3-103 (16).

18 (8) (a) "HOA" OR "HOMEOWNERS' ASSOCIATION" MEANS AN
19 ASSOCIATION OR UNIT OWNERS' ASSOCIATION, WHETHER ORGANIZED
20 BEFORE, ON, OR AFTER JULY 1, 1992.

21 (b) "HOA" OR "HOMEOWNERS' ASSOCIATION" DOES NOT INCLUDE
22 AN ASSOCIATION OR UNIT OWNERS' ASSOCIATION IN WHICH A MAJORITY OF
23 UNITS THAT ARE DESIGNATED FOR RESIDENTIAL USE ARE TIME SHARE
24 UNITS, AS DEFINED IN SECTION 38-33-110 (7).

25 (9) "LICENSED COMMUNITY ASSOCIATION MANAGEMENT
26 COMPANY" OR "LICENSED MANAGEMENT COMPANY" MEANS A COMMUNITY
27 ASSOCIATION MANAGEMENT COMPANY LICENSED PURSUANT TO SECTION

1 12-10-1004.

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

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

9 **12-10-1002. Rule-making authority - audits.** (1) THE DIRECTOR
10 MAY PROMULGATE RULES AS NECESSARY TO CARRY OUT THE DIRECTOR'S
11 DUTIES UNDER THIS PART 10, INCLUDING RULES ESTABLISHING EDUCATION
12 REQUIREMENTS FOR CONTROLLING MANAGERS AND EDUCATION THAT A
13 CONTROLLING MANAGER SHALL PROVIDE OR CAUSE TO BE PROVIDED TO
14 EMPLOYEES OF A LICENSED MANAGEMENT COMPANY WHO PERFORM
15 COMMUNITY ASSOCIATION MANAGEMENT SERVICES ON BEHALF OF THE
16 LICENSED MANAGEMENT COMPANY.

17 (2) THE DIRECTOR MAY CONDUCT AUDITS OF BUSINESS RECORDS
18 AND ACCOUNTS OF LICENSED MANAGEMENT COMPANIES AND MAY
19 CONDUCT RANDOM COMPLIANCE AUDITS TO ENSURE COMPLIANCE WITH
20 THIS PART 10.

21 **12-10-1003. Community association management company**
22 **license required - violations - injunction.** (1) ON AND AFTER JULY 1,
23 2025, IT IS UNLAWFUL FOR A COMMUNITY ASSOCIATION MANAGEMENT
24 COMPANY TO OFFER OR PROVIDE COMMUNITY ASSOCIATION MANAGEMENT
25 SERVICES IN THIS STATE WITHOUT A LICENSE FROM THE DIRECTOR
26 PURSUANT TO SECTION 12-10-1004. THE DIRECTOR SHALL NOT GRANT A
27 LICENSE TO A MANAGEMENT COMPANY UNTIL THE MANAGEMENT

1 COMPANY DEMONSTRATES COMPLIANCE WITH THIS PART 10.

2 (2) IN ADDITION TO CONDUCTING HEARINGS AS PROVIDED IN
3 SECTION 12-10-1007, 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) IF THE DIRECTOR HAS REASONABLE CAUSE TO BELIEVE THAT A
7 PERSON IS VIOLATING THIS PART 10 OR A RULE ADOPTED UNDER THIS PART
8 10, THE DIRECTOR MAY ENTER AN ORDER REQUIRING THE PERSON TO
9 CEASE AND DESIST THE VIOLATION.

10 (b) THE DIRECTOR MAY APPLY TO A COURT OF COMPETENT
11 JURISDICTION FOR AN ORDER ENJOINING AN ACT OR PRACTICE THAT
12 CONSTITUTES A VIOLATION OF THIS PART 10, AND, UPON A SHOWING THAT
13 A LICENSED COMMUNITY ASSOCIATION MANAGEMENT COMPANY OR THE
14 CONTROLLING MANAGER OF THE LICENSED MANAGEMENT COMPANY IS
15 ENGAGING OR INTENDS TO ENGAGE IN AN ACT OR PRACTICE THAT
16 VIOLATES THIS PART 10, THE COURT SHALL GRANT AN INJUNCTION,
17 RESTRAINING ORDER, OR OTHER APPROPRIATE ORDER, REGARDLESS OF THE
18 EXISTENCE OF ANOTHER REMEDY FOR THE VIOLATION. ANY NOTICE,
19 HEARING, OR DURATION OF AN INJUNCTION OR RESTRAINING ORDER SHALL
20 BE MADE IN ACCORDANCE WITH THE COLORADO RULES OF CIVIL
21 PROCEDURE.

22 (3) IF A COMMUNITY ASSOCIATION MANAGEMENT COMPANY
23 VIOLATES THIS PART 10 BY OFFERING OR PROVIDING COMMUNITY
24 ASSOCIATION MANAGEMENT SERVICES WITHOUT A LICENSE OR BY ACTING
25 AS A LICENSED MANAGEMENT COMPANY AFTER THE MANAGEMENT
26 COMPANY'S LICENSE HAS BEEN REVOKED OR DURING ANY PERIOD FOR
27 WHICH THE LICENSE WAS SUSPENDED, THE OWNER OF THE MANAGEMENT

1 COMPANY OR LICENSED MANAGEMENT COMPANY COMMITS A CLASS 2
2 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN SECTION
3 18-1.3-501.

4 **12-10-1004. Community association management company**
5 **license - application - requirements - criminal history record check.**

6 (1) A COMMUNITY ASSOCIATION MANAGEMENT COMPANY SHALL APPLY
7 FOR A LICENSE TO THE DIRECTOR IN A MANNER PRESCRIBED BY THE
8 DIRECTOR.

9 (2) UPON A COMMUNITY ASSOCIATION MANAGEMENT COMPANY'S
10 COMPLIANCE WITH SUBSECTION (3) OF THIS SECTION, THE DIRECTOR MAY
11 GRANT A COMMUNITY ASSOCIATION MANAGEMENT COMPANY LICENSE TO
12 A MANAGEMENT COMPANY THAT:

13 (a) APPLIES FOR A LICENSE IN ACCORDANCE WITH SUBSECTION (1)
14 OF THIS SECTION;

15 (b) DEMONSTRATES COMPLIANCE WITH THE INSURANCE
16 REQUIREMENTS SPECIFIED IN SECTION 12-10-1005;

17 (c) DESIGNATES A CONTROLLING MANAGER TO BE RESPONSIBLE
18 FOR THE LICENSED PRACTICES OF THE MANAGEMENT COMPANY AND FOR
19 ALL INDIVIDUALS EMPLOYED BY THE MANAGEMENT COMPANY WHO
20 PROVIDE COMMUNITY ASSOCIATION MANAGEMENT SERVICES;

21 (d) DEMONSTRATES THAT THE MANAGEMENT COMPANY HAS A
22 POLICY FOR EVALUATING THE FITNESS AND ABILITY OF ITS EMPLOYEES TO
23 PERFORM COMMUNITY ASSOCIATION MANAGEMENT SERVICES; AND

24 (e) PAYS THE FEE DETERMINED BY THE DIRECTOR PURSUANT TO
25 SECTION 12-10-1006.

26 (3) (a) THE DIRECTOR SHALL NOT ISSUE OR RENEW A LICENSE TO
27 ANY COMMUNITY ASSOCIATION MANAGEMENT COMPANY UNTIL THE

1 OWNER OF THE MANAGEMENT COMPANY, THE INDIVIDUAL DESIGNATED BY
2 THE MANAGEMENT COMPANY AS THE CONTROLLING MANAGER OF THE
3 MANAGEMENT COMPANY, AND ANY EMPLOYEE OF THE MANAGEMENT
4 COMPANY WHO PERFORMS COMMUNITY ASSOCIATION MANAGEMENT
5 SERVICES ON BEHALF OF THE MANAGEMENT COMPANY SUBMITS TO A
6 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK. EACH
7 INDIVIDUAL SUBMITTING A SET OF FINGERPRINTS OR THE MANAGEMENT
8 COMPANY, ON BEHALF OF EACH INDIVIDUAL SUBMITTING A SET OF
9 FINGERPRINTS, SHALL PAY THE COSTS ASSOCIATED WITH THE
10 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK.

11 (b) AN INDIVIDUAL DESCRIBED IN SUBSECTION (3)(a) OF THIS
12 SECTION SHALL HAVE THE INDIVIDUAL'S FINGERPRINTS TAKEN BY A LOCAL
13 LAW ENFORCEMENT AGENCY OR ANY THIRD PARTY APPROVED BY THE
14 COLORADO BUREAU OF INVESTIGATION FOR THE PURPOSE OF OBTAINING
15 A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK. THE
16 INDIVIDUAL SHALL AUTHORIZE THE ENTITY TAKING THE FINGERPRINTS TO
17 SUBMIT, AND THE ENTITY SHALL SUBMIT, THE COMPLETE SET OF THE
18 APPLICANT'S FINGERPRINTS TO THE COLORADO BUREAU OF INVESTIGATION
19 FOR THE PURPOSE OF CONDUCTING A FINGERPRINT-BASED CRIMINAL
20 HISTORY RECORD CHECK.

21 (c) IF AN APPROVED THIRD PARTY TAKES AN INDIVIDUAL'S
22 FINGERPRINTS PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION, THE
23 FINGERPRINTS MAY BE ELECTRONICALLY CAPTURED USING COLORADO
24 BUREAU OF INVESTIGATION-APPROVED LIVESCAN EQUIPMENT.
25 THIRD-PARTY VENDORS SHALL NOT KEEP THE INDIVIDUAL'S INFORMATION
26 FOR MORE THAN THIRTY DAYS.

27 (d) THE COLORADO BUREAU OF INVESTIGATION SHALL USE AN

1 INDIVIDUAL'S FINGERPRINTS COLLECTED PURSUANT TO THIS SUBSECTION
2 (3) TO CONDUCT A CRIMINAL HISTORY RECORD CHECK USING THE
3 BUREAU'S RECORDS. THE COLORADO BUREAU OF INVESTIGATION SHALL
4 ALSO FORWARD THE FINGERPRINTS TO THE FEDERAL BUREAU OF
5 INVESTIGATION FOR THE PURPOSE OF CONDUCTING A FINGERPRINT-BASED
6 CRIMINAL HISTORY RECORD CHECK. THE COLORADO BUREAU OF
7 INVESTIGATION, THE INDIVIDUAL SUBMITTING TO THE FINGERPRINT-BASED
8 CRIMINAL HISTORY RECORD CHECK, THE DIRECTOR, AND THE ENTITY
9 TAKING FINGERPRINTS SHALL COMPLY WITH THE FEDERAL BUREAU OF
10 INVESTIGATION'S REQUIREMENTS TO CONDUCT A CRIMINAL HISTORY
11 RECORD CHECK.

12 (e) THE COLORADO BUREAU OF INVESTIGATION SHALL RETURN THE
13 RESULTS OF ITS CRIMINAL HISTORY RECORD CHECK TO THE DIVISION, AND
14 THE DIVISION IS AUTHORIZED TO RECEIVE THE RESULTS OF THE FEDERAL
15 BUREAU OF INVESTIGATION'S CRIMINAL HISTORY RECORD CHECK. THE
16 DIVISION SHALL USE THE INFORMATION RESULTING FROM THE CRIMINAL
17 HISTORY RECORD CHECKS TO INVESTIGATE AND DETERMINE WHETHER THE
18 OWNER OF THE COMMUNITY ASSOCIATION MANAGEMENT COMPANY IS
19 QUALIFIED TO HOLD A COMMUNITY ASSOCIATION MANAGEMENT COMPANY
20 LICENSE PURSUANT TO THIS SECTION, THE DESIGNATED INDIVIDUAL MAY
21 ACT AS THE CONTROLLING MANAGER OF THE MANAGEMENT COMPANY, OR
22 AN INDIVIDUAL MAY PERFORM COMMUNITY ASSOCIATION MANAGEMENT
23 SERVICES AS AN EMPLOYEE OF THE MANAGEMENT COMPANY.

24 (f) WHEN THE FEDERAL BUREAU OF INVESTIGATION IS UNABLE TO
25 COMPLETE A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK OF
26 AN INDIVIDUAL, THE COLORADO BUREAU OF INVESTIGATION SHALL
27 INFORM THE DIVISION, AND THE DIVISION MAY CONDUCT A CRIMINAL

1 HISTORY RECORD CHECK OF THE INDIVIDUAL USING THE COLORADO
2 BUREAU OF INVESTIGATION'S RECORDS AS A SUBSTITUTE FOR THE
3 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK REQUIRED IN THIS
4 SUBSECTION (3).

5 (g) WHEN THE RESULTS OF A CRIMINAL HISTORY RECORD CHECK
6 OF AN INDIVIDUAL PERFORMED PURSUANT TO THIS SUBSECTION (3) REVEAL
7 A RECORD OF ARREST WITHOUT A DISPOSITION, THE DIVISION SHALL
8 REQUIRE THE INDIVIDUAL TO SUBMIT TO A NAME-BASED JUDICIAL RECORD
9 CHECK, AS DEFINED IN SECTION 22-2-119.3 (6)(d). THE INDIVIDUAL OR THE
10 MANAGEMENT COMPANY, ON BEHALF OF THE INDIVIDUAL, SHALL PAY THE
11 COSTS ASSOCIATED WITH A NAME-BASED JUDICIAL RECORD CHECK.

12 (h) THE DIRECTOR MAY DENY AN APPLICATION FOR LICENSURE OR
13 REFUSE TO RENEW A LICENSE BASED ON THE OUTCOME OF A CRIMINAL
14 HISTORY RECORD CHECK CONDUCTED PURSUANT TO THIS SUBSECTION (3)
15 AND SHALL DENY AN APPLICATION IF THE OUTCOME OF THE CRIMINAL
16 HISTORY RECORD CHECK INDICATES THAT THE OWNER OF THE COMMUNITY
17 ASSOCIATION MANAGEMENT COMPANY, THE INDIVIDUAL DESIGNATED AS
18 THE CONTROLLING MANAGER, OR AN INDIVIDUAL WHO PERFORMS
19 COMMUNITY ASSOCIATION MANAGEMENT SERVICES ON BEHALF OF THE
20 MANAGEMENT COMPANY HAS, WITHIN THE IMMEDIATELY PRECEDING FIVE
21 YEARS, BEEN CONVICTED OF AN OFFENSE INVOLVING UNLAWFUL SEXUAL
22 BEHAVIOR LISTED IN SECTION 16-22-102 (9); FIRST DEGREE BURGLARY, AS
23 DESCRIBED IN SECTION 18-4-202; SECOND DEGREE BURGLARY, AS
24 DESCRIBED IN SECTION 18-4-203; OR ANY FELONY INVOLVING FRAUD,
25 THEFT, LARCENY, EMBEZZLEMENT, FRAUDULENT CONVERSION, OR
26 MISAPPROPRIATION OF PROPERTY.

27 (4) (a) THE DIRECTOR MAY DENY A LICENSE TO A COMMUNITY

1 ASSOCIATION MANAGEMENT COMPANY IF:

2 (I) THE OWNER OF THE MANAGEMENT COMPANY, THE INDIVIDUAL
3 DESIGNATED AS THE CONTROLLING MANAGER, OR AN EMPLOYEE OF THE
4 MANAGEMENT COMPANY WHO PERFORMS COMMUNITY ASSOCIATION
5 MANAGEMENT SERVICES ON BEHALF OF THE MANAGEMENT COMPANY HAS
6 PREVIOUSLY HAD, IN ANY STATE, A COMMUNITY ASSOCIATION
7 MANAGEMENT COMPANY LICENSE OR COMMUNITY ASSOCIATION MANAGER
8 REGISTRATION, LICENSE, OR CERTIFICATE REFUSED, DENIED, CANCELED,
9 SURRENDERED IN LIEU OF REVOCATION, OR REVOKED; OR

10 (II) THE MANAGEMENT COMPANY IS OWNED, IN WHOLE OR IN PART,
11 DIRECTLY OR INDIRECTLY, BY ANY PERSON WHO HAS HAD, IN ANY STATE,
12 A COMMUNITY ASSOCIATION MANAGEMENT COMPANY LICENSE OR
13 COMMUNITY ASSOCIATION MANAGER LICENSE, REGISTRATION, OR
14 CERTIFICATE REFUSED, DENIED, CANCELED, SURRENDERED IN LIEU OF
15 REVOCATION, OR REVOKED.

16 (b) IN EXERCISING THE DIRECTOR'S DISCRETION PURSUANT TO
17 SUBSECTION (4)(a) OF THIS SECTION, THE DIRECTOR SHALL CONSIDER THE
18 CIRCUMSTANCES UNDER WHICH A REGISTRATION, LICENSE, OR
19 CERTIFICATE WAS REFUSED, DENIED, CANCELED, SURRENDERED IN LIEU OF
20 REVOCATION, OR REVOKED AND WHETHER THE UNDERLYING ACTIONS ARE
21 LAWFUL AND CONSISTENT WITH PROFESSIONAL CONDUCT AND STANDARDS
22 OF CARE UNDER COLORADO LAW.

23 (5) EACH LICENSED COMMUNITY ASSOCIATION MANAGEMENT
24 COMPANY SHALL MAINTAIN A DEFINITE PLACE OF BUSINESS. IF A
25 MANAGEMENT COMPANY IS DOMICILED IN ANOTHER STATE, THE
26 CONTROLLING MANAGER DESIGNATED BY THE MANAGEMENT COMPANY IS
27 RESPONSIBLE FOR SUPERVISING ALL LICENSED ACTIVITIES THAT OCCUR IN

1 COLORADO. ALL LICENSED ACTIVITIES OCCURRING WITHIN THE STATE OF
2 COLORADO MUST OCCUR UNDER THE NAME UNDER WHICH THE LICENSED
3 MANAGEMENT COMPANY IS LICENSED OR ITS TRADE NAME ADOPTED IN
4 ACCORDANCE WITH COLORADO LAW.

5 (6) IF A COMMUNITY ASSOCIATION MANAGEMENT COMPANY THAT
6 APPLIES FOR A LICENSE PURSUANT TO THIS SECTION IS:

7 (a) A PARTNERSHIP, THE PARTNERSHIP MUST BE PROPERLY
8 REGISTERED WITH THE COLORADO DEPARTMENT OF REVENUE OR
9 PROPERLY FILED WITH THE COLORADO SECRETARY OF STATE AND IN GOOD
10 STANDING, PROOF OF WHICH MUST BE INCLUDED IN THE APPLICATION. IF
11 AN ASSUMED OR TRADE NAME IS TO BE USED, THE NAME MUST BE
12 PROPERLY FILED WITH THE COLORADO DEPARTMENT OF REVENUE OR FILED
13 AND ACCEPTED BY THE COLORADO SECRETARY OF STATE, PROOF OF WHICH
14 MUST BE INCLUDED WITH THE APPLICATION.

15 (b) A LIMITED LIABILITY COMPANY, THE LIMITED LIABILITY
16 COMPANY MUST BE PROPERLY REGISTERED WITH THE COLORADO
17 SECRETARY OF STATE AND IN GOOD STANDING, PROOF OF WHICH MUST BE
18 INCLUDED WITH THE APPLICATION. IF AN ASSUMED OR TRADE NAME IS TO
19 BE USED, THE NAME MUST BE PROPERLY FILED WITH THE COLORADO
20 SECRETARY OF STATE, PROOF OF WHICH MUST BE INCLUDED WITH THE
21 APPLICATION.

22 (c) A CORPORATION, THE CORPORATION MUST BE REGISTERED AS
23 A FOREIGN CORPORATION OR PROPERLY INCORPORATED WITH THE
24 COLORADO SECRETARY OF STATE AND IN GOOD STANDING, PROOF OF
25 WHICH MUST BE INCLUDED WITH THE APPLICATION. IF AN ASSUMED OR
26 TRADE NAME IS TO BE USED, THE NAME MUST BE PROPERLY FILED WITH
27 THE COLORADO SECRETARY OF STATE, PROOF OF WHICH MUST BE

1 INCLUDED WITH THE APPLICATION.

2 **12-10-1005. Insurance required - rules.** A COMMUNITY
3 ASSOCIATION MANAGEMENT COMPANY LICENSED PURSUANT TO THIS PART
4 10 MUST BE INSURED AS NECESSARY TO COVER ALL ACTIVITIES
5 CONTEMPLATED UNDER THIS PART 10 IN AN AMOUNT AND UNDER TERMS
6 AND CONDITIONS SPECIFIED BY THE DIRECTOR BY RULE. IN PROMULGATING
7 RULES UNDER THIS SECTION, THE DIRECTOR SHALL SOLICIT AND CONSIDER
8 INFORMATION AND COMMENTS FROM INTERESTED PERSONS.

9 **12-10-1006. License fees - renewal - rules.** (1) (a) IN
10 ACCORDANCE WITH SUBSECTION (1)(b) OF THIS SECTION, THE DIRECTOR
11 SHALL ESTABLISH, COLLECT, AND PERIODICALLY ADJUST, IN ACCORDANCE
12 WITH SECTION 12-10-215, FEES FOR:

13 (I) EACH COMMUNITY ASSOCIATION MANAGEMENT COMPANY'S
14 ORIGINAL APPLICATION AND LICENSE;

15 (II) EACH RENEWAL OR REINSTATEMENT OF A MANAGEMENT
16 COMPANY LICENSE; AND

17 (III) ANY CHANGE OF NAME, ADDRESS, OR EMPLOYMENT STATUS
18 REQUIRING A CHANGE IN DIRECTOR RECORDS.

19 (b) THE DIRECTOR SHALL ENGAGE IN RULE-MAKING TO ESTABLISH
20 AN EQUITABLE FEE STRUCTURE THAT CONTEMPLATES THE SIZE OF A
21 LICENSED MANAGEMENT COMPANY, THE NUMBER OF EMPLOYEES
22 PERFORMING COMMUNITY ASSOCIATION MANAGEMENT SERVICES FOR THE
23 LICENSED MANAGEMENT COMPANY, AND THE NUMBER AND SIZE OF THE
24 ASSETS MANAGED.

25 (2) THE DIRECTOR SHALL TRANSMIT ALL FEES TO THE STATE
26 TREASURER, WHO SHALL CREDIT THEM TO THE DIVISION OF REAL ESTATE
27 CASH FUND CREATED IN SECTION 12-10-215 (2)(b). FEES COLLECTED

1 PURSUANT TO THIS SECTION ARE NONREFUNDABLE.

2 (3) (a) LICENSES ARE VALID FOR UP TO TWO YEARS, SUBJECT TO
3 EXPIRATION AND RENEWAL ON A SCHEDULE DETERMINED BY THE
4 DIRECTOR.

5 (b) THE DIRECTOR SHALL ESTABLISH, BY RULE, THE REQUIREMENTS
6 FOR SUBSEQUENT CRIMINAL HISTORY RECORD CHECKS.

7 **12-10-1007. Investigation - disciplinary actions - grounds for**

8 **discipline - rules.** (1) (a) THE DIRECTOR, UPON THE DIRECTOR'S OWN
9 MOTION, MAY, AND, UPON THE WRITTEN SUBMISSION OF A PERSON OF A
10 VALID AND ACTIONABLE COMPLAINT, AS DETERMINED BY THE DIRECTOR,
11 SHALL, INVESTIGATE THE ACTIVITIES OF ANY LICENSED COMMUNITY
12 ASSOCIATION MANAGEMENT COMPANY OR ANY UNLICENSED COMMUNITY
13 ASSOCIATION MANAGEMENT COMPANY THAT ASSUMES TO ACT IN THE
14 CAPACITY OF A LICENSED MANAGEMENT COMPANY WITHIN THIS STATE.
15 AFTER HOLDING A HEARING IN ACCORDANCE WITH THE "STATE
16 ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24, AND FINDING
17 THAT A LICENSED MANAGEMENT COMPANY HAS PERFORMED, IS
18 PERFORMING, OR IS ATTEMPTING TO PERFORM ANY OF THE ACTS SPECIFIED
19 IN SUBSECTION (2) OF THIS SECTION, THE DIRECTOR MAY:

20 (I) IMPOSE AN ADMINISTRATIVE FINE NOT TO EXCEED FIVE
21 THOUSAND DOLLARS;

22 (II) CENSURE THE LICENSED MANAGEMENT COMPANY;

23 (III) ISSUE A LETTER OF ADMONITION;

24 (IV) ISSUE A LETTER OF CONCERN;

25 (V) ENTER INTO A STIPULATION WITH THE LICENSED MANAGEMENT
26 COMPANY FOR DIVERSION;

27 (VI) PLACE THE LICENSED MANAGEMENT COMPANY ON PROBATION

1 AND SET THE TERMS OF PROBATION;

2 (VII) TEMPORARILY SUSPEND THE LICENSED MANAGEMENT
3 COMPANY'S LICENSE; OR

4 (VIII) PERMANENTLY REVOKE THE LICENSED MANAGEMENT
5 COMPANY'S LICENSE.

6 (b) THE DIRECTOR SHALL DEVELOP, BY RULE, A POINTS-BASED
7 DISCIPLINARY SYSTEM TO DETERMINE THE LEVEL OF DISCIPLINE TO IMPOSE
8 ON A LICENSED MANAGEMENT COMPANY BASED ON THE POINTS ASSIGNED
9 TO EACH ACT SPECIFIED IN SUBSECTION (2) OF THIS SECTION. THE
10 POINTS-BASED DISCIPLINARY SYSTEM MUST INCLUDE A PROCESS FOR
11 REDUCING OR ELIMINATING POINTS AFTER A PERIOD OF TIME WITH NO
12 ADDITIONAL VIOLATIONS.

13 (c) THE DIRECTOR SHALL POST ON THE DIVISION'S WEBSITE A LIST
14 OF ALL LICENSED COMMUNITY ASSOCIATION MANAGEMENT COMPANIES IN
15 THIS STATE AND ANY POINTS ATTRIBUTED TO EACH LICENSED
16 MANAGEMENT COMPANY PURSUANT TO THE POINTS-BASED DISCIPLINARY
17 SYSTEM.

18 (2) THE DIRECTOR MAY TAKE DISCIPLINARY ACTION PURSUANT TO
19 SUBSECTION (1) OF THIS SECTION IF A LICENSED MANAGEMENT COMPANY
20 OR CONTROLLING MANAGER OF A LICENSED MANAGEMENT COMPANY HAS
21 ENGAGED IN, IS ENGAGING IN, OR IS ATTEMPTING TO ENGAGE IN, AND IS
22 GUILTY OF COMMITTING, ANY OF THE FOLLOWING ACTS OR OMISSIONS:

23 (a) MISMANAGING OR MISAPPROPRIATING HOA MONEY;

24 (b) KNOWINGLY VIOLATING OR KNOWINGLY DIRECTING OTHERS TO
25 VIOLATE ANY LAW OR ANY COVENANT OR RULES OF AN HOA;

26 (c) FAILING TO ACCOUNT FOR OR TO REMIT, WITHIN A REASONABLE
27 TIME, ANY MONEY IN THE LICENSED MANAGEMENT COMPANY'S POSSESSION

1 THAT BELONGS TO OTHERS, WHETHER WHILE PERFORMING COMMUNITY
2 ASSOCIATION MANAGEMENT SERVICES OR OTHERWISE, OR FAILING TO KEEP
3 RECORDS RELATIVE TO SUCH MONEY, WHICH RECORDS MUST CONTAIN ANY
4 INFORMATION REQUIRED BY RULES OF THE DIRECTOR AND ARE SUBJECT TO
5 AUDIT BY THE DIRECTOR;

6 (d) CONVERTING THE MONEY OF AN HOA OR OTHERS, DIVERTING
7 THE MONEY OF AN HOA OR OTHERS WITHOUT PROPER AUTHORIZATION,
8 COMMINGLING THE MONEY OF AN HOA OR OTHERS WITH THE LICENSED
9 MANAGEMENT COMPANY'S OWN MONEY, OR FAILING TO KEEP:

10 (I) THE MONEY OF AN HOA OR OTHERS IN A SEGREGATED
11 ACCOUNT WITH A BANK OR RECOGNIZED DEPOSITORY IN THIS STATE,
12 WHICH ACCOUNT MAY BE ANY TYPE OF CHECKING, DEMAND, PASSBOOK,
13 OR STATEMENT ACCOUNT INSURED BY AN AGENCY OF THE UNITED STATES
14 GOVERNMENT; AND

15 (II) RECORDS RELATIVE TO THE DEPOSIT OF THE FUNDS IN A
16 SEGREGATED ACCOUNT THAT INCLUDE ANY INFORMATION REQUIRED BY
17 RULES OF THE DIRECTOR AND ARE SUBJECT TO AUDIT BY THE DIRECTOR;

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

21 (f) IN THE CASE OF A CONTROLLING MANAGER ACTING ON BEHALF
22 OF THE LICENSED MANAGEMENT COMPANY, FAILING TO EXERCISE
23 REASONABLE SUPERVISION OVER THE ACTIVITIES OF EMPLOYEES OR OTHER
24 INDIVIDUALS PERFORMING COMMUNITY ASSOCIATION MANAGEMENT
25 SERVICES ON BEHALF OF THE LICENSED MANAGEMENT COMPANY;

26 (g) PROCURING A LICENSE OR RENEWING, REINSTATING, OR
27 REACTIVATING A LICENSE BY FRAUD, MISREPRESENTATION, OR DECEIT OR

1 BY MAKING A MATERIAL MISSTATEMENT OF FACT IN AN APPLICATION FOR
2 A LICENSE;

3 (h) ACTING OUTSIDE THE SCOPE OF AUTHORITY GRANTED BY THE
4 ISSUANCE OF A LICENSE;

5 (i) FAILING TO COOPERATE IN A LEGAL OR REGULATORY
6 INVESTIGATION;

7 (j) IN MAKING RECOMMENDATIONS FOR CONTRACTORS OR
8 VENDORS TO THE EXECUTIVE BOARD, FAILING TO DISCLOSE ANY
9 CONFLICTS OF INTEREST, SUCH AS FINANCIAL BENEFITS THAT MAY ACCRUE
10 TO THE LICENSED MANAGEMENT COMPANY FROM SUCH CONTRACTOR OR
11 VENDOR, INCLUDING A CONTRACTOR OR VENDOR THAT IS OWNED BY OR
12 AFFILIATED WITH THE LICENSED MANAGEMENT COMPANY;

13 (k) FAILING TO PROVIDE TO THE EXECUTIVE BOARD RECORDS OF
14 THE ASSOCIATION IN THE CUSTODY OF THE LICENSED MANAGEMENT
15 COMPANY OR THE CONTROLLING MANAGER;

16 (l) SELLING MEMBERSHIP LISTS TO A THIRD PARTY;

17 (m) SHARING PERSONAL IDENTIFYING INFORMATION OF
18 HOMEOWNERS WITHOUT PRIOR APPROVAL OF THE EXECUTIVE BOARD;

19 (n) FAILING TO PROVIDE TO THE DIRECTOR THE CRIMINAL HISTORY
20 RECORDS, IF ANY, RELATING TO THE HANDLING OR ACCOUNTING OF CLIENT
21 MONEY BY THE LICENSED MANAGEMENT COMPANY'S CONTROLLING
22 MANAGER OR AN EMPLOYEE OF THE LICENSED MANAGEMENT COMPANY
23 WHO HANDLES OR PROVIDES ACCOUNTING FOR CLIENT MONEY;

24 (o) FAILING TO ENSURE THE LICENSED MANAGEMENT COMPANY'S
25 CONTROLLING MANAGER AND ANY EMPLOYEES WHO PERFORM
26 COMMUNITY ASSOCIATION MANAGEMENT SERVICES ON BEHALF OF THE
27 LICENSED MANAGEMENT COMPANY MEET THE EDUCATION REQUIREMENTS

1 ESTABLISHED BY THE DIRECTOR BY RULE PURSUANT TO SECTION
2 12-10-1002 (1); OR

3 (p) ANY OTHER CONDUCT, WHETHER OF THE SAME CHARACTER AS
4 OR OF A DIFFERENT CHARACTER THAN ANY ACT SPECIFIED IN THIS
5 SUBSECTION (2), THAT CONSTITUTES DISHONEST DEALING.

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

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

14 (5) UPON INVESTIGATION OF THE ACTIVITIES OF A LICENSED OR AN
15 UNLICENSED COMMUNITY ASSOCIATION MANAGEMENT COMPANY, IF THE
16 DIVISION BECOMES AWARE OF FACTS OR CIRCUMSTANCES THAT FALL
17 WITHIN THE JURISDICTION OF A CRIMINAL JUSTICE OR OTHER LAW
18 ENFORCEMENT AUTHORITY, THE DIVISION SHALL, IN ADDITION TO
19 EXERCISING ITS AUTHORITY UNDER THIS PART 10, REFER AND TRANSMIT
20 THE INFORMATION, WHICH MAY INCLUDE ORIGINALS OR COPIES OF
21 DOCUMENTS AND MATERIALS, TO ONE OR MORE CRIMINAL JUSTICE OR
22 OTHER LAW ENFORCEMENT AUTHORITIES FOR INVESTIGATION AND
23 PROSECUTION AS AUTHORIZED BY LAW.

24 **12-10-1008. Hearings - use of administrative law judges -**
25 **subpoenas - judicial review - immunity - rules.** (1) EXCEPT AS
26 OTHERWISE PROVIDED IN THIS SECTION, ALL PROCEEDINGS BEFORE THE
27 DIRECTOR WITH RESPECT TO DISCIPLINARY ACTIONS AND DENIAL OF

1 LICENSURE UNDER THIS PART 10, AT THE DISCRETION OF THE DIRECTOR,
2 MAY BE CONDUCTED BY AN AUTHORIZED REPRESENTATIVE OF THE
3 DIRECTOR OR BY AN ADMINISTRATIVE LAW JUDGE PURSUANT TO SECTIONS
4 24-4-104 AND 24-4-105.

5 (2) VENUE FOR PROCEEDINGS IS IN THE COUNTY WHERE THE
6 DIRECTOR'S OFFICE IS LOCATED OR IN SUCH OTHER PLACE AS THE
7 DIRECTOR MAY DESIGNATE.

8 (3) THE DIRECTOR, AN AUTHORIZED REPRESENTATIVE OF THE
9 DIRECTOR, OR, SUBJECT TO APPROPRIATIONS MADE TO THE DEPARTMENT
10 OF PERSONNEL, AN ADMINISTRATIVE LAW JUDGE ON BEHALF OF THE
11 DIRECTOR SHALL CONDUCT ALL HEARINGS FOR DENYING A LICENSE OR
12 TAKING DISCIPLINARY ACTION. EACH ADMINISTRATIVE LAW JUDGE SHALL
13 BE APPOINTED PURSUANT TO PART 10 OF ARTICLE 30 OF TITLE 24. THE
14 ADMINISTRATIVE LAW JUDGE SHALL CONDUCT THE HEARING IN
15 ACCORDANCE WITH SECTIONS 24-4-104 AND 24-4-105. A LICENSE SHALL
16 NOT BE DENIED, SUSPENDED, OR REVOKED UNTIL THE DIRECTOR HAS MADE
17 A DECISION.

18 (4) THE DIRECTOR, AUTHORIZED REPRESENTATIVE OF THE
19 DIRECTOR, OR ADMINISTRATIVE LAW JUDGE APPOINTED FOR HEARINGS
20 MAY ISSUE A SUBPOENA COMPELLING THE ATTENDANCE AND TESTIMONY
21 OF WITNESSES AND THE PRODUCTION OF BOOKS, PAPERS, RECORDS, OR
22 OTHER EVIDENCE PURSUANT TO AN INVESTIGATION OR HEARING.
23 SUBPOENAS MUST BE SERVED IN THE SAME MANNER AS SUBPOENAS ISSUED
24 BY DISTRICT COURTS AND ISSUED WITHOUT DISCRIMINATION BETWEEN
25 PUBLIC AND PRIVATE PARTIES REQUIRING THE ATTENDANCE OF WITNESSES
26 AND THE PRODUCTION OF DOCUMENTS AT HEARINGS. IF A PERSON FAILS TO
27 OBEY A SUBPOENA ISSUED BY THE DIRECTOR, AUTHORIZED

1 REPRESENTATIVE OF THE DIRECTOR, OR APPOINTED ADMINISTRATIVE LAW
2 JUDGE, THE DIRECTOR MAY PETITION THE DISTRICT COURT OF THE CITY
3 AND COUNTY OF DENVER FOR ISSUANCE OF AN ORDER COMPELLING A
4 WITNESS TO ATTEND AND TESTIFY OR PRODUCE BOOKS, PAPERS, RECORDS,
5 OR OTHER EVIDENCE UNDER PENALTY OF PUNISHMENT FOR CONTEMPT.

6 (5) A DECISION OF THE DIRECTOR IN ANY DISCIPLINARY ACTION OR
7 DENIAL OF LICENSURE UNDER THIS SECTION IS SUBJECT TO JUDICIAL
8 REVIEW BY THE COURT OF APPEALS PURSUANT TO SECTION 13-4-102 (2).

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

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

21 **12-10-1009. Repeal of part.** THIS PART 10 IS REPEALED,
22 EFFECTIVE SEPTEMBER 1, 2029. BEFORE THE REPEAL, THIS PART 10 IS
23 SCHEDULED FOR REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

24 **SECTION 3.** In Colorado Revised Statutes, 24-34-104, **add**
25 (30)(a)(IX) as follows:

26 **24-34-104. General assembly review of regulatory agencies**
27 **and functions for repeal, continuation, or reestablishment - legislative**

1 **declaration - repeal.** (30) (a) The following agencies, functions, or both,
2 are scheduled for repeal on September 1, 2029:

3 (IX) THE LICENSING OF COMMUNITY ASSOCIATION MANAGEMENT
4 COMPANIES BY THE DIRECTOR OF THE DIVISION OF REAL ESTATE IN THE
5 DEPARTMENT OF REGULATORY AGENCIES IN ACCORDANCE WITH PART 10
6 OF ARTICLE 10 OF TITLE 12.

7 **SECTION 4.** In Colorado Revised Statutes, 12-10-215, **amend**
8 (1) and (2)(a)(I) as follows:

9 **12-10-215. Fee adjustments - cash fund created.** (1) This
10 section applies to all activities of the division under parts 2, 5, 6, and 7,
11 AND 10 of this article 10.

12 (2) (a) (I) The division shall propose, as part of its annual budget
13 request, an adjustment in the amount of each fee that it is authorized by
14 law to collect under parts 2, 5, 6, and 7, AND 10 of this article 10. The
15 budget request and the adjusted fees for the division must reflect direct
16 and indirect costs.

17 **SECTION 5.** In Colorado Revised Statutes, 13-4-102, **recreate**
18 **and reenact, with amendments,** (2)(m.5) as follows:

19 **13-4-102. Jurisdiction.** (2) The court of appeals has initial
20 jurisdiction to:

21 (m.5) REVIEW FINAL DECISIONS AND ORDERS OF THE DIVISION OF
22 REAL ESTATE, AS PROVIDED IN SECTION 12-10-1008 (5).

23 **SECTION 6. Act subject to petition - effective date.** This act
24 takes effect at 12:01 a.m. on the day following the expiration of the
25 ninety-day period after final adjournment of the general assembly; except
26 that, if a referendum petition is filed pursuant to section 1 (3) of article V
27 of the state constitution against this act or an item, section, or part of this

1 act within such period, then the act, item, section, or part will not take
2 effect unless approved by the people at the general election to be held in
3 November 2024 and, in such case, will take effect on the date of the
4 official declaration of the vote thereon by the governor.