

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Transportation, Housing, & Local Government.

HB24-1078 be amended as follows:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

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

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

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

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

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

23 (2) To address these concerns, the general assembly therefore
24 declares that the regulation of community association management
25 companies:

26 (a) Is important to protect the public and, in particular,
27 homeowners from financial harm and ensure that business entities
28 engaged in the practice of community association management have
29 knowledge of applicable laws and are able to perform community
30 association management services in a manner that ensures homeowners
31 are not financially harmed; and

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

36 **SECTION 2.** In Colorado Revised Statutes, **add** part 10 to article
37 10 of title 12 as follows:

38 **PART 10**

39 **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 FIRM, A PARTNERSHIP, A LIMITED
19 LIABILITY COMPANY, AN ASSOCIATION, A CORPORATION, OR ANOTHER
20 LEGAL ENTITY THAT PROVIDES OR OFFERS OR ATTEMPTS TO PROVIDE
21 COMMUNITY ASSOCIATION MANAGEMENT SERVICES IN COLORADO IN
22 CONSIDERATION OF COMPENSATION BY FEE OR ANYTHING ELSE OF VALUE
23 OR WITH THE INTENTION OF RECEIVING OR COLLECTING SUCH
24 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
28 AN HOA TO PERFORM COMMUNITY ASSOCIATION MANAGEMENT SERVICES
29 FOR THE HOA, SO LONG AS THE INDIVIDUAL PERFORMS COMMUNITY
30 ASSOCIATION MANAGEMENT SERVICES FOR ONLY ONE HOA AND THE
31 HOA, UPON ANNUAL REGISTRATION PURSUANT TO SECTION 38-33.3-401,
32 HAS DISCLOSED THE NAME OF THE INDIVIDUAL AS ITS MANAGING AGENT
33 EMPLOYED OR ENGAGED BY THE HOA TO PERFORM COMMUNITY
34 ASSOCIATION MANAGEMENT SERVICES FOR THE HOA; OR
35 (II) (A) A CORPORATION, WITH RESPECT TO PROPERTY OWNED OR
36 LEASED BY THE CORPORATION, ACTING THROUGH ITS OFFICERS OR
37 REGULAR SALARIED EMPLOYEES, WHEN SUCH ACTS ARE INCIDENTAL AND
38 NECESSARY IN THE ORDINARY COURSE OF THE CORPORATION'S BUSINESS
39 ACTIVITIES AND ARE UNRELATED TO COMMUNITY ASSOCIATION
40 MANAGEMENT SERVICES.
41 (B) AS USED IN SUBSECTION (4)(b)(II)(A) OF THIS SECTION,
42 "OFFICERS OR REGULAR SALARIED EMPLOYEES" MEANS INDIVIDUALS
43 REGULARLY EMPLOYED WHO DERIVE NOT LESS THAN SEVENTY-FIVE
44 PERCENT OF THEIR COMPENSATION FROM THE CORPORATION IN THE FORM
45 OF SALARIES.

1 (5) (a) "COMMUNITY ASSOCIATION MANAGEMENT SERVICES"
2 MEANS ANY OF THE FOLLOWING SERVICES RELATING TO THE MANAGEMENT
3 OF A COMMON INTEREST COMMUNITY AT THE DIRECTION OF THE
4 EXECUTIVE BOARD OR AS SPECIFIED IN A CONTRACT FOR MANAGEMENT
5 SERVICES EXECUTED AND IN EFFECT BETWEEN A COMMUNITY ASSOCIATION
6 MANAGEMENT COMPANY AND THE COMMON INTEREST COMMUNITY:
7 (I) IN INTERACTIONS WITH MEMBERS OR NONMEMBERS OF THE
8 COMMON INTEREST COMMUNITY, ACTING WITH THE AUTHORITY OF THE
9 COMMON INTEREST COMMUNITY WITH RESPECT TO ITS BUSINESS, LEGAL,
10 FINANCIAL, OR OTHER TRANSACTIONS;
11 (II) ADMINISTERING THE RESOLUTIONS AND DECISIONS OF THE
12 EXECUTIVE BOARD;
13 (III) ENFORCING THE RIGHTS OF THE COMMON INTEREST
14 COMMUNITY SECURED BY STATUTE, CONTRACT, COVENANT, RULE, OR
15 BYLAW;
16 (IV) ADMINISTERING OR COORDINATING MAINTENANCE OF
17 PROPERTY OR FACILITIES OF THE COMMON INTEREST COMMUNITY;
18 (V) ADMINISTERING APPLICATIONS FOR ARCHITECTURAL REVIEW;
19 (VI) ARRANGING OR COORDINATING MEETINGS OF THE COMMON
20 INTEREST COMMUNITY'S MEMBERSHIP OR EXECUTIVE BOARD;
21 (VII) MAINTAINING THE COMMON INTEREST COMMUNITY'S
22 RECORDS PURSUANT TO ITS GOVERNING DOCUMENTS AND APPLICABLE
23 PROVISIONS OF THE CCIOA; OR
24 (VIII) ADMINISTERING, AS DIRECTED BY THE EXECUTIVE BOARD,
25 A COMMON INTEREST COMMUNITY'S MONEY, INCLUDING THE
26 ADMINISTRATION OF A RESERVE PROGRAM FOR THE MAJOR REPAIR OR
27 REPLACEMENT OF CAPITAL ASSETS.
28 (b) "COMMUNITY ASSOCIATION MANAGEMENT SERVICES" DO NOT
29 INCLUDE THE PERFORMANCE OF ANY CLERICAL, MINISTERIAL, OR
30 ACCOUNTING FUNCTION.
31 (6) "CONTROLLING MANAGER" MEANS AN INDIVIDUAL WHO:
32 (a) IS DESIGNATED BY THE LICENSED COMMUNITY ASSOCIATION
33 MANAGEMENT COMPANY;
34 (b) MEETS THE EDUCATION REQUIREMENTS ESTABLISHED BY THE
35 DIRECTOR BY RULE PURSUANT TO SECTION 12-10-1002;
36 (c) DEMONSTRATES KNOWLEDGE OF THE LAWS OF THIS STATE
37 THAT GOVERN COMMON INTEREST COMMUNITIES AND HOAs, INCLUDING
38 THE "COLORADO REVISED NONPROFIT CORPORATION ACT", ARTICLES 121
39 TO 137 OF TITLE 7; THE CCIOA; AND ANY OTHER LAWS SPECIFIED BY THE
40 DIRECTOR BY RULE; AND
41 (d) ON BEHALF OF A LICENSED COMMUNITY ASSOCIATION
42 MANAGEMENT COMPANY, IS RESPONSIBLE FOR:
43 (I) PERFORMING COMMUNITY ASSOCIATION MANAGEMENT
44 SERVICES AND SUPERVISING COMMUNITY ASSOCIATION MANAGEMENT
45 SERVICES PERFORMED BY INDIVIDUALS EMPLOYED BY, OR ACTING ON

1 BEHALF OF, THE LICENSED MANAGEMENT COMPANY;
2 (II) TRAINING OR SECURING TRAINING FOR LICENSED
3 MANAGEMENT COMPANY EMPLOYEES CONCERNING COMPLIANCE WITH
4 THIS PART 10; AND
5 (III) RESPONDING TO THE DIVISION REGARDING ANY MATTER
6 RELATED TO THE REQUIREMENTS OF THIS PART 10.
7 (7) "EXECUTIVE BOARD" HAS THE MEANING SET FORTH IN SECTION
8 38-33.3-103 (16).
9 (8) (a) "HOA" OR "HOMEOWNERS' ASSOCIATION" MEANS AN
10 ASSOCIATION OR UNIT OWNERS' ASSOCIATION, WHETHER ORGANIZED
11 BEFORE, ON, OR AFTER JULY 1, 1992.
12 (b) "HOA" OR "HOMEOWNERS' ASSOCIATION" DOES NOT INCLUDE
13 AN ASSOCIATION OR UNIT OWNERS' ASSOCIATION IN WHICH A MAJORITY OF
14 UNITS THAT ARE DESIGNATED FOR RESIDENTIAL USE ARE TIME SHARE
15 UNITS, AS DEFINED IN SECTION 38-33-110 (7).
16 (9) "LICENSED COMMUNITY ASSOCIATION MANAGEMENT
17 COMPANY" OR "LICENSED MANAGEMENT COMPANY" MEANS A COMMUNITY
18 ASSOCIATION MANAGEMENT COMPANY LICENSED PURSUANT TO SECTION
19 12-10-1004.
20 (10) "LIMITED LIABILITY COMPANY" HAS THE MEANING SET FORTH
21 IN SECTION 7-80-102 (7).
22 (11) "MAJORITY OF UNITS", AS USED IN SUBSECTIONS (3)(b)(I) AND
23 (8)(b) OF THIS SECTION, MEANS THE UNITS TO WHICH ARE ALLOCATED
24 MORE THAN FIFTY PERCENT OF THE ALLOCATED INTERESTS IN THE
25 COMMON INTEREST COMMUNITY APPURTENANT TO ALL UNITS THAT ARE
26 DESIGNATED FOR RESIDENTIAL USE.
27 **12-10-1002. Rule-making authority - audits.** (1) THE DIRECTOR
28 MAY PROMULGATE RULES AS NECESSARY TO CARRY OUT THE DIRECTOR'S
29 DUTIES UNDER THIS PART 10, INCLUDING RULES ESTABLISHING EDUCATION
30 REQUIREMENTS FOR CONTROLLING MANAGERS AND EDUCATION THAT A
31 CONTROLLING MANAGER SHALL PROVIDE OR CAUSE TO BE PROVIDED TO
32 EMPLOYEES OF A LICENSED MANAGEMENT COMPANY WHO PERFORM
33 COMMUNITY ASSOCIATION MANAGEMENT SERVICES ON BEHALF OF THE
34 LICENSED MANAGEMENT COMPANY.
35 (2) THE DIRECTOR MAY CONDUCT AUDITS OF BUSINESS RECORDS
36 AND ACCOUNTS OF LICENSED MANAGEMENT COMPANIES AND MAY
37 CONDUCT RANDOM COMPLIANCE AUDITS TO ENSURE COMPLIANCE WITH
38 THIS PART 10.
39 **12-10-1003. Community association management company**
40 **license required - violations - injunction.** (1) ON AND AFTER JULY 1,
41 2025, IT IS UNLAWFUL FOR A COMMUNITY ASSOCIATION MANAGEMENT
42 COMPANY TO OFFER OR PROVIDE COMMUNITY ASSOCIATION MANAGEMENT
43 SERVICES IN THIS STATE WITHOUT A LICENSE FROM THE DIRECTOR
44 PURSUANT TO SECTION 12-10-1004. THE DIRECTOR SHALL NOT GRANT A
45 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
28 COMPANY OR LICENSED MANAGEMENT COMPANY COMMITS A CLASS 2
29 MISDEMEANOR AND SHALL BE PUNISHED AS PROVIDED IN SECTION
30 18-1.3-501.

31 **12-10-1004. Community association management company**
32 **license - application - requirements - criminal history record check.**

33 (1) A COMMUNITY ASSOCIATION MANAGEMENT COMPANY SHALL APPLY
34 FOR A LICENSE TO THE DIRECTOR IN A MANNER PRESCRIBED BY THE
35 DIRECTOR.

36 (2) UPON A COMMUNITY ASSOCIATION MANAGEMENT COMPANY'S
37 COMPLIANCE WITH SUBSECTION (3) OF THIS SECTION, THE DIRECTOR MAY
38 GRANT A COMMUNITY ASSOCIATION MANAGEMENT COMPANY LICENSE TO
39 A MANAGEMENT COMPANY THAT:

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

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

44 (c) DESIGNATES A CONTROLLING MANAGER TO BE RESPONSIBLE
45 FOR THE LICENSED PRACTICES OF THE MANAGEMENT COMPANY AND FOR

1 ALL INDIVIDUALS EMPLOYED BY THE MANAGEMENT COMPANY WHO
2 PROVIDE COMMUNITY ASSOCIATION MANAGEMENT SERVICES;
3 (d) DEMONSTRATES THAT THE MANAGEMENT COMPANY HAS A
4 POLICY FOR EVALUATING THE FITNESS AND ABILITY OF ITS EMPLOYEES TO
5 PERFORM COMMUNITY ASSOCIATION MANAGEMENT SERVICES; AND
6 (e) PAYS THE FEE DETERMINED BY THE DIRECTOR PURSUANT TO
7 SECTION 12-10-1006.
8 (3) (a) THE DIRECTOR SHALL NOT ISSUE OR RENEW A LICENSE TO
9 ANY COMMUNITY ASSOCIATION MANAGEMENT COMPANY UNTIL THE
10 OWNER OF THE MANAGEMENT COMPANY, THE INDIVIDUAL DESIGNATED BY
11 THE MANAGEMENT COMPANY AS THE CONTROLLING MANAGER OF THE
12 MANAGEMENT COMPANY, AND ANY EMPLOYEE OF THE MANAGEMENT
13 COMPANY WHO PERFORMS COMMUNITY ASSOCIATION MANAGEMENT
14 SERVICES ON BEHALF OF THE MANAGEMENT COMPANY SUBMITS TO A
15 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK. EACH
16 INDIVIDUAL SUBMITTING A SET OF FINGERPRINTS OR THE MANAGEMENT
17 COMPANY, ON BEHALF OF EACH INDIVIDUAL SUBMITTING A SET OF
18 FINGERPRINTS, SHALL PAY THE COSTS ASSOCIATED WITH THE
19 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK.
20 (b) AN INDIVIDUAL DESCRIBED IN SUBSECTION (3)(a) OF THIS
21 SECTION SHALL HAVE THE INDIVIDUAL'S FINGERPRINTS TAKEN BY A LOCAL
22 LAW ENFORCEMENT AGENCY OR ANY THIRD PARTY APPROVED BY THE
23 COLORADO BUREAU OF INVESTIGATION FOR THE PURPOSE OF OBTAINING
24 A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK. THE
25 INDIVIDUAL SHALL AUTHORIZE THE ENTITY TAKING THE FINGERPRINTS TO
26 SUBMIT, AND THE ENTITY SHALL SUBMIT, THE COMPLETE SET OF THE
27 APPLICANT'S FINGERPRINTS TO THE COLORADO BUREAU OF INVESTIGATION
28 FOR THE PURPOSE OF CONDUCTING A FINGERPRINT-BASED CRIMINAL
29 HISTORY RECORD CHECK.
30 (c) IF AN APPROVED THIRD PARTY TAKES AN INDIVIDUAL'S
31 FINGERPRINTS PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION, THE
32 FINGERPRINTS MAY BE ELECTRONICALLY CAPTURED USING COLORADO
33 BUREAU OF INVESTIGATION-APPROVED LIVESCAN EQUIPMENT.
34 THIRD-PARTY VENDORS SHALL NOT KEEP THE INDIVIDUAL'S INFORMATION
35 FOR MORE THAN THIRTY DAYS.
36 (d) THE COLORADO BUREAU OF INVESTIGATION SHALL USE AN
37 INDIVIDUAL'S FINGERPRINTS COLLECTED PURSUANT TO THIS SUBSECTION
38 (3) TO CONDUCT A CRIMINAL HISTORY RECORD CHECK USING THE
39 BUREAU'S RECORDS. THE COLORADO BUREAU OF INVESTIGATION SHALL
40 ALSO FORWARD THE FINGERPRINTS TO THE FEDERAL BUREAU OF
41 INVESTIGATION FOR THE PURPOSE OF CONDUCTING A FINGERPRINT-BASED
42 CRIMINAL HISTORY RECORD CHECK. THE COLORADO BUREAU OF
43 INVESTIGATION, THE INDIVIDUAL SUBMITTING TO THE FINGERPRINT-BASED
44 CRIMINAL HISTORY RECORD CHECK, THE DIRECTOR, AND THE ENTITY
45 TAKING FINGERPRINTS SHALL COMPLY WITH THE FEDERAL BUREAU OF

1 INVESTIGATION'S REQUIREMENTS TO CONDUCT A CRIMINAL HISTORY
2 RECORD CHECK.

3 (e) THE COLORADO BUREAU OF INVESTIGATION SHALL RETURN THE
4 RESULTS OF ITS CRIMINAL HISTORY RECORD CHECK TO THE DIVISION, AND
5 THE DIVISION IS AUTHORIZED TO RECEIVE THE RESULTS OF THE FEDERAL
6 BUREAU OF INVESTIGATION'S CRIMINAL HISTORY RECORD CHECK. THE
7 DIVISION SHALL USE THE INFORMATION RESULTING FROM THE CRIMINAL
8 HISTORY RECORD CHECKS TO INVESTIGATE AND DETERMINE WHETHER THE
9 OWNER OF THE COMMUNITY ASSOCIATION MANAGEMENT COMPANY IS
10 QUALIFIED TO HOLD A COMMUNITY ASSOCIATION MANAGEMENT COMPANY
11 LICENSE PURSUANT TO THIS SECTION, THE DESIGNATED INDIVIDUAL MAY
12 ACT AS THE CONTROLLING MANAGER OF THE MANAGEMENT COMPANY, OR
13 AN INDIVIDUAL MAY PERFORM COMMUNITY ASSOCIATION MANAGEMENT
14 SERVICES AS AN EMPLOYEE OF THE MANAGEMENT COMPANY.

15 (f) WHEN THE FEDERAL BUREAU OF INVESTIGATION IS UNABLE TO
16 COMPLETE A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK OF
17 AN INDIVIDUAL, THE COLORADO BUREAU OF INVESTIGATION SHALL
18 INFORM THE DIVISION, AND THE DIVISION MAY CONDUCT A CRIMINAL
19 HISTORY RECORD CHECK OF THE INDIVIDUAL USING THE COLORADO
20 BUREAU OF INVESTIGATION'S RECORDS AS A SUBSTITUTE FOR THE
21 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK REQUIRED IN THIS
22 SUBSECTION (3).

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

30 (h) THE DIRECTOR MAY DENY AN APPLICATION FOR LICENSURE OR
31 REFUSE TO RENEW A LICENSE BASED ON THE OUTCOME OF A CRIMINAL
32 HISTORY RECORD CHECK CONDUCTED PURSUANT TO THIS SUBSECTION (3)
33 AND SHALL DENY AN APPLICATION IF THE OUTCOME OF THE CRIMINAL
34 HISTORY RECORD CHECK INDICATES THAT THE OWNER OF THE COMMUNITY
35 ASSOCIATION MANAGEMENT COMPANY, THE INDIVIDUAL DESIGNATED AS
36 THE CONTROLLING MANAGER, OR AN INDIVIDUAL WHO PERFORMS
37 COMMUNITY ASSOCIATION MANAGEMENT SERVICES ON BEHALF OF THE
38 MANAGEMENT COMPANY HAS, WITHIN THE IMMEDIATELY PRECEDING FIVE
39 YEARS, BEEN CONVICTED OF AN OFFENSE INVOLVING UNLAWFUL SEXUAL
40 BEHAVIOR LISTED IN SECTION 16-22-102 (9); FIRST DEGREE BURGLARY, AS
41 DESCRIBED IN SECTION 18-4-202; SECOND DEGREE BURGLARY, AS
42 DESCRIBED IN SECTION 18-4-203; OR ANY FELONY INVOLVING FRAUD,
43 THEFT, LARCENY, EMBEZZLEMENT, FRAUDULENT CONVERSION, OR
44 MISAPPROPRIATION OF PROPERTY.

45 (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

28 COLORADO. ALL LICENSED ACTIVITIES OCCURRING WITHIN THE STATE OF

29 COLORADO MUST OCCUR UNDER THE NAME UNDER WHICH THE LICENSED

30 MANAGEMENT COMPANY IS LICENSED OR ITS TRADE NAME ADOPTED IN

31 ACCORDANCE WITH COLORADO LAW.

32 (6) IF A COMMUNITY ASSOCIATION MANAGEMENT COMPANY THAT

33 APPLIES FOR A LICENSE PURSUANT TO THIS SECTION IS:

34 (a) A PARTNERSHIP, THE PARTNERSHIP MUST BE PROPERLY

35 REGISTERED WITH THE COLORADO DEPARTMENT OF REVENUE OR

36 PROPERLY FILED WITH THE COLORADO SECRETARY OF STATE AND IN GOOD

37 STANDING, PROOF OF WHICH MUST BE INCLUDED IN THE APPLICATION. IF

38 AN ASSUMED OR TRADE NAME IS TO BE USED, THE NAME MUST BE

39 PROPERLY FILED WITH THE COLORADO DEPARTMENT OF REVENUE OR FILED

40 AND ACCEPTED BY THE COLORADO SECRETARY OF STATE, PROOF OF WHICH

41 MUST BE INCLUDED WITH THE APPLICATION.

42 (b) A LIMITED LIABILITY COMPANY, THE LIMITED LIABILITY

43 COMPANY MUST BE PROPERLY REGISTERED WITH THE COLORADO

44 SECRETARY OF STATE AND IN GOOD STANDING, PROOF OF WHICH MUST BE

45 INCLUDED WITH THE APPLICATION. IF AN ASSUMED OR TRADE NAME IS TO

1 BE USED, THE NAME MUST BE PROPERLY FILED WITH THE COLORADO
2 SECRETARY OF STATE, PROOF OF WHICH MUST BE INCLUDED WITH THE
3 APPLICATION.

4 (c) A CORPORATION, THE CORPORATION MUST BE REGISTERED AS
5 A FOREIGN CORPORATION OR PROPERLY INCORPORATED WITH THE
6 COLORADO SECRETARY OF STATE AND IN GOOD STANDING, PROOF OF
7 WHICH MUST BE INCLUDED WITH THE APPLICATION. IF AN ASSUMED OR
8 TRADE NAME IS TO BE USED, THE NAME MUST BE PROPERLY FILED WITH
9 THE COLORADO SECRETARY OF STATE, PROOF OF WHICH MUST BE
10 INCLUDED WITH THE APPLICATION.

11 **12-10-1005. Insurance required - rules.** A COMMUNITY
12 ASSOCIATION MANAGEMENT COMPANY LICENSED PURSUANT TO THIS PART
13 10 MUST BE INSURED AS NECESSARY TO COVER ALL ACTIVITIES
14 CONTEMPLATED UNDER THIS PART 10 IN AN AMOUNT AND UNDER TERMS
15 AND CONDITIONS SPECIFIED BY THE DIRECTOR BY RULE. IN PROMULGATING
16 RULES UNDER THIS SECTION, THE DIRECTOR SHALL SOLICIT AND CONSIDER
17 INFORMATION AND COMMENTS FROM INTERESTED PERSONS.

18 **12-10-1006. License fees - renewal - rules.** (1) (a) IN
19 ACCORDANCE WITH SUBSECTION (1)(b) OF THIS SECTION, THE DIRECTOR
20 SHALL ESTABLISH, COLLECT, AND PERIODICALLY ADJUST, IN ACCORDANCE
21 WITH SECTION 12-10-215, FEES FOR:

22 (I) EACH COMMUNITY ASSOCIATION MANAGEMENT COMPANY'S
23 ORIGINAL APPLICATION AND LICENSE;

24 (II) EACH RENEWAL OR REINSTATEMENT OF A MANAGEMENT
25 COMPANY LICENSE; AND

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

28 (b) THE DIRECTOR SHALL ENGAGE IN RULE-MAKING TO ESTABLISH
29 AN EQUITABLE FEE STRUCTURE THAT CONTEMPLATES THE SIZE OF A
30 LICENSED MANAGEMENT COMPANY, THE NUMBER OF EMPLOYEES
31 PERFORMING COMMUNITY ASSOCIATION MANAGEMENT SERVICES FOR THE
32 LICENSED MANAGEMENT COMPANY, AND THE NUMBER AND SIZE OF THE
33 ASSETS MANAGED.

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

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

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

43 **12-10-1007. Investigation - disciplinary actions - grounds for**
44 **discipline - rules.** (1) (a) THE DIRECTOR, UPON THE DIRECTOR'S OWN
45 MOTION, MAY, AND, UPON THE WRITTEN SUBMISSION OF A PERSON OF A

1 VALID AND ACTIONABLE COMPLAINT, AS DETERMINED BY THE DIRECTOR,
2 SHALL, INVESTIGATE THE ACTIVITIES OF ANY LICENSED COMMUNITY
3 ASSOCIATION MANAGEMENT COMPANY OR ANY UNLICENSED COMMUNITY
4 ASSOCIATION MANAGEMENT COMPANY THAT ASSUMES TO ACT IN THE
5 CAPACITY OF A LICENSED MANAGEMENT COMPANY WITHIN THIS STATE.
6 AFTER HOLDING A HEARING IN ACCORDANCE WITH THE "STATE
7 ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24, AND FINDING
8 THAT A LICENSED MANAGEMENT COMPANY HAS PERFORMED, IS
9 PERFORMING, OR IS ATTEMPTING TO PERFORM ANY OF THE ACTS SPECIFIED
10 IN SUBSECTION (2) OF THIS SECTION, THE DIRECTOR MAY:

11 (I) IMPOSE AN ADMINISTRATIVE FINE NOT TO EXCEED FIVE
12 THOUSAND DOLLARS;

13 (II) CENSURE THE LICENSED MANAGEMENT COMPANY;

14 (III) ISSUE A LETTER OF ADMONITION;

15 (IV) ISSUE A LETTER OF CONCERN;

16 (V) ENTER INTO A STIPULATION WITH THE LICENSED MANAGEMENT
17 COMPANY FOR DIVERSION;

18 (VI) PLACE THE LICENSED MANAGEMENT COMPANY ON PROBATION
19 AND SET THE TERMS OF PROBATION;

20 (VII) TEMPORARILY SUSPEND THE LICENSED MANAGEMENT
21 COMPANY'S LICENSE; OR

22 (VIII) PERMANENTLY REVOKE THE LICENSED MANAGEMENT
23 COMPANY'S LICENSE.

24 (b) THE DIRECTOR SHALL DEVELOP, BY RULE, A POINTS-BASED
25 DISCIPLINARY SYSTEM TO DETERMINE THE LEVEL OF DISCIPLINE TO IMPOSE
26 ON A LICENSED MANAGEMENT COMPANY BASED ON THE POINTS ASSIGNED
27 TO EACH ACT SPECIFIED IN SUBSECTION (2) OF THIS SECTION. THE
28 POINTS-BASED DISCIPLINARY SYSTEM MUST INCLUDE A PROCESS FOR
29 REDUCING OR ELIMINATING POINTS AFTER A PERIOD OF TIME WITH NO
30 ADDITIONAL VIOLATIONS.

31 (c) THE DIRECTOR SHALL POST ON THE DIVISION'S WEBSITE A LIST
32 OF ALL LICENSED COMMUNITY ASSOCIATION MANAGEMENT COMPANIES IN
33 THIS STATE AND ANY POINTS ATTRIBUTED TO EACH LICENSED
34 MANAGEMENT COMPANY PURSUANT TO THE POINTS-BASED DISCIPLINARY
35 SYSTEM.

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

41 (a) MISMANAGING OR MISAPPROPRIATING HOA MONEY;

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

44 (c) FAILING TO ACCOUNT FOR OR TO REMIT, WITHIN A REASONABLE
45 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
28 BY MAKING A MATERIAL MISSTATEMENT OF FACT IN AN APPLICATION FOR
29 A LICENSE;

30 (h) ACTING OUTSIDE THE SCOPE OF AUTHORITY GRANTED BY THE
31 ISSUANCE OF A LICENSE;

32 (i) FAILING TO COOPERATE IN A LEGAL OR REGULATORY
33 INVESTIGATION;

34 (j) IN MAKING RECOMMENDATIONS FOR CONTRACTORS OR
35 VENDORS TO THE EXECUTIVE BOARD, FAILING TO DISCLOSE ANY
36 CONFLICTS OF INTEREST, SUCH AS FINANCIAL BENEFITS THAT MAY ACCRUE
37 TO THE LICENSED MANAGEMENT COMPANY FROM SUCH CONTRACTOR OR
38 VENDOR, INCLUDING A CONTRACTOR OR VENDOR THAT IS OWNED BY OR
39 AFFILIATED WITH THE LICENSED MANAGEMENT COMPANY;

40 (k) FAILING TO PROVIDE TO THE EXECUTIVE BOARD RECORDS OF
41 THE ASSOCIATION IN THE CUSTODY OF THE LICENSED MANAGEMENT
42 COMPANY OR THE CONTROLLING MANAGER;

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

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

1 (n) FAILING TO PROVIDE TO THE DIRECTOR THE CRIMINAL HISTORY
2 RECORDS, IF ANY, RELATING TO THE HANDLING OR ACCOUNTING OF CLIENT
3 MONEY BY THE LICENSED MANAGEMENT COMPANY'S CONTROLLING
4 MANAGER OR AN EMPLOYEE OF THE LICENSED MANAGEMENT COMPANY
5 WHO HANDLES OR PROVIDES ACCOUNTING FOR CLIENT MONEY;
6 (o) FAILING TO ENSURE THE LICENSED MANAGEMENT COMPANY'S
7 CONTROLLING MANAGER AND ANY EMPLOYEES WHO PERFORM
8 COMMUNITY ASSOCIATION MANAGEMENT SERVICES ON BEHALF OF THE
9 LICENSED MANAGEMENT COMPANY MEET THE EDUCATION REQUIREMENTS
10 ESTABLISHED BY THE DIRECTOR BY RULE PURSUANT TO SECTION
11 12-10-1002 (1); OR
12 (p) ANY OTHER CONDUCT, WHETHER OF THE SAME CHARACTER AS
13 OR OF A DIFFERENT CHARACTER THAN ANY ACT SPECIFIED IN THIS
14 SUBSECTION (2), THAT CONSTITUTES DISHONEST DEALING.
15 (3) COMPLAINTS OF RECORD IN THE POSSESSION OF THE DIRECTOR
16 AND DIVISION INVESTIGATIONS, INCLUDING INVESTIGATIVE FILES, ARE
17 CLOSED TO PUBLIC INSPECTION. STIPULATIONS AND FINAL AGENCY ORDERS
18 ARE PUBLIC RECORDS SUBJECT TO SECTIONS 24-72-203 AND 24-72-204.
19 (4) ALL ADMINISTRATIVE FINES COLLECTED PURSUANT TO THIS
20 SECTION SHALL BE TRANSMITTED TO THE STATE TREASURER, WHO SHALL
21 CREDIT THE MONEY TO THE DIVISION OF REAL ESTATE CASH FUND
22 CREATED IN SECTION 12-10-215 (2)(b).
23 (5) UPON INVESTIGATION OF THE ACTIVITIES OF A LICENSED OR AN
24 UNLICENSED COMMUNITY ASSOCIATION MANAGEMENT COMPANY, IF THE
25 DIVISION BECOMES AWARE OF FACTS OR CIRCUMSTANCES THAT FALL
26 WITHIN THE JURISDICTION OF A CRIMINAL JUSTICE OR OTHER LAW
27 ENFORCEMENT AUTHORITY, THE DIVISION SHALL, IN ADDITION TO
28 EXERCISING ITS AUTHORITY UNDER THIS PART 10, REFER AND TRANSMIT
29 THE INFORMATION, WHICH MAY INCLUDE ORIGINALS OR COPIES OF
30 DOCUMENTS AND MATERIALS, TO ONE OR MORE CRIMINAL JUSTICE OR
31 OTHER LAW ENFORCEMENT AUTHORITIES FOR INVESTIGATION AND
32 PROSECUTION AS AUTHORIZED BY LAW.
33 **12-10-1008. Hearings - use of administrative law judges -**
34 **subpoenas - judicial review - immunity - rules.** (1) EXCEPT AS
35 OTHERWISE PROVIDED IN THIS SECTION, ALL PROCEEDINGS BEFORE THE
36 DIRECTOR WITH RESPECT TO DISCIPLINARY ACTIONS AND DENIAL OF
37 LICENSURE UNDER THIS PART 10, AT THE DISCRETION OF THE DIRECTOR,
38 MAY BE CONDUCTED BY AN AUTHORIZED REPRESENTATIVE OF THE
39 DIRECTOR OR BY AN ADMINISTRATIVE LAW JUDGE PURSUANT TO SECTIONS
40 24-4-104 AND 24-4-105.
41 (2) VENUE FOR PROCEEDINGS IS IN THE COUNTY WHERE THE
42 DIRECTOR'S OFFICE IS LOCATED OR IN SUCH OTHER PLACE AS THE
43 DIRECTOR MAY DESIGNATE.
44 (3) THE DIRECTOR, AN AUTHORIZED REPRESENTATIVE OF THE
45 DIRECTOR, OR, SUBJECT TO APPROPRIATIONS MADE TO THE DEPARTMENT

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

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

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

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

33 (7) A PERSON PARTICIPATING IN GOOD FAITH IN FILING A
34 COMPLAINT OR REPORT OR PARTICIPATING IN AN INVESTIGATION OR
35 HEARING BEFORE THE DIRECTOR, AUTHORIZED REPRESENTATIVE OF THE
36 DIRECTOR, OR ADMINISTRATIVE LAW JUDGE PURSUANT TO THIS PART 10 IS
37 IMMUNE FROM ANY LIABILITY, CIVIL OR CRIMINAL, THAT OTHERWISE
38 MIGHT RESULT BY REASON OF SUCH ACTION.

39 **12-10-1009. Repeal of part.** THIS PART 10 IS REPEALED,
40 EFFECTIVE SEPTEMBER 1, 2029. BEFORE THE REPEAL, THIS PART 10 IS
41 SCHEDULED FOR REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

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

44 **24-34-104. General assembly review of regulatory agencies**
45 **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
28 act within such period, then the act, item, section, or part will not take
29 effect unless approved by the people at the general election to be held in
30 November 2024 and, in such case, will take effect on the date of the
31 official declaration of the vote thereon by the governor."

32 Page 1, line 102, strike "MANAGERS" and substitute "MANAGEMENT
33 COMPANIES".

** ** ** ** **