Committee on Transportation & Local Government.

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

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

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

Page 4, strike line 13 and substitute:

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

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

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

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

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

Page 11, strike lines 6 and 7 and substitute:

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

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

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

Page 19, after line 15 insert:

"12-61-1012. Investigation - revocation - actions against licensee - rules. (1) THE DIRECTOR, UPON THE DIRECTOR'S OWN MOTION,
MAY, AND, UPON THE COMPLAINT IN WRITING OF ANY PERSON, SHALL,
investigate the activities of any licensee or any person who
assumes to act in the capacity of a licensee within the state upon
the director's determination that the complaint is valid. The
director, after holding a hearing in accordance with the "State
Administrative Procedure Act", article 4 of title 24, may impose
an administrative fine not to exceed two thousand five hundred
dollars for each separate offense, censure a licensee, place the
licensee on probation and set the terms of probation, or
temporarily suspend or permanently revoke a license when the
licensee has performed, is performing, or is attempting to
perform any of the following acts and is guilty of:

(a) Knowingly making any misrepresentation or
knowingly making use of any false or misleading advertising;

(b) Making any promise of a character that influences,
persuades, or induces another person when he or she could not
or did not intend to keep such promise;

(c) Knowingly misrepresenting or making false promises
through agents, advertising, or otherwise;

(d) Violating, directly or indirectly, any applicable
provision of Colorado or federal fair housing laws;

(e) Knowingly violating or knowingly directing others to
violate CCIOA;

(f) Failing to account for or to remit, within a reasonable
time, any money coming into the licensee's possession that
belongs to others, whether acting as a community association
manager, apprentice, or otherwise, and failing to keep records
relative to the money, which records must contain any
information required by rules of the director and are subject to
AUDIT BY THE DIRECTOR;

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

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

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

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

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

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

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

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

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

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

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

(I) A MORTGAGE BROKER OR MORTGAGE LOAN ORIGINATOR;

(II) A REAL ESTATE BROKER OR SALESPERSON;

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

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

(V) AN ATTORNEY;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) (a) IF IT APPEARS TO THE DIRECTOR, BASED UPON CREDIBLE EVIDENCE AS PRESENTED IN A WRITTEN COMPLAINT BY ANY PERSON, THAT A MANAGER OR APPRENTICE IS VIOLATING THIS PART 10 OR RULES ADOPTED PURSUANT TO THIS PART 10 OR THAT A PERSON IS ACTING OR HAS ACTED WITHOUT THE REQUIRED LICENSE, THEN, IN ADDITION TO ANY SPECIFIC POWERS GRANTED PURSUANT TO THIS PART 10, THE DIRECTOR MAY ISSUE TO THE PERSON AN ORDER TO SHOW CAUSE AS TO WHY THE DIRECTOR SHOULD NOT ISSUE A FINAL ORDER DIRECTING THE PERSON TO CEASE AND DESIST FROM THE UNLAWFUL ACT OR UNLICENSED PRACTICE.
(b) If the Director has issued an order to show cause pursuant to subsection (2)(a) of this section to any person, the Director shall promptly give the person notice of the issuance of the order together with a copy of the order, the factual and legal basis for the order, and the date set by the Director for a hearing on the order. The notice may be served by personal service, by First-class United States mail, postage prepaid, or as may be practicable upon any person against whom the order is issued. Personal service or mailing of an order or document pursuant to this subsection (2) constitutes notice to the person of the order or document.

(c) (I) The hearing on an order to show cause must be commenced no sooner than ten and no later than forty-five calendar days after the date of transmission or service of the notice by the Director as provided in subsection (2)(b) of this section. The hearing may be continued by agreement of all parties based upon the complexity of the matter, number of parties to the matter, and legal issues presented in the matter, but in no event may the hearing commence later than sixty calendar days after the date of transmission or service of the notice.

(II) If a person against whom an order to show cause has been issued pursuant to subsection (2)(a) of this section does not appear at the hearing, the Director may present evidence that notice was properly sent or served upon the person pursuant to subsection (2)(b) of this section and any other evidence related to the matter as the Director deems appropriate. The Director shall issue the order within ten days after the Director's determination related to reasonable attempts to notify the respondent, and the order becomes final as to the respondent by operation of law. The hearing shall be conducted pursuant to sections 24-4-104 and 24-4-105.

(III) If the Director reasonably finds that the person against whom the order to show cause was issued is acting or has acted without the required license, or has or is about to engage in acts or practices constituting violations of this part 10 or rules adopted pursuant to this part 10, a final cease-and-desist order may be issued, directing the person to cease and desist from further unlawful acts or unlicensed practices.

(IV) The Director shall provide notice, in the manner set
FORTH IN SUBSECTION (2)(b) OF THIS SECTION, OF THE FINAL
CEASE-AND-DESIST ORDER WITHIN TEN CALENDAR DAYS AFTER THE
HEARING CONDUCTED PURSUANT TO THIS SUBSECTION (2)(c) TO EACH
PERSON AGAINST WHOM THE FINAL ORDER HAS BEEN ISSUED. THE FINAL
ORDER ISSUED PURSUANT TO SUBSECTION (2)(c)(III) OF THIS SECTION IS
EFFECTIVE WHEN ISSUED AND CONSTITUTES A FINAL ORDER FOR PURPOSES
OF JUDICIAL REVIEW.

(3) If it appears to the director, based upon credible
evidence presented to the director, that a person has engaged in
or is about to engage in any unlicensed act or practice, any act
or practice constituting a violation of this part 10, any rule
promulgated pursuant to this part 10, any order issued pursuant
to this part 10, or any act or practice constituting grounds for
administrative sanction pursuant to this part 10, the director
may enter into a stipulation with the person.

(4) If a person fails to comply with a final
cease-and-desist order or a stipulation, the director may
request the attorney general or the district attorney for the
judicial district in which the alleged violation exists to bring,
and if so requested the attorney shall bring, suit for a
temporary restraining order and for injunctive relief to
prevent any further or continued violation of the final order.

(5) A person aggrieved by the final cease-and-desist order
may seek judicial review of the director's determination or of
the director's final order as provided in section 12-61-1014.

Renumber succeeding C.R.S. sections accordingly.

Page 25, strike lines 18 through 23 and substitute:

"(7) The executive director of the department of
regulatory agencies shall, in consultation with the advisory
committee, adopt rules concerning the appointment and removal
of committee members and operation of the advisory committee
and, in accordance with those rules, may remove an appointed
committee member.

12-61-1016. Repeal of part. This part 10 is repealed,
effective September 1, 2025. Before the repeal, the functions of".

Page 26, line 1, strike "(25)(a)(XX)" and substitute "(26)(a)(VIII)".
Page 26, line 9, strike "(25)" and substitute "(26)".

Page 26, line 10, strike "2024:" and substitute "2025:".

Page 26, line 11, strike "(XX)" and substitute "(VIII)".

Page 28, line 4, after "COORDINATING" insert "CONTRACTS FOR".

Page 28, strike line 6 and substitute:

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

Page 28, line 18, strike "THE" and substitute "AFTER CONSULTING WITH THE ADVISORY COMMITTEE CREATED IN SECTION 12-10-1013, THE".

Page 29, line 7, strike "MANAGER," and substitute "MANAGER OR THE EXECUTIVE BOARD, ".

Page 31, line 7, strike "THE DIRECTOR MAY" and substitute "AFTER CONSULTING WITH THE ADVISORY COMMITTEE CREATED IN SECTION 12-10-1013, THE DIRECTOR SHALL".

Page 31, line 12, strike "12-10-1012," and substitute "12-10-1014,".

Page 34, strike lines 21 and 22 and substitute:

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

Page 37, line 3, strike "GENERAL" and substitute "COLORADO LAW".

Page 39, strike lines 21 through 25 and substitute "UNLESS THE AMOUNT OF THE FEE OR CHARGE IS EXPLICITLY DISCLOSED IN THE MANAGER'S CONTRACT WITH THE HOA OR IN AN ADDENDUM TO THE CONTRACT.".

Page 43, after line 3 insert:

"12-10-1012. Investigation - revocation - actions against
licensee - rules. (1) The director, upon the director's own motion, may, and, upon the complaint in writing of any person, shall, investigate the activities of any licensee or any person who assumes to act in the capacity of a licensee within the state upon the director's determination that the complaint is valid. The director, after holding a hearing in accordance with the "State Administrative Procedure Act", article 4 of title 24, may impose an administrative fine not to exceed two thousand five hundred dollars for each separate offense, censure a licensee, place the licensee on probation and set the terms of probation, or temporarily suspend or permanently revoke a license when the licensee has performed, is performing, or is attempting to perform any of the following acts and is guilty of:

(a) knowingly making any misrepresentation or knowingly making use of any false or misleading advertising;

(b) making any promise of a character that influences, persuades, or induces another person when he or she could not or did not intend to keep such promise;

(c) knowingly misrepresenting or making false promises through agents, advertising, or otherwise;

(d) violating, directly or indirectly, any applicable provision of Colorado or federal fair housing laws;

(e) knowingly violating or knowingly directing others to violate CCIOA;

(f) failing to account for or to remit, within a reasonable time, any money coming into the licensee's possession that belongs to others, whether acting as a community association manager, apprentice, or otherwise, and failing to keep records relative to the money, which records must contain any information required by rules of the director and are subject to audit by the director;

(g) converting funds of others, diverting funds of others without proper authorization, commingling funds of others with the manager's own funds, or failing to keep such funds of others in a segregated account with some bank or recognized depository in this state, which account may be any type of checking, demand, passbook, or statement account insured by an agency of the United States government, and to so keep records relative to the deposit that contain any information required by rules of the director and are subject to audit by the director;

(h) disregarding or violating, or aiding or abetting any
VIOLATION OF, THIS PART 10 OR ANY APPLICABLE RULE OR ORDER OF THE
DIRECTOR;

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

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

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

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

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

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

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

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

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

(I) A MORTGAGE BROKER OR MORTGAGE LOAN ORIGINATOR;

(II) A REAL ESTATE BROKER OR SALESPERSON;

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

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

(V) AN ATTORNEY;

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

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

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

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

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

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

(2) IF A FIRM, PARTNERSHIP, LIMITED LIABILITY COMPANY, ASSOCIATION, OR CORPORATION OPERATING UNDER THE LICENSE OF A MANAGER DESIGNATED AND LICENSED AS A REPRESENTATIVE OF THE ENTITY COMITS ANY ACT OR PRACTICE LISTED IN SUBSECTION (1) OF THIS SECTION, THE DIRECTOR MAY SUSPEND OR REVOKE THE RIGHT OF THE ENTITY TO CONDUCT ITS BUSINESS UNDER THE LICENSE OF THE MANAGER, WHETHER OR NOT THE DESIGNATED MANAGER HAD PERSONAL KNOWLEDGE OF THE ACT OR PRACTICE AND WHETHER OR NOT THE DIRECTOR SUSPENDS OR REVOCS THE INDIVIDUAL LICENSE OF ANY OTHER
(3) After consulting with the advisory committee created in Section 12-10-1015, the Director shall adopt rules specifying the format of complaints, the form and content of notices given to managers concerning complaints, the form and timing of responses, and other details of the complaint and investigation process. The Director shall also provide information and support to consumers regarding the filing of complaints, including examples of appropriate complaints to be filed against managers through the Division; general categories of violations to be selected for complaints when filed; and how the Division may follow up with complainants on the outcome of any complaint filed.

(4) This Part 10 does not relieve any person from civil liability or criminal prosecution under the laws of this State.

(5) Complaints of record in the Office of the Director and Division investigations, including investigatory files, are closed to public inspection. Stipulations and final agency orders are public records subject to Sections 24-72-203 and 24-72-204.

(6) When a complaint or an investigation discloses an instance of misconduct that, in the opinion of the Director, does not warrant formal action by the Director but should not be dismissed as being without merit, the Director may send a letter of admonition to the licensee against whom the complaint was made and a copy of the letter to the person making the complaint, but the letter must advise the licensee that the licensee has the right to request in writing, within twenty days after receipt, that formal disciplinary proceedings be initiated to adjudicate the propriety of the conduct upon which the letter of admonition is based. If the request is timely made, the letter of admonition is vacated, and the matter shall be processed by means of formal disciplinary proceedings.

(7) All administrative fines collected pursuant to this section shall be transmitted to the State Treasurer, who shall credit them to the Division of Real Estate Cash Fund created in Section 12-10-215 (2)(b).

(8) When the Division becomes aware of facts or circumstances that fall within the jurisdiction of a Criminal Justice or other law enforcement authority upon investigation of the activities of a licensee, the Division shall, in addition to the exercise of its authority under this Part 10, refer and
TRANSMIT SUCH INFORMATION, WHICH MAY INCLUDE ORIGINALS OR COPIES
OF DOCUMENTS AND MATERIALS, TO ONE OR MORE CRIMINAL JUSTICE OR
OTHER LAW ENFORCEMENT AUTHORITIES FOR INVESTIGATION AND
PROSECUTION AS AUTHORIZED BY LAW.

12-10-1013. Authority of director - cease-and-desist orders -
rules. (1) (a) If it appears to the director, based upon credible
evidence as presented in a written complaint by any person, that
a manager or apprentice is violating this part 10 or rules
adopted pursuant to this part 10 or that a person is acting or has
acted without the required license, the director may issue an
order to cease and desist the activity. The order must set forth
the statutes and rules the manager, apprentice, or person
allegedly violated, the facts that allegedly constituted the
violation, and the requirement that all unlawful acts or
unlicensed practices immediately cease.

(b) Within ten days after service of the order to cease and
desist pursuant to subsection (1)(a) of this section, the
respondent may request a hearing on the question of whether
acts or practices in violation of this part 10 have occurred. The
hearing must be conducted pursuant to sections 24-4-104 and
24-4-105.

(2) (a) If it appears to the director, based upon credible
evidence as presented in a written complaint by any person, that
a manager or apprentice is violating this part 10 or rules
adopted pursuant to this part 10 or that a person is acting or has
acted without the required license, then, in addition to any
specific powers granted pursuant to this part 10, the director
may issue to the person an order to show cause as to why the
director should not issue a final order directing the person to
cease and desist from the unlawful act or unlicensed practice.

(b) If the director has issued an order to show cause
pursuant to subsection (2)(a) of this section to any person, the
director shall promptly give the person notice of the issuance
of the order together with a copy of the order, the factual and
legal basis for the order, and the date set by the director for a
hearing on the order. The notice may be served by personal
service, by first-class United States mail, postage prepaid, or as
may be practicable upon any person against whom the order is
issued. Personal service or mailing of an order or document
pursuant to this subsection (2) constitutes notice to the person
of the order or document.
(c) (I) The hearing on an order to show cause must be commenced no sooner than ten and no later than forty-five calendar days after the date of transmission or service of the notice by the director as provided in subsection (2)(b) of this section. The hearing may be continued by agreement of all parties based upon the complexity of the matter, number of parties to the matter, and legal issues presented in the matter, but in no event may the hearing commence later than sixty calendar days after the date of transmission or service of the notice.

(II) If a person against whom an order to show cause has been issued pursuant to subsection (2)(a) of this section does not appear at the hearing, the director may present evidence that notice was properly sent or served upon the person pursuant to subsection (2)(b) of this section and any other evidence related to the matter as the director deems appropriate. The director shall issue the order within ten days after the director's determination related to reasonable attempts to notify the respondent, and the order becomes final as to the respondent by operation of law. The hearing shall be conducted pursuant to sections 24-4-104 and 24-4-105.

(III) If the director reasonably finds that the person against whom the order to show cause was issued is acting or has acted without the required license, or has or is about to engage in acts or practices constituting violations of this part 10 or rules adopted pursuant to this part 10, a final cease-and-desist order may be issued, directing the person to cease and desist from further unlawful acts or unlicensed practices.

(IV) The director shall provide notice, in the manner set forth in subsection (2)(b) of this section, of the final cease-and-desist order within ten calendar days after the hearing conducted pursuant to this subsection (2)(c) to each person against whom the final order has been issued. The final order issued pursuant to subsection (2)(c)(III) of this section is effective when issued and constitutes a final order for purposes of judicial review.

(3) If it appears to the director, based upon credible evidence presented to the director, that a person has engaged in or is about to engage in any unlicensed act or practice, any act or practice constituting a violation of this part 10, any rule
PROMULGATED PURSUANT TO THIS PART 10, ANY ORDER ISSUED PURSUANT TO THIS PART 10, OR ANY ACT OR PRACTICE CONSTITUTING GROUNDS FOR ADMINISTRATIVE SANCTION PURSUANT TO THIS PART 10, THE DIRECTOR MAY ENTER INTO A STIPULATION WITH THE PERSON.

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

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

Renumber succeeding C.R.S. sections accordingly.

Page 49, strike lines 6 through 11 and substitute:

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

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

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

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