

Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0372.02 Christy Chase x2008

HOUSE BILL 22-1239

---

HOUSE SPONSORSHIP

Titone,

SENATE SPONSORSHIP

(None),

---

House Committees

Transportation & Local Government

Senate Committees

---

A BILL FOR AN ACT

101 CONCERNING THE REGULATION OF COMMUNITY ASSOCIATION  
102 MANAGERS BY THE DIVISION OF REAL ESTATE IN THE  
103 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. The division of real estate (division) in the department of regulatory agencies (department) is tasked with administering the regulatory program for community association

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.

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 the number of individuals who perform community association management on behalf of the business entity; and
- Obtain criminal history record checks for its controlling manager and each individual that performs community association management on behalf of the business entity.

A business entity licensed as a CAM must ensure that its controlling manager and each individual performing community association management on behalf of the licensed entity is credentialed by the Community Association Managers International Certification Board or the Community Associations Institute and complies with periodic continuing education requirements.

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.** In Colorado Revised Statutes, **add** part 10 to article  
3 10 of title 12 as follows:

4 **PART 10**

5 **COMMUNITY ASSOCIATION MANAGERS**

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

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

10 (2) "BUSINESS ENTITY" MEANS A FIRM, PARTNERSHIP, LIMITED

1 LIABILITY COMPANY, ASSOCIATION, CORPORATION, OR OTHER LEGAL  
2 ENTITY.

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

5 (4) (a) "COMMON INTEREST COMMUNITY" HAS THE MEANING SET  
6 FORTH IN SECTION 38-33.3-103 (8).

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

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

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

15 (5) (a) "COMMUNITY ASSOCIATION MANAGEMENT" MEANS ANY OF  
16 THE FOLLOWING PRACTICES RELATING TO THE MANAGEMENT OF A  
17 COMMON INTEREST COMMUNITY AT THE DIRECTION OF OR ON BEHALF OF  
18 ITS EXECUTIVE BOARD:

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

23 (II) EXECUTING THE RESOLUTIONS AND DECISIONS OF THE  
24 EXECUTIVE BOARD;

25 (III) ENFORCING THE RIGHTS OF THE COMMON INTEREST  
26 COMMUNITY SECURED BY STATUTE, CONTRACT, COVENANT, RULE, OR  
27 BYLAW;

1 (IV) ADMINISTERING OR COORDINATING MAINTENANCE OF  
2 PROPERTY OR FACILITIES OF THE COMMON INTEREST COMMUNITY;

3 (V) ADMINISTERING APPLICATIONS FOR ARCHITECTURAL REVIEW;

4 (VI) ARRANGING, CONDUCTING, OR COORDINATING MEETINGS OF  
5 THE COMMON INTEREST COMMUNITY'S MEMBERSHIP OR EXECUTIVE  
6 BOARD;

7 (VII) MAINTAINING THE COMMON INTEREST COMMUNITY'S  
8 RECORDS PURSUANT TO ITS GOVERNING DOCUMENTS AND APPLICABLE  
9 PROVISIONS OF THE CCIOA; OR

10 (VIII) ADMINISTERING, OR OTHERWISE EXERCISING CONTROL OF,  
11 A COMMON INTEREST COMMUNITY'S MONEY, INCLUDING THE  
12 ADMINISTRATION OF A RESERVE PROGRAM FOR THE MAJOR REPAIR OR  
13 REPLACEMENT OF CAPITAL ASSETS.

14 (b) "COMMUNITY ASSOCIATION MANAGEMENT" DOES NOT MEAN  
15 THE PERFORMANCE OF ANY CLERICAL, MINISTERIAL, ACCOUNTING, OR  
16 MAINTENANCE FUNCTION.

17 (6) (a) "COMMUNITY ASSOCIATION MANAGER" OR "MANAGER"  
18 MEANS A BUSINESS ENTITY THAT ENGAGES IN OR OFFERS OR ATTEMPTS TO  
19 ENGAGE IN COMMUNITY ASSOCIATION MANAGEMENT IN COLORADO IN  
20 CONSIDERATION OF COMPENSATION BY FEE, COMMISSION, SALARY, OR  
21 ANYTHING ELSE OF VALUE OR WITH THE INTENTION OF RECEIVING OR  
22 COLLECTING SUCH COMPENSATION, REGARDLESS OF WHETHER THE  
23 COMPENSATION IS RECEIVED DIRECTLY BY AN INDIVIDUAL PERFORMING  
24 COMMUNITY ASSOCIATION MANAGEMENT ON BEHALF OF A LICENSED  
25 ENTITY OR BY THE LICENSED ENTITY THAT EMPLOYS OR OTHERWISE  
26 ENGAGES THE INDIVIDUAL.

27 (b) "COMMUNITY ASSOCIATION MANAGER" OR "MANAGER" DOES

1 NOT INCLUDE:

2 (I) AN INDIVIDUAL WHO, UNDER THE DIRECT SUPERVISION OF A  
3 MANAGER, PERFORMS ANY CLERICAL, MINISTERIAL, ACCOUNTING, OR  
4 MAINTENANCE FUNCTION;

5 (II) AN INDIVIDUAL WHO IS EMPLOYED OR OTHERWISE ENGAGED  
6 BY AN HOA TO PERFORM COMMUNITY ASSOCIATION MANAGEMENT FOR  
7 THE HOA, SO LONG AS THE INDIVIDUAL PERFORMS COMMUNITY  
8 ASSOCIATION MANAGEMENT FOR ONLY ONE HOA;

9 (III) ANY PUBLIC OFFICIAL IN THE CONDUCT OF THE PUBLIC  
10 OFFICIAL'S OFFICIAL DUTIES;

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

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

18 (VI) AN ATTORNEY IN CONNECTION WITH THE ATTORNEY'S  
19 REPRESENTATION OF CLIENTS IN THE PRACTICE OF LAW;

20 (VII) AN INDEPENDENT CONTRACTOR WHO:

21 (A) PERFORMS ANY CLERICAL, MINISTERIAL, ACCOUNTING, OR  
22 MAINTENANCE FUNCTION; OR

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

25 (VIII) A CORPORATION WITH RESPECT TO PROPERTY OWNED OR  
26 LEASED BY IT, ACTING THROUGH ITS OFFICERS OR REGULAR SALARIED  
27 EMPLOYEES, WHEN SUCH ACTS ARE INCIDENTAL AND NECESSARY IN THE

1 ORDINARY COURSE OF THE CORPORATION'S BUSINESS ACTIVITIES AND ARE  
2 UNRELATED TO PROPERTY MANAGEMENT.

3 (c) AS USED IN SUBSECTIONS (6)(b)(V) AND (6)(b)(VIII) OF THIS  
4 SECTION, "OFFICERS OR REGULAR SALARIED EMPLOYEES" MEANS PERSONS  
5 REGULARLY EMPLOYED WHO DERIVE NOT LESS THAN SEVENTY-FIVE  
6 PERCENT OF THEIR COMPENSATION FROM THE CORPORATION IN THE FORM  
7 OF SALARIES.

8 (7) "CONTROLLING MANAGER" MEANS AN INDIVIDUAL WHO:

9 (a) HOLDS ONE OR MORE OF THE FOLLOWING CREDENTIALS:

10 (I) THE "CERTIFIED MANAGER OF COMMUNITY ASSOCIATIONS" OR  
11 "CMCA" CERTIFICATION AWARDED BY THE COMMUNITY ASSOCIATION  
12 MANAGERS INTERNATIONAL CERTIFICATION BOARD;

13 (II) THE "ASSOCIATION MANAGEMENT SPECIALIST" OR "AMS"  
14 DESIGNATION AWARDED BY THE COMMUNITY ASSOCIATIONS INSTITUTE;  
15 OR

16 (III) THE "PROFESSIONAL COMMUNITY ASSOCIATION MANAGER" OR  
17 "PCAM" DESIGNATION AWARDED BY THE COMMUNITY ASSOCIATIONS  
18 INSTITUTE; AND

19 (b) ON BEHALF OF A LICENSED ENTITY, IS RESPONSIBLE FOR:

20 (I) PERFORMING COMMUNITY ASSOCIATION MANAGEMENT AND  
21 SUPERVISING COMMUNITY ASSOCIATION MANAGEMENT PERFORMED BY  
22 INDIVIDUALS EMPLOYED BY, OR ACTING ON BEHALF OF, THE LICENSED  
23 ENTITY; AND

24 (II) RESPONDING TO THE DIVISION REGARDING ANY MATTER  
25 RELATED TO THE REQUIREMENTS OF THIS PART 10.

26 (8) "EXECUTIVE BOARD" HAS THE MEANING SET FORTH IN SECTION  
27 38-33.3-103 (16).

1 (9) (a) "HOA" OR "HOMEOWNERS' ASSOCIATION" MEANS AN  
2 ASSOCIATION OR UNIT OWNERS' ASSOCIATION, WHETHER ORGANIZED  
3 BEFORE, ON, OR AFTER JULY 1, 1992.

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

8 (10) "LICENSED ENTITY" MEANS A COMMUNITY ASSOCIATION  
9 MANAGER LICENSED PURSUANT TO SECTION 12-10-1004.

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

12 (12) "MAJORITY OF UNITS", AS USED IN SUBSECTIONS (4)(b)(I) AND  
13 (9)(b) OF THIS SECTION, MEANS THE UNITS TO WHICH ARE ALLOCATED  
14 MORE THAN FIFTY PERCENT OF THE ALLOCATED INTERESTS IN THE  
15 COMMON INTEREST COMMUNITY APPURTENANT TO ALL UNITS THAT ARE  
16 DESIGNATED FOR RESIDENTIAL USE.

17 **12-10-1002. Rule-making authority - audits.** (1) THE DIRECTOR  
18 MAY PROMULGATE RULES AS NECESSARY TO ENABLE THE DIRECTOR TO  
19 CARRY OUT THE DIRECTOR'S DUTIES UNDER THIS PART 10.

20 (2) THE DIRECTOR MAY CONDUCT AUDITS OF BUSINESS RECORDS  
21 AND ACCOUNTS OF LICENSED ENTITIES AND MAY CONDUCT RANDOM  
22 COMPLIANCE AUDITS TO ENSURE COMPLIANCE WITH THIS PART 10.

23 **12-10-1003. Community association manager license required**  
24 **- violations - injunction.** (1) IT IS UNLAWFUL FOR ANY BUSINESS ENTITY  
25 TO ENGAGE IN THE BUSINESS OF COMMUNITY ASSOCIATION MANAGEMENT  
26 IN THIS STATE WITHOUT FIRST HAVING OBTAINED A LICENSE FROM THE  
27 DIRECTOR PURSUANT TO SECTION 12-10-1004. THE DIRECTOR SHALL NOT

1 GRANT A LICENSE TO A BUSINESS ENTITY UNTIL THE BUSINESS ENTITY  
2 DEMONSTRATES COMPLIANCE WITH THIS PART 10.

3 (2) IN ADDITION TO CONDUCTING HEARINGS AS PROVIDED IN  
4 SECTION 12-10-1007, THE DIRECTOR MAY ENFORCE THIS PART 10 AND  
5 RULES ADOPTED UNDER THIS PART 10 BY TAKING ONE OR MORE OF THE  
6 FOLLOWING ACTIONS:

7 (a) IF THE DIRECTOR HAS REASONABLE CAUSE TO BELIEVE THAT A  
8 PERSON IS VIOLATING THIS PART 10 OR A RULE ADOPTED UNDER THIS PART  
9 10, THE DIRECTOR MAY ENTER AN ORDER REQUIRING THE PERSON TO  
10 CEASE AND DESIST THE VIOLATION.

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

21 (3) ANY BUSINESS ENTITY VIOLATING THIS PART 10 BY ACTING AS  
22 A COMMUNITY ASSOCIATION MANAGER WITHOUT HAVING OBTAINED A  
23 LICENSE OR ACTING AS COMMUNITY ASSOCIATION MANAGER AFTER THE  
24 COMMUNITY ASSOCIATION MANAGER'S LICENSE HAS BEEN REVOKED OR  
25 DURING ANY PERIOD FOR WHICH THE LICENSE WAS SUSPENDED COMMITS  
26 A CLASS 2 MISDEMEANOR, AS DEFINED IN SECTION 18-1.3-501.

27 **12-10-1004. Community association manager license -**



1     **application - requirements - criminal history record check.** (1) A  
2     BUSINESS ENTITY SHALL APPLY FOR A LICENSE AS A COMMUNITY  
3     ASSOCIATION MANAGER TO THE DIRECTOR IN A MANNER PRESCRIBED BY  
4     THE DIRECTOR.

5             (2) UPON A BUSINESS ENTITY'S COMPLIANCE WITH SUBSECTION (3)  
6     OF THIS SECTION, THE DIRECTOR MAY GRANT A COMMUNITY ASSOCIATION  
7     MANAGER LICENSE TO A BUSINESS ENTITY THAT:

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

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

12            (c) DESIGNATES A CONTROLLING MANAGER TO BE RESPONSIBLE  
13     FOR THE LICENSED PRACTICES OF THE BUSINESS ENTITY AND ALL  
14     INDIVIDUALS EMPLOYED BY THE BUSINESS ENTITY; AND

15            (d) PAYS THE FEE DETERMINED BY THE DIRECTOR PURSUANT TO  
16     SECTION 12-10-1006.

17            (3) (a) THE DIRECTOR SHALL NOT ISSUE A LICENSE TO ANY  
18     BUSINESS ENTITY UNTIL THE INDIVIDUAL DESIGNATED BY THE BUSINESS  
19     ENTITY AS THE CONTROLLING MANAGER SUBMITS A SET OF FINGERPRINTS  
20     TO THE COLORADO BUREAU OF INVESTIGATION FOR THE PURPOSE OF  
21     CONDUCTING A STATE AND NATIONAL FINGERPRINT-BASED CRIMINAL  
22     HISTORY RECORD CHECK UTILIZING RECORDS OF THE COLORADO BUREAU  
23     OF INVESTIGATION AND THE FEDERAL BUREAU OF INVESTIGATION. EACH  
24     INDIVIDUAL SUBMITTING A SET OF FINGERPRINTS OR THE BUSINESS ENTITY,  
25     ON BEHALF OF EACH INDIVIDUAL SUBMITTING A SET OF FINGERPRINTS,  
26     SHALL PAY THE FEE ESTABLISHED BY THE COLORADO BUREAU OF  
27     INVESTIGATION FOR CONDUCTING THE FINGERPRINT-BASED CRIMINAL

1 HISTORY RECORD CHECK TO THE BUREAU. UPON COMPLETION OF THE  
2 CRIMINAL HISTORY RECORD CHECK, THE BUREAU SHALL FORWARD THE  
3 RESULTS TO THE DIRECTOR.

4 (b) THE DIRECTOR MAY ACQUIRE A NAME-BASED CRIMINAL  
5 HISTORY RECORD CHECK FOR AN INDIVIDUAL WHO HAS TWICE SUBMITTED  
6 TO A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK AND WHOSE  
7 FINGERPRINTS ARE UNCLASSIFIABLE OR WHEN THE RESULTS OF A  
8 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK OF AN APPLICANT  
9 PERFORMED PURSUANT TO THIS SUBSECTION (3) REVEAL A RECORD OF  
10 ARREST WITHOUT A DISPOSITION. THE INDIVIDUAL OR THE BUSINESS  
11 ENTITY, ON BEHALF OF THE INDIVIDUAL, SHALL PAY THE COSTS  
12 ASSOCIATED WITH A NAME-BASED CRIMINAL HISTORY RECORD CHECK.

13 (c) THE DIRECTOR MAY DENY AN APPLICATION FOR LICENSURE OR  
14 REFUSE TO RENEW A LICENSE BASED ON THE OUTCOME OF THE CRIMINAL  
15 HISTORY RECORD CHECK AND SHALL DENY AN APPLICATION IF THE  
16 OUTCOME OF THE CRIMINAL HISTORY RECORD CHECK INDICATES THAT THE  
17 CONTROLLING MANAGER HAS, WITHIN THE IMMEDIATELY PRECEDING FIVE  
18 YEARS, BEEN CONVICTED OF AN OFFENSE INVOLVING UNLAWFUL SEXUAL  
19 BEHAVIOR LISTED IN SECTION 16-22-102 (9); FIRST DEGREE BURGLARY, AS  
20 DESCRIBED IN SECTION 18-4-202; SECOND DEGREE BURGLARY, AS  
21 DESCRIBED IN SECTION 18-4-203; OR ANY FELONY INVOLVING FRAUD,  
22 THEFT, LARCENY, EMBEZZLEMENT, FRAUDULENT CONVERSION, OR  
23 MISAPPROPRIATION OF PROPERTY.

24 (4) (a) THE DIRECTOR SHALL NOT ISSUE A LICENSE TO ANY  
25 BUSINESS ENTITY IF:

26 (I) THE INDIVIDUAL DESIGNATED BY THE BUSINESS ENTITY AS THE  
27 CONTROLLING MANAGER HAS PREVIOUSLY HAD, IN ANY STATE, A

1 COMMUNITY ASSOCIATION MANAGER REGISTRATION, LICENSE, OR  
2 CERTIFICATE REFUSED, DENIED, CANCELED, SURRENDERED IN LIEU OF  
3 REVOCATION, OR REVOKED; OR

4 (II) THE BUSINESS ENTITY IS OWNED, IN WHOLE OR IN PART,  
5 DIRECTLY OR INDIRECTLY, BY ANY PERSON WHO HAS HAD, IN ANY STATE,  
6 A COMMUNITY ASSOCIATION MANAGER LICENSE, REGISTRATION, OR  
7 CERTIFICATE REFUSED, DENIED, CANCELED, SURRENDERED IN LIEU OF  
8 REVOCATION, OR REVOKED.

9 (b) A DISCIPLINARY ACTION RESULTING IN REFUSAL, DENIAL,  
10 CANCELLATION, SURRENDER IN LIEU OF REVOCATION, OR REVOCATION  
11 RELATING TO A LICENSE AS A COMMUNITY ASSOCIATION MANAGER UNDER  
12 THIS PART 10 OR ANY RELATED OCCUPATION IN ANY OTHER STATE,  
13 TERRITORY, OR COUNTRY FOR DISCIPLINARY REASONS IS PRIMA FACIE  
14 EVIDENCE OF GROUNDS FOR DENIAL OF A LICENSE BY THE DIRECTOR.

15 (5) THE DIRECTOR MAY DENY AN APPLICATION FOR A LICENSE FOR  
16 A BUSINESS ENTITY THAT HAS PREVIOUSLY HAD A LICENSE REVOKED OR  
17 HAS SURRENDERED A LICENSE IN LIEU OF REVOCATION. A DISCIPLINARY  
18 ACTION RESULTING IN THE SURRENDER IN LIEU OF REVOCATION OR THE  
19 REVOCATION OF A LICENSE AS A COMMUNITY ASSOCIATION MANAGER  
20 UNDER THIS PART 10 OR ANY RELATED OCCUPATION IN ANY OTHER STATE,  
21 TERRITORY, OR COUNTRY FOR DISCIPLINARY REASONS MAY BE DEEMED TO  
22 BE PRIMA FACIE EVIDENCE OF GROUNDS FOR DENIAL OF A LICENSE BY THE  
23 DIRECTOR.

24 (6) EACH COMMUNITY ASSOCIATION MANAGER MUST MAINTAIN A  
25 DEFINITE PLACE OF BUSINESS. IF A COMMUNITY ASSOCIATION MANAGER IS  
26 DOMICILED IN ANOTHER STATE, THE CONTROLLING MANAGER DESIGNATED  
27 BY THE COMMUNITY ASSOCIATION MANAGER IS RESPONSIBLE FOR

1 SUPERVISING ALL LICENSED ACTIVITIES THAT OCCUR IN COLORADO. ALL  
2 LICENSED ACTIONS OCCURRING WITHIN THE STATE OF COLORADO MUST  
3 OCCUR UNDER THE NAME UNDER WHICH THE COMMUNITY ASSOCIATION  
4 MANAGER IS LICENSED OR ITS TRADE NAME ADOPTED IN ACCORDANCE  
5 WITH COLORADO LAW.

6 (7) IF THE BUSINESS ENTITY THAT APPLIES FOR A LICENSE  
7 PURSUANT TO THIS SECTION IS:

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

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

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

1 THE COLORADO SECRETARY OF STATE, PROOF OF WHICH MUST BE  
2 INCLUDED WITH THE APPLICATION.

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

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

14 (I) EACH BUSINESS ENTITY'S ORIGINAL APPLICATION AND LICENSE;

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

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

18 (b) THE DIRECTOR SHALL SET FEES FOR LICENSES BASED ON THE  
19 NUMBER OF EMPLOYEES OR OTHER INDIVIDUALS ENGAGED IN COMMUNITY  
20 ASSOCIATION MANAGEMENT ON BEHALF OF THE BUSINESS ENTITY  
21 APPLYING FOR THE LICENSE.

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

26 (3) (a) LICENSES ARE VALID FOR UP TO TWO YEARS, SUBJECT TO  
27 EXPIRATION AND RENEWAL ON A SCHEDULE DETERMINED BY THE

1 DIRECTOR.

2 (b) THE DIRECTOR SHALL ESTABLISH, BY RULE, THE REQUIREMENTS  
3 FOR CONTINUING EDUCATION AND SUBSEQUENT CRIMINAL HISTORY  
4 RECORD CHECKS. THE RULES MUST REQUIRE, AS A CONDITION OF LICENSE  
5 RENEWAL, THAT THE CONTROLLING MANAGER DESIGNATED BY A LICENSED  
6 ENTITY AND EACH INDIVIDUAL PERFORMING COMMUNITY ASSOCIATION  
7 MANAGEMENT ON BEHALF OF THE LICENSED ENTITY COMPLETE SIXTEEN  
8 HOURS OF CONTINUING EDUCATION EVERY TWO YEARS.

9 **12-10-1007. Investigation - disciplinary actions - grounds for**  
10 **discipline - rules.** (1) (a) THE DIRECTOR, UPON THE DIRECTOR'S OWN  
11 MOTION, MAY, AND, UPON THE COMPLAINT IN WRITING OF ANY PERSON,  
12 SHALL, INVESTIGATE THE ACTIVITIES OF ANY LICENSED ENTITY OR ANY  
13 BUSINESS ENTITY THAT ASSUMES TO ACT IN THE CAPACITY OF A LICENSED  
14 ENTITY WITHIN THE STATE. AFTER HOLDING A HEARING IN ACCORDANCE  
15 WITH THE "STATE ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE  
16 24, AND FINDING THAT A LICENSED ENTITY OR PERSON HAS PERFORMED,  
17 IS PERFORMING, OR IS ATTEMPTING TO PERFORM ANY OF THE ACTS  
18 SPECIFIED IN SUBSECTION (2) OF THIS SECTION, THE DIRECTOR MAY:

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

21 (II) CENSURE A LICENSED ENTITY;

22 (III) ISSUE A LETTER OF ADMONITION;

23 (IV) ISSUE A LETTER OF CONCERN;

24 (V) ENTER INTO A STIPULATION WITH THE LICENSED ENTITY FOR  
25 DIVERSION;

26 (VI) PLACE THE LICENSED ENTITY ON PROBATION AND SET THE  
27 TERMS OF PROBATION;

1 (VII) TEMPORARILY SUSPEND A LICENSED ENTITY'S LICENSE; OR

2 (VIII) PERMANENTLY REVOKE A LICENSED ENTITY'S LICENSE.

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

10 (c) THE DIRECTOR SHALL POST ON THE DIVISION'S WEBSITE A LIST  
11 OF ALL LICENSED ENTITIES IN THE STATE AND ANY POINTS ATTRIBUTED TO  
12 EACH LICENSED ENTITY PURSUANT TO THE POINTS-BASED DISCIPLINARY  
13 SYSTEM.

14 (2) THE DIRECTOR MAY TAKE DISCIPLINARY ACTION PURSUANT TO  
15 SUBSECTION (1) OF THIS SECTION IF A LICENSED ENTITY OR OTHER PERSON  
16 HAS ENGAGED IN, IS ENGAGING IN, OR IS ATTEMPTING TO ENGAGE IN, AND  
17 IS GUILTY OF COMMITTING, ANY OF THE FOLLOWING ACTS OR OMISSIONS:

18 (a) MISMANAGING OR MISAPPROPRIATING HOA FUNDS;

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

21 (c) FAILING TO ACCOUNT FOR OR TO REMIT, WITHIN A REASONABLE  
22 TIME, ANY MONEY IN THE LICENSED ENTITY'S POSSESSION THAT BELONGS  
23 TO OTHERS, WHETHER WHILE ACTING AS A COMMUNITY ASSOCIATION  
24 MANAGER OR OTHERWISE, OR FAILING TO KEEP RECORDS RELATIVE TO  
25 SUCH MONEY, WHICH RECORDS MUST CONTAIN ANY INFORMATION  
26 REQUIRED BY RULES OF THE DIRECTOR AND ARE SUBJECT TO AUDIT BY THE  
27 DIRECTOR;

1           (d) CONVERTING FUNDS OF OTHERS, DIVERTING FUNDS OF OTHERS  
2 WITHOUT PROPER AUTHORIZATION, COMMINGLING FUNDS OF OTHERS WITH  
3 THE LICENSED ENTITY'S OWN FUNDS, OR FAILING TO KEEP:

4           (I) THE FUNDS OF OTHERS IN A SEGREGATED ACCOUNT WITH A  
5 BANK OR RECOGNIZED DEPOSITORY IN THIS STATE, WHICH ACCOUNT MAY  
6 BE ANY TYPE OF CHECKING, DEMAND, PASSBOOK, OR STATEMENT  
7 ACCOUNT INSURED BY AN AGENCY OF THE UNITED STATES GOVERNMENT;  
8 AND

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

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

15           (f) IN THE CASE OF A CONTROLLING MANAGER ACTING ON BEHALF  
16 OF THE LICENSED ENTITY, FAILING TO EXERCISE REASONABLE SUPERVISION  
17 OVER THE ACTIVITIES OF EMPLOYEES OR OTHER INDIVIDUALS PERFORMING  
18 COMMUNITY ASSOCIATION MANAGEMENT ON BEHALF OF THE LICENSED  
19 ENTITY;

20           (g) PROCURING A LICENSE OR RENEWING, REINSTATING, OR  
21 REACTIVATING A LICENSE BY FRAUD, MISREPRESENTATION, OR DECEIT OR  
22 BY MAKING A MATERIAL MISSTATEMENT OF FACT IN AN APPLICATION FOR  
23 A LICENSE;

24           (h) ACTING OUTSIDE THE SCOPE OF AUTHORITY GRANTED BY THE  
25 ISSUANCE OF A LICENSE;

26           (i) FAILING TO COOPERATE IN A LEGAL OR REGULATORY  
27 INVESTIGATION;



1 (j) FAILING TO DISCLOSE TO AN EXECUTIVE BOARD OR AN HOA  
2 ANY CONFLICTS OF INTEREST THE LICENSED ENTITY HAS WITH  
3 CONTRACTORS, VENDORS, OR ATTORNEYS THE LICENSED ENTITY  
4 RECOMMENDS TO THE EXECUTIVE BOARD OR HOA;

5 (k) FAILING TO PROVIDE TO THE DIRECTOR OR TO AN HOA WITH  
6 WHICH THE LICENSED ENTITY CONTRACTS THE CRIMINAL HISTORY  
7 RECORDS OF THE LICENSED ENTITY'S CONTROLLING MANAGER THAT  
8 INVOLVE THE HANDLING OR ACCOUNTING OF CLIENT FUNDS;

9 (l) FAILING TO ENSURE THE LICENSED ENTITY'S CONTROLLING  
10 MANAGER AND ANY EMPLOYEES WHO PERFORM COMMUNITY ASSOCIATION  
11 MANAGEMENT ON BEHALF OF THE LICENSED ENTITY:

12 (I) HOLD AND MAINTAIN IN GOOD STANDING ONE OF THE  
13 CREDENTIALS DESCRIBED IN SECTION 12-10-1001 (7)(a); OR

14 (II) COMPLETE THE CONTINUING EDUCATION REQUIREMENTS  
15 ESTABLISHED BY RULES PROMULGATED BY THE DIRECTOR PURSUANT TO  
16 SECTION 12-10-1006 (3)(b); OR

17 (m) ANY OTHER CONDUCT, WHETHER OF THE SAME OR OF A  
18 DIFFERENT CHARACTER THAN ANY ACT SPECIFIED IN THIS SUBSECTION (2),  
19 THAT CONSTITUTES DISHONEST DEALING.

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

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

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

10           **12-10-1008. Hearings - use of administrative law judges -**  
11 **subpoenas - judicial review - immunity - rules.** (1) EXCEPT AS  
12 OTHERWISE PROVIDED IN THIS SECTION, ALL PROCEEDINGS BEFORE THE  
13 DIRECTOR WITH RESPECT TO DISCIPLINARY ACTIONS AND DENIAL OF  
14 LICENSURE UNDER THIS PART 10, AT THE DISCRETION OF THE DIRECTOR,  
15 MAY BE CONDUCTED BY AN AUTHORIZED REPRESENTATIVE OF THE  
16 DIRECTOR OR BY AN ADMINISTRATIVE LAW JUDGE PURSUANT TO SECTIONS  
17 24-4-104 AND 24-4-105.

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

21           (3) THE DIRECTOR, AN AUTHORIZED REPRESENTATIVE OF THE  
22 DIRECTOR, OR AN ADMINISTRATIVE LAW JUDGE ON BEHALF OF THE  
23 DIRECTOR AND SUBJECT TO APPROPRIATIONS MADE TO THE DEPARTMENT  
24 OF PERSONNEL, SHALL CONDUCT ALL HEARINGS FOR DENYING A LICENSE  
25 OR TAKING DISCIPLINARY ACTION. EACH ADMINISTRATIVE LAW JUDGE  
26 SHALL BE APPOINTED PURSUANT TO PART 10 OF ARTICLE 30 OF TITLE 24.  
27 THE ADMINISTRATIVE LAW JUDGE SHALL CONDUCT THE HEARING IN

1 ACCORDANCE WITH SECTIONS 24-4-104 AND 24-4-105. NO LICENSE MAY  
2 BE DENIED, SUSPENDED, OR REVOKED UNTIL THE DIRECTOR HAS MADE A  
3 DECISION.

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

19 (5) A DECISION OF THE DIRECTOR IN ANY DISCIPLINARY ACTION OR  
20 DENIAL OF LICENSURE UNDER THIS SECTION IS SUBJECT TO JUDICIAL  
21 REVIEW BY THE COURT OF APPEALS.

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

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

6 **12-10-1009. Repeal of part.** THIS PART 10 IS REPEALED,  
7 EFFECTIVE SEPTEMBER 1, 2029. BEFORE THE REPEAL, THIS PART 10 IS  
8 SCHEDULED FOR REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

9 **SECTION 2.** In Colorado Revised Statutes, 24-34-104, **add**  
10 (30)(a)(VII) as follows:

11 **24-34-104. General assembly review of regulatory agencies**  
12 **and functions for repeal, continuation, or reestablishment - legislative**  
13 **declaration - repeal.** (30) (a) The following agencies, functions, or both,  
14 are scheduled for repeal on September 1, 2029:

15 (VII) THE LICENSING OF COMMUNITY ASSOCIATION MANAGERS BY  
16 THE DIRECTOR OF THE DIVISION OF REAL ESTATE IN THE DEPARTMENT OF  
17 REGULATORY AGENCIES IN ACCORDANCE WITH PART 10 OF ARTICLE 10 OF  
18 TITLE 12.

19 **SECTION 3.** In Colorado Revised Statutes, 12-10-215, **amend**  
20 (1) as follows:

21 **12-10-215. Fee adjustments - cash fund created.** (1) This  
22 section applies to all activities of the division under parts 2, 5, 6, ~~and~~ 7,  
23 AND 10 of this article 10.

24 **SECTION 4. Act subject to petition - effective date.** This act  
25 takes effect at 12:01 a.m. on the day following the expiration of the  
26 ninety-day period after final adjournment of the general assembly; except  
27 that, if a referendum petition is filed pursuant to section 1 (3) of article V

1 of the state constitution against this act or an item, section, or part of this  
2 act within such period, then the act, item, section, or part will not take  
3 effect unless approved by the people at the general election to be held in  
4 November 2022 and, in such case, will take effect on the date of the  
5 official declaration of the vote thereon by the governor.