

DEPARTMENT OF REGULATORY AGENCIES
DIVISION OF REAL ESTATE
COMMUNITY ASSOCIATION MANAGERS
4 CCR 725-7

NOTICE OF PROPOSED PERMANENT RULEMAKING HEARING
July 30, 2019

A RULES: LICENSE QUALIFICATIONS, APPLICATIONS AND EXAMINATIONS

Pursuant to and in compliance with Title 12, Article 61 and Title 24, Article 4, C.R.S. as amended, notice of proposed rulemaking is hereby given, including notice to the Attorney General of the State of Colorado and to all persons who have requested to be advised of the intention of the Director of the Division of Real Estate ("Director") to promulgate rules, or to amend, repeal or repeal and re-enact the present rules related to community association managers.

STATEMENT OF BASIS

The statutory basis for the rules titled Rules Regarding Community Association Managers is Part 10 of Title 12, Article 61, Colorado Revised Statutes, as amended.

STATEMENT OF PURPOSE

Veto of House Bill 19-1212 repeals the authority of the Division of Real Estate ("Division") and the Division Director in the oversight and administration of the Community Association Managers Program. As a result, the existing rules need to be repealed to be in compliance with the veto of House Bill 19-1212.

SPECIFIC PURPOSE OF THIS RULEMAKING

The specific purpose of these rules is to repeal key terms and regulations pertaining to the Community Association Managers Program, pursuant to veto of House Bill 19-1212.

PROPOSED NEW, AMENDED AND REPEALED RULES

Deleted material is showed by ~~struck through~~; new material is indicated by underline. Rules, or portions of rules, which are unaffected are reproduced. Readers are advised to obtain a copy of the complete rules of the Board at www.dora.colorado.gov/dre.

~~A RULES – LICENSE QUALIFICATIONS, APPLICATIONS AND EXAMINATIONS~~

~~A-1) Definitions.~~ Repealed (Effective September 30, 2019)

~~—The following definitions are applicable to all rules in these Director rules:~~

- ~~1) —The "Act" or the "Community Association Managers Practice Act" means §§ 12-61-1001, et seq., C.R.S.~~

- 2) ~~“Community Association Manager” or “CAM” or “Manager” has the meaning set forth in § 12-61-1001(5), C.R.S.~~
- 3) ~~“Licensee” means any person or entity licensed as a Community Association Manager or an Apprentice pursuant to the Act.~~
- 4) ~~“CAM company” means any entity, including but not limited to a firm, partnership, limited liability company, association, or corporation, that meets the definition of a Community Association Manager in § 12-61-1001(5), C.R.S., or applies to the Division to become a Community Association Manager.~~
- 5) ~~“Designated Manager” has the meaning set forth in § 12-61-1001(5.5), C.R.S.~~
- 6) ~~“Applicant” means any person or entity applying for licensure as a Community Association Manager under the Act.~~
- 7) ~~“License” means any license issued by the Director or the Division pursuant to the Act.~~
- 8) ~~“Director rules” means any and all rules issued by the Director pursuant to the Act, including but not limited to Community Association Manager Rules A, B, C, D, E, F, G, and H.~~
- 9) ~~“Apprentice” has the meaning set forth in § 12-61-1001(1), C.R.S.~~

~~A-2) Requirements that must precede examination and application. [Repealed \(Effective September 30, 2019\)](#)~~

~~— An applicant must hold one or more of the credentials set forth in § 12-61-1003(5)(a)(I)(A), (B), (C), or (D), or § 12-61-1003(5)(d), C.R.S., and provide proof of completion in a manner prescribed by the Director prior to applying for a CAM license.~~

~~A-3) Qualifying education credential requirements. [Repealed \(Effective September 30, 2019\)](#)~~

~~— An applicant must hold a credential pursuant to § 12-61-1003(5)(a)(I)(A), (B), (C), (D), or § 12-61-1003(5)(d), C.R.S. or complete 24 hours of classroom instruction, or equivalent distance learning hours, and must successfully complete the following courses of study approved by the Director:~~

- 1) ~~A minimum of 8 hours of Colorado Common Interest Ownership Act, Colorado Revised Nonprofit Act and other applicable provisions of Colorado law;~~
- 2) ~~A minimum of 7 hours of financial, risk and facilities management;~~
- 3) ~~A minimum of 5 hours of governance and legal documents of an association; and~~
- 4) ~~A minimum of 4 hours of ethics, bid requests and contract provisions.~~

~~A-4) Examinations only given to those qualified. [Repealed \(Effective September 30, 2019\)](#)~~

~~— Only an applicant holding a qualified education credential as prescribed in Rule A-3 may sit for the CAM licensing examination. However, one instructor from each approved educational provider offering a recognized credential pursuant to § 12-61-1003(5)(a)(I)(A),(B),(C), or (D), C.R.S., may sit for the examination one time during any 12 month period.~~

~~A-5) Community Association Manager license examination expiration and application requirements. [Repealed \(Effective September 30, 2019\)](#)~~

~~— The CAM license examination is made up of two parts, a general portion and a Colorado law portion. An applicant holding a credential pursuant to § 12-61-1003(5)(a)(I)(D), C.R.S., must sit for and successfully pass both portions of the examination. If the applicant fails one or both parts of the examination, the applicant may retake the failed portion(s). A passing score for the Colorado law portion of the examination is valid for one year only. If an applicant holds a credential pursuant to § 12-61-1003(5)(a)(I)(A),(B), OR (C), C.R.S., and has maintained said credential in good standing, such applicant need only sit for and~~

~~successfully pass the Colorado law portion of the examination. If the applicant fails the Colorado law portion, the applicant may retake the failed portion. An application received by the Division must be accompanied by the statutory fee, proof of completion of the required credential and proof of successful completion of the required portion(s) of the examination. A passing score on the Colorado law portion of the examination must be obtained within the year prior to the application being received by the Division.~~

~~A-6) Examination results certified only if licensed. [Repealed \(Effective September 30, 2019\)](#)~~

~~— The Director will not certify any information concerning the results of any examination as it pertains to any person who has taken the examination unless such person is or has been licensed as a Colorado CAM.~~

~~A-7) License processing time frames. [Repealed \(Effective September 30, 2019\)](#)~~

~~— Provided that an applicant has submitted a complete and satisfactory application in compliance with §§ 12-61-1002, 1003, C.R.S., and the Director rules, the Director will issue a license within 10 business days after receipt by the Director of satisfactory results from the fingerprint-based criminal history record check. If the application or record check is not complete or satisfactory, the applicant will be notified that their license application has been deferred pending receipt of required compliance item(s). The application for a license that has been approved by the Director subject to the receipt of certain compliance items will be issued on an inactive status until all compliance items have been received by the Director. No activities requiring a license may be performed while the license is on inactive status.~~

~~A-8) Applicants who have held a community association manager license in another jurisdiction. [Repealed \(Effective September 30, 2019\)](#)~~

~~— In lieu of the qualifying education credential requirements found in Rule A-3, an applicant who has held a community association manager license in another jurisdiction, as set forth in § 12-61-1003(5)(D), C.R.S., may submit a “certification of licensing history” issued by each jurisdiction where the applicant is currently or was previously licensed as a community association manager. The license history must be submitted prior to sitting for the examination, along with a complete and satisfactory application in accordance with the Director rules. The Director will issue a license within 10 business days after receipt by the Director of satisfactory results from the fingerprint-based criminal history record check, and a determination by the Director that the applicant has established they possess the credentials and qualifications substantively equivalent to the requirements for Colorado licensure. Within 30 calendar days after issuance of the CAM license, the applicant must complete successfully, and provide the Director proof of successful completion, of the state portion of the examination. Failure to provide the Director with proof of successful completion of the Colorado law portion of the examination in the prescribed timeframe will result in the license being placed on inactive status and no activities requiring a license may be performed.~~

~~A-9) Applicant with previous suspension or revocation of a community association manager license or certification. [Repealed \(Effective September 30, 2019\)](#)~~

~~— Pursuant to § 12-61-1003(3)(b), C.R.S., an applicant who has held a community association manager license, apprentice license, provisional license or certification that has been suspended or revoked in Colorado or in any other jurisdiction that regulates community association managers within the last 10 years, with at least 2 years having elapsed since the date of that suspension or revocation, must file prior to or with their application for licensing the following information and documents:~~

- ~~1) A written and signed personal explanation and detailed account of the facts and circumstances surrounding each suspension or revocation;~~

- ~~2) The completed Community Association Manager application addendum form found on the Division's website;~~
- ~~3) Results of any hearing(s), and copies of the official reports of the suspension and revocation from the jurisdiction where any such suspension or revocation took place;~~
- ~~4) If the applicant is to be employed under a designated manager licensee, then that designated manager must submit a letter stating that he or she is aware of the specific suspension(s) or revocation(s) and has agreed to employ the applicant; and~~
- ~~5) Any other documentation requested by the Director.~~

~~A-10) Applicant with prior legal involvement. [Repealed \(Effective September 30, 2019\)](#)~~

~~Pursuant to § 12-61-1003(3)(c), C.R.S., an applicant who has been convicted of or pled guilty or nolo contendere to a misdemeanor or a felony, has misdemeanor or felony charges pending against him or her, or has agreed to a deferred prosecution, deferred judgment, or deferred sentence that is not yet completed, excluding all misdemeanor traffic violations (collectively referred to as a "violation"), must file prior to or with his or her application for licensing the following information and documents:~~

- ~~1) A written and signed personal explanation and detailed account of the facts and circumstances surrounding each violation;~~
- ~~2) The completed Community Association Manager application addendum form found on the Division's website;~~
- ~~3) Results of all court hearing(s) related to each violation, in the form of copies of charges, disposition, pre-sentencing report and most recent probation or parole report;~~
- ~~4) If the applicant is to be employed under a designated manager licensee, then that designated manager must submit a letter stating that he or she is aware of each violation and has agreed to employ the applicant; and~~
- ~~5) Any other documentation requested by the Director.~~

~~A-11) Preliminary advisory opinion. [Repealed \(Effective September 30, 2019\)](#)~~

~~At any time prior to submission of a formal application for licensure, a person may request that the Director issue a preliminary advisory opinion regarding the potential effect that previous conduct, license and certification suspension(s) or revocation(s), criminal conviction(s), or violation(s) of community association law, may have on a formal application for licensure ("PAO"). A PAO may be issued by the Director in his or her sole discretion, in order to provide preliminary advisory guidance.~~

- ~~1) Potential applicants may request a PAO for any of the following reasons:
 - ~~a) If the individual has been convicted of, plead guilty or nolo contendere to any crime in a domestic, foreign or military court;~~
 - ~~b) If the individual has held a community association manager license, apprentice license, provisional license or certification that has been suspended or revoked within the last 10 years;~~
 - ~~c) If the individual has had other professional licenses, certifications or registrations issued by Colorado, the District of Columbia, any other states or foreign countries, revoked or suspended for fraud, theft, deceit, material misrepresentations or the breach of a fiduciary duty and such suspension or revocation denied authorization to practice as: a mortgage loan originator or similar license; real estate broker; real estate appraiser; an insurance producer; an attorney; a securities broker-dealer; a securities sales representative; an investment advisor; or an investment advisor representative; or~~
 - ~~d) Any other conduct that would impact the public trust.~~~~

- ~~2) Individuals requesting a PAO must complete the preliminary advisory opinion application located on the Division of Real Estate's website.~~
- ~~3) Individuals requesting a PAO must submit all relevant documents related to any conduct or actions as set forth herein. Incomplete requests will not be processed. The Director may, at any time, request additional information regarding the PAO request. Such relevant or related documents may include, but are not limited to:
 - ~~a) Police officer reports;~~
 - ~~b) Dispositions documents;~~
 - ~~c) Court documents;~~
 - ~~d) Original charges documents;~~
 - ~~e) Stipulated agreements; or~~
 - ~~f) Final agency orders.~~~~
- ~~4) Individuals requesting a PAO must submit a written and signed personal explanation and detailed account of the facts and circumstances.~~
- ~~5) Any PAO will not be binding on the Director or limit the Director's authority to investigate a future formal application for licensure.~~
- ~~6) An individual seeking a PAO is not an applicant for licensure and the issuance of an unfavorable opinion will not prevent such individual from making application for licensure pursuant to the Act and the Director rules.~~
- ~~7) No PAO will be considered final agency action. PAO's are not subject to appeal or judicial review.~~

~~A-12) Criminal history check required prior to application. [Repealed \(Effective September 30, 2019\)](#)~~

~~— An applicant for an initial license must submit a set of fingerprints to the Colorado Bureau of Investigation and the Federal Bureau of Investigation for the purpose of conducting a state and national criminal history record check prior to submitting an application for a license. Fingerprints must be submitted to the Colorado Bureau of Investigation for processing in a manner acceptable to the Colorado Bureau of Investigation. Fingerprints must be readable and all personal identification data completed in a manner satisfactory to the Colorado Bureau of Investigation. The Director may acquire a name-based criminal history record check for an applicant who has twice submitted to a fingerprint-based criminal history record check and whose fingerprints are unclassifiable.~~

~~A-13) Denied license notice required. [Repealed \(Effective September 30, 2019\)](#)~~

~~— If an applicant for licensure is denied by the Director for any reason, the applicant will be informed in writing of the denial and the reason(s) therefore. As set forth in § 12-61-1011, C.R.S., an applicant whose license application was denied for any reason has a right to a proceeding on the denial to be conducted by an authorized representative of the Director or by an administrative law judge pursuant to §§ 24-4-104 and -105, C.R.S.~~

~~A-14) Director has course audit authority. [Repealed \(Effective September 30, 2019\)](#)~~

~~— The Director or his or her designee may audit any course of study and may request from each educational provider of any course under § 12-61-1003(5)(a)(I) through (III), C.R.S., all instructional material related thereto and student attendance records as may be necessary for an investigation in the enforcement of the Act and the Director rules. The purpose of such audit is to ensure that educational providers and credential providing entities adhere to the approved course of study and credential designations, offer course material and instruction consistent with acceptable education standards and instruct in such a manner that the desired learning objectives are met. Failure to comply with the provisions~~

~~of this Rule A-14 may result in the withdrawal of Director course and designated credential approval.~~

~~A-15) Invalid payment voids application. [Repealed \(Effective September 30, 2019\)](#)~~

~~— If the fees accompanying any application or registration made to the Director (including fees for renewals, transfers, etc.) are paid for by check and the check is not immediately paid upon presentment to the bank upon which the check was drawn, or if payment is submitted in any other manner, and payment is denied, rescinded or returned as invalid, the application will be deemed incomplete. The application will only be deemed complete if the Director has received payment of all application or registration fees together with any fees incurred by the Division including the fee required by state fiscal rules for the clerical services necessary for reinstatement within 60 days of the Division mailing notification of an incomplete application.~~

~~A-16) Apprentice application and license requirements. [Repealed \(Effective September 30, 2019\)](#)~~

~~— An applicant for an apprentice license must submit a set of fingerprints for the purpose of a criminal history check as prescribed in Rule A-12 and submit a complete license application as prescribed in these Director rules.~~

~~A-17) Provisional application and license requirements. [Repealed \(Effective September 30, 2019\)](#)~~

~~— An applicant for a provisional license must submit a set of fingerprints for the purpose of a criminal history check as prescribed in Rule A-12, must hold a qualifying educational credential as prescribed in Rule A-3, must have sat for and not successfully passed the required portion(s) of the Community Association Manager examination as prescribed in Rule A-5 and submit a complete license application as prescribed in these Director rules.~~

A hearing on the above subject matter will be held on July 30, 2019, at the Colorado Division of Real Estate, 1560 Broadway, Suite 100-A, Denver, Colorado 80202 beginning at 9:00 a.m.

Any interested person may participate in the rule making through submission of written data, views and arguments to the Division of Real Estate. Persons are requested to submit data, views and arguments to the Division of Real Estate in writing no less than ten (10) days prior to the hearing date and time set forth above. However, all data, views and arguments submitted prior to or at the rulemaking hearing or prior to the closure of the rulemaking record (if different from the date and time of hearing), shall be considered.

Please be advised that the rules being considered are subject to further changes and modifications after public comment and formal hearing.