

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 15-1006.01 Jennifer Berman x3286

HOUSE BILL 15-1343

HOUSE SPONSORSHIP

Williams and Thurlow, Nordberg

SENATE SPONSORSHIP

Todd and Balmer,

House Committees

Business Affairs and Labor
Appropriations

Senate Committees

Business, Labor, & Technology
Appropriations

A BILL FOR AN ACT

101 **CONCERNING A STREAMLINED PROCESS TO SIMPLIFY THE LICENSURE**
102 **OF PERSONS WHO MANAGE THE AFFAIRS OF COMMON INTEREST**
103 **COMMUNITIES UNDER THE "COLORADO COMMON INTEREST**
104 **OWNERSHIP ACT", AND, IN CONNECTION THEREWITH, MAKING**
105 **AN APPROPRIATION.**

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://www.leg.state.co.us/billsummaries>.)

In 2013, the General Assembly enacted House Bill 13-1277, which requires a person who, for compensation, manages the affairs of a

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
3rd Reading Unamended
May 4, 2015

SENATE
Amended 2nd Reading
May 1, 2015

HOUSE
3rd Reading Unamended
April 27, 2015

HOUSE
Amended 2nd Reading
April 23, 2015

common interest community on behalf of a unit owners' association (HOA) to meet minimum qualifications and obtain a license from the director of the division of real estate in the department of regulatory agencies. The bill modifies the regulation of these community association managers by:

- ! Requiring a license for a community association management apprentice;
- ! Amending the definition of "community association management";
- ! Exempting executives who employ or supervise an individual who performs community association management and independent contractors from being licensed as community association managers;
- ! Adding the definition of a "designated manager" and providing that an entity may obtain a license by designating a manager who qualifies for a community association manager's license to manage and supervise all of the entity's licensed activity;
- ! Modifying the examination requirement by conditioning the grant of a community association manager's license on an applicant passing two separate portions of an examination, referred to as the "general portion" and the "Colorado law portion"; and
- ! Changing the fund used for implementation of the regulation of community association managers from the community association manager licensing cash fund to the division of real estate cash fund and repealing the former.

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

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 12-61-1001
3 as follows:

4 **12-61-1001. Definitions.** As used in this part 10, unless the
5 context otherwise requires:

6 (1) "APPRENTICE" MEANS A PERSON WHO:

7 (a) HAS NOT COMPLETED THE EDUCATION AND EXAMINATION
8 REQUIREMENTS FOR OBTAINING A COMMUNITY ASSOCIATION MANAGER
9 LICENSE;

10 (b) IS UNDER THE CONTROL AND DIRECT SUPERVISION OF A

1 LICENSED COMMUNITY ASSOCIATION MANAGER; AND

2 (c) IS LICENSED WITH THE DIRECTOR FOR PURPOSES OF LEARNING
3 AND PERFORMING ANY PRACTICES THAT REQUIRE A COMMUNITY
4 ASSOCIATION MANAGER LICENSE.

5 ~~(1)~~ (2) "CCIOA" means the "Colorado Common Interest
6 Ownership Act", article 33.3 of title 38, C.R.S.

7 ~~(2)~~ (3) "Common interest community" has the meaning set forth
8 in section 38-33.3-103 (8), C.R.S.

9 ~~(3)~~ (4) (a) "Community association management" means any of
10 the following practices relating to the management of a common interest
11 community, at the direction OR ON BEHALF of its executive board:

12 (I) ~~Receiving, depositing, controlling, or disbursing funds of the~~
13 ~~common interest community, preparing budgets, or preparing other~~
14 ~~financial documents~~ IN INTERACTIONS WITH MEMBERS OR NONMEMBERS
15 OF THE COMMON INTEREST COMMUNITY, ACTING WITH THE AUTHORITY OF
16 THE COMMON INTEREST COMMUNITY WITH RESPECT TO ITS BUSINESS,
17 LEGAL, FINANCIAL, OR OTHER TRANSACTIONS;

18 (II) ~~Assisting in the creation and implementation of a reserve~~
19 ~~program for the replacement of capital assets~~ EXECUTING THE
20 RESOLUTIONS AND DECISIONS OF THE EXECUTIVE BOARD;

21 (III) ~~Assisting in the provision of notice or conduct of meetings~~
22 ~~of board members or unit owners~~ ENFORCING THE RIGHTS OF THE
23 COMMON INTEREST COMMUNITY SECURED BY STATUTE, CONTRACT,
24 COVENANT, RULE, OR BYLAW;

25 (IV) ~~Contracting for~~ ADMINISTERING or coordinating
26 maintenance of property and OR facilities of the common interest
27 community;

1 ~~(V) Conducting property inspections, Administering applications~~
2 ~~for architectural review; and keeping records of violations of the~~
3 ~~governing documents of the common interest community; and~~

4 ~~(VI) Performing other services relating to the day-to-day~~
5 ~~operation of the common interest community~~ ARRANGING, CONDUCTING,
6 OR COORDINATING MEETINGS OF THE COMMON INTEREST COMMUNITY'S
7 MEMBERSHIP OR EXECUTIVE BOARD;

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

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

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

18 (4) (5) (a) "Community association manager" or "manager" means
19 any person, firm, partnership, limited liability company, association, or
20 corporation that, in consideration of compensation by fee, commission,
21 salary, or anything else of value or with the intention of receiving or
22 collecting such compensation, WHETHER OR NOT THE COMPENSATION IS
23 RECEIVED BY THE LICENSED MANAGER DIRECTLY OR BY THE LICENSED
24 ENTITY THAT EMPLOYS THE LICENSED MANAGER, engages in or offers or
25 attempts to engage in community ASSOCIATION management in Colorado.
26 The term includes:

27 (I) ~~The chief executive officer of a business entity that employs~~

1 ~~individuals or contracts with other business entities to perform~~
2 ~~community association management services; and~~

3 ~~(H) Any executive of a business entity who has direct supervision~~
4 ~~or oversight of an individual who performs community association~~
5 ~~management services.~~

6 (b) "Community association manager" or "manager" does not
7 include:

8 (I) A person who, UNDER THE DIRECT SUPERVISION OF A
9 MANAGER, performs ~~not more than one of the practices listed in~~
10 ~~paragraphs (a) to (g) of subsection (3) of this section, or any clerical,~~
11 ~~ministerial, accounting, or maintenance function; not requiring~~
12 ~~substantially specialized knowledge, judgment, or managerial skill, under~~
13 ~~the direct supervision and control of a licensed community association~~
14 ~~manager or of a contractor employed by a licensed community association~~
15 ~~manager or by the common interest community's executive board;~~

16 (II) Any public official in the conduct of his or her official duties;

17 (III) A receiver, trustee, administrator, conservator, executor, or
18 guardian acting under proper authorization;

19 (IV) A person, firm, partnership, limited liability company, or
20 association acting personally or a corporation acting through its officers
21 or regular salaried employees, on behalf of that person or on its own
22 behalf as principal in acquiring or in negotiating to acquire any interest
23 in real estate;

24 (V) An attorney-at-law in connection with his or her
25 representation of clients in the practice of law;

26 (VI) A corporation with respect to property owned or leased by it,
27 acting through its officers or regular salaried employees, when such acts

1 are incidental and necessary in the ordinary course of the corporation's
2 business activities of a non-property management nature. For the
3 purposes of this paragraph (b), the term "officers or regular salaried
4 employees" means persons regularly employed who derive not less than
5 seventy-five percent of their compensation from the corporation in the
6 form of salaries;

7 (VII) AN INDEPENDENT CONTRACTOR WHO:

8 (A) PERFORMS ANY CLERICAL, MINISTERIAL, ACCOUNTING, OR
9 MAINTENANCE FUNCTION; OR

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

12 (VIII) AN APPRENTICE WORKING UNDER THE DIRECT SUPERVISION
13 OF A LICENSED MANAGER.

14 (5.5) "DESIGNATED MANAGER" MEANS A PERSON WHO IS
15 CURRENTLY LICENSED AS A MANAGER AND WHO, ON BEHALF OF A
16 LICENSED ENTITY, IS RESPONSIBLE FOR PERFORMING COMMUNITY
17 ASSOCIATION MANAGEMENT PRACTICES AND SUPERVISING COMMUNITY
18 ASSOCIATION MANAGEMENT PRACTICES PERFORMED BY PERSONS
19 EMPLOYED BY, OR ACTING ON BEHALF OF, THE LICENSED ENTITY.

20 ~~(5)~~ (6) "Director" means the director of the division.

21 ~~(6)~~ (7) "Division" means the division of real estate in the
22 department of regulatory agencies.

23 ~~(7)~~ (8) "Executive board" has the meaning set forth in section
24 38-33.3-103 (16), C.R.S.

25 ~~(8)~~ (9) "HOA" or "homeowners' association" means an association
26 or unit owners' association, as defined in section 38-33.3-103 (3), C.R.S.,
27 whether organized before, on, or after July 1, 1992.

1 (9) (10) "Limited liability company" has the meaning set forth in
2 section 7-80-102 (7), C.R.S.

3 **SECTION 2.** In Colorado Revised Statutes, 12-61-1003, **amend**
4 (1) (a), (3) (a), (4), (5) (a), (5) (b), and (6) (b); and **add** (9) and (10) as
5 follows:

6 **12-61-1003. Application for license - criminal history record**
7 **check - examination - rules.** (1) (a) A person desiring to become a
8 community association manager OR APPRENTICE must apply to the
9 director for a license in the form and manner prescribed by the director.

10 (3) (a) The director may require and procure any proof necessary
11 in reference to the truthfulness, honesty, and good moral character of any
12 applicant for a ~~community association manager's~~ license or, if the
13 applicant is a partnership, limited liability company, or corporation, of
14 any partner, manager, director, officer, member, or stockholder if such
15 person has, either directly or indirectly, a substantial interest in the
16 applicant prior to the issuance of the license.

17 (4) An applicant for a ~~manager's~~ license must be at least eighteen
18 years of age and must furnish proof satisfactory to the director that the
19 applicant has received either a high school diploma or the equivalent
20 general education development certification.

21 (5) (a) An applicant for a manager's license must:

22 (I) Hold one or more of the following credentials:

23 (A) The "certified manager of community associations" or
24 "CMCA" ~~designation~~ CERTIFICATION awarded by the COMMUNITY
25 ASSOCIATION MANAGERS INTERNATIONAL CERTIFICATION BOARD,
26 PREVIOUSLY KNOWN AS THE national board of certification for community
27 association managers;

1 (B) The "association management specialist" or "AMS"
2 designation awarded by the community associations institute;

3 (C) The "professional community association manager" or
4 "PCAM" designation awarded by the community associations institute;
5 or

6 (D) Another credential identified by the director in rules; ~~and~~

7 (II) Certify completion of any educational or continuing
8 educational requirements as determined by the director in rules and
9 published on the division's web site; ~~and~~

10 (III) Submit to and pass an examination ~~designed to determine~~
11 WITH TWO SEPARATE PORTIONS, WHICH MAY BE ADMINISTERED
12 SEPARATELY. THE EXAMINATION MUST MEASURE the competency of the
13 applicant ~~and~~ IN CARRYING OUT THE CORE FUNCTIONS OF COMMUNITY
14 ASSOCIATION MANAGEMENT, REFERRED TO AS THE "GENERAL PORTION" OF
15 THE EXAMINATION, AND IN UNDERSTANDING THE BASIC PROVISIONS OF
16 LEGAL DOCUMENTS AND COLORADO LAW WITH WHICH MANAGERS ARE
17 REQUIRED TO COMPLY, REFERRED TO AS THE "COLORADO LAW PORTION"
18 OF THE EXAMINATION. THE EXAMINATION SHALL BE prepared by or under
19 the supervision of the director or the director's designated contractor OR
20 CONTRACTORS. The director may contract with ~~an~~ ONE OR MORE
21 independent testing ~~service~~ SERVICES to develop, administer, or grade
22 examinations or to administer licensee records. The ~~contract~~ CONTRACTS
23 may allow the testing service to recover from the applicant the costs of
24 the examination and the costs of administering the examination and
25 license records. The director may contract separately for these functions
26 and allow recovered costs to be collected and retained by a single
27 contractor for distribution to other contractors. The director ~~shall have the~~

1 ~~authority to~~ MAY set the SEPARATE minimum passing score ~~that an~~
2 ~~applicant must receive on the examination, which score must reflect the~~
3 ~~minimum level of competency required to be a community association~~
4 ~~manager~~ SCORES FOR THE GENERAL PORTION AND THE COLORADO LAW
5 PORTION OF THE EXAMINATION. The director shall prescribe the times and
6 places at which the examination AS A WHOLE is given OR AT WHICH THE
7 SEPARATE PORTIONS OF THE EXAMINATION ARE GIVEN.

8 (IV) AN APPLICANT WHO IS CREDENTIALLED PURSUANT TO
9 SUB-SUBPARAGRAPH (A), (B), OR (C) OF SUBPARAGRAPH (I) OF THIS
10 PARAGRAPH (a) AND HAS MAINTAINED THE CREDENTIAL IN GOOD
11 STANDING, INCLUDING HAVING COMPLETED ALL ONGOING EDUCATION
12 REQUIRED TO MAINTAIN THE CREDENTIAL, MUST COMPLETE THE
13 COLORADO LAW PORTION, BUT NEED NOT COMPLETE THE GENERAL
14 PORTION, OF THE EXAMINATION DESCRIBED IN SUBPARAGRAPH (III) OF
15 THIS PARAGRAPH (a).

16 (b) The SEPARATE PORTIONS OF THE examination developed under
17 subparagraph (III) of paragraph (a) of this subsection (5) must assess an
18 applicant's competency in the following subject matter areas:

19 (I) ~~The~~ FOR THE COLORADO LAW PORTION OF THE EXAMINATION,
20 legal documents; ~~and~~ statutes, ~~that enable a community association to~~
21 ~~operate~~, including the "Colorado Common Interest Ownership Act"; and
22 other applicable provisions of Colorado law; and

23 (II) FOR THE GENERAL PORTION OF THE EXAMINATION, other core
24 competencies OF COMMUNITY ASSOCIATION MANAGEMENT, as specified
25 by the director.

26 (6) (b) A partnership, limited liability company, or corporation, in
27 its application for a license, shall designate a qualified, active manager to

1 be responsible for management and supervision of the licensed actions of
2 the entity and all persons employed by, or acting at any time on behalf of,
3 the entity. A license may not be issued to the entity unless the manager so
4 designated and all persons that the entity employs to perform community
5 association management duties on behalf of the entity, take TAKES and
6 pass PASSES the examination required by this part 10. Upon these persons'
7 THE MANAGER successfully passing the examination and upon compliance
8 with all other requirements of law by the entity as well as by the
9 designated manager, the director shall issue a designated manager's
10 license to the designated manager.

11 (9) THE DIRECTOR MAY GRANT A PROVISIONAL LICENSE TO AN
12 APPLICANT FOR A COMMUNITY ASSOCIATION MANAGER LICENSE IF THE
13 APPLICANT HAS NOT PASSED THE EXAMINATION DESCRIBED IN PARAGRAPH
14 (b) OF SUBSECTION (5) OF THIS SECTION. A PROVISIONAL LICENSE EXPIRES
15 ON DECEMBER 31, 2015.

16 (10) AN APPRENTICE SHALL NOT PERFORM AN ACT THAT
17 OTHERWISE REQUIRES A COMMUNITY ASSOCIATION MANAGER LICENSE
18 EXCEPT WHEN UNDER THE DIRECT SUPERVISION OF A LICENSED
19 COMMUNITY ASSOCIATION MANAGER.

20 **SECTION 3.** In Colorado Revised Statutes, **amend** 12-61-1004
21 as follows:

22 **12-61-1004. Insurance required - rules.** Every licensee under
23 this part 10, except an inactive manager or an attorney licensee who
24 maintains a policy of professional malpractice insurance that provides
25 coverage for his or her activities under this part 10, ~~shall maintain~~ MUST
26 BE INSURED UNDER insurance necessary to cover all activities
27 contemplated under this part 10 in an amount and under terms and

1 conditions specified by the director by rule. In promulgating rules under
2 this section, the director shall solicit and consider information and
3 comments from interested persons.

4 **SECTION 4.** In Colorado Revised Statutes, 12-61-1006, **amend**
5 (1) as follows:

6 **12-61-1006. Resident licensee - nonresident licensee - consent**
7 **to service.** (1) A nonresident of the state may become a community
8 association manager OR APPRENTICE in this state by conforming to all the
9 conditions of this part 10; except that THE nonresident manager ~~shall~~ IS
10 not ~~be~~ required to maintain a place of business within this state if that
11 manager maintains a definite place of business in another state.

12 **SECTION 5.** In Colorado Revised Statutes, **amend** 12-61-1009
13 as follows:

14 **12-61-1009. License fees - partnership, limited liability**
15 **company, and corporation licenses - rules.** (1) The director shall
16 establish, collect, and periodically adjust, in accordance with section
17 12-61-111.5, fees for:

- 18 (a) Each ~~manager's~~ examination;
- 19 (b) Each manager's OR ENTITY'S original application and license;
- 20 (c) Each renewal or reinstatement of a manager's license; ~~and~~
- 21 (d) Any change of name, address, or employment status requiring
22 a change in director records;
- 23 (e) EACH PROVISIONAL LICENSE APPLICATION; AND
- 24 (f) EACH APPRENTICE'S ORIGINAL APPLICATION AND LICENSE.

25 (2) The director shall transmit all fees to the state treasurer, who
26 shall credit them to the ~~community association manager licensing~~
27 DIVISION OF REAL ESTATE cash fund, created in section ~~12-61-1012~~

1 12-61-111.5 (2) (b). Fees collected under paragraphs (b), (c), ~~and~~ (d), (e),
2 AND (f) of subsection (1) of this section are nonrefundable.

3 (3) EXCEPT AS PROVIDED IN SUBSECTION (4) OF THIS SECTION,
4 licenses are valid for up to three years, subject to expiration and renewal
5 on a schedule determined by the director. The director shall establish, by
6 rule, the requirements for continuing education, reexamination, and
7 subsequent criminal history record checks; except that these requirements
8 must not be more stringent than the equivalent requirements for real
9 estate brokers under part 1 of this article.

10 (4) AN APPRENTICE LICENSE IS VALID FOR ONE YEAR AND IS NOT
11 SUBJECT TO RENEWAL.

12 **SECTION 6.** In Colorado Revised Statutes, 12-61-1010, **amend**
13 (1) introductory portion, (1) (f), (1) (m), (1) (o), (1) (p) (IX), and (6); and
14 **add** (1) (p.5) as follows:

15 **12-61-1010. Investigation - revocation - actions against**
16 **licensee.** (1) The director, upon the director's own motion, may, and,
17 upon the complaint in writing of any person, shall, investigate the
18 activities of any ~~community association manager~~ LICENSEE or any person
19 who assumes to act in ~~such~~ THE capacity OF A LICENSEE within the state.
20 The director, after holding a hearing in accordance with the "State
21 Administrative Procedure Act", article 4 of title 24, C.R.S., may impose
22 an administrative fine not to exceed two thousand five hundred dollars for
23 each separate offense, censure a licensee, place the licensee on probation
24 and set the terms of probation, or temporarily suspend or permanently
25 revoke a license when the licensee has performed, is performing, or is
26 attempting to perform any of the following acts and is guilty of:

27 (f) Failing to account for or to remit, within a reasonable time, any

1 moneys coming into the licensee's possession that belong to others,
2 whether acting as a community association manager, APPRENTICE, or
3 otherwise, and failing to keep records relative to said moneys, which
4 records must contain any information required by rules of the director and
5 are subject to audit by the director;

6 (m) Procuring, or attempting to procure, a ~~community association~~
7 ~~manager's~~ license or renewing, reinstating, or reactivating, or attempting
8 to renew, reinstate, or reactivate, a ~~community association manager's~~
9 license by fraud, misrepresentation, or deceit or by making a material
10 misstatement of fact in an application for ~~such~~ A license;

11 (o) Having had a ~~community association manager's~~ LICENSE or a
12 subdivision developer's ~~license~~ REGISTRATION suspended or revoked in
13 any jurisdiction, or having had any disciplinary action taken against the
14 manager or subdivision developer in any other jurisdiction if the
15 ~~manager's~~ LICENSEE'S or subdivision developer's action would constitute
16 a violation of this subsection (1). A certified copy of the order of
17 disciplinary action is prima facie evidence of such disciplinary action.

18 (p) Within the last five years, having a license, registration, or
19 certification issued by Colorado or another state revoked or suspended for
20 fraud, deceit, material misrepresentation, theft, or breach of a fiduciary
21 duty, and such discipline denied the person authorization to practice as:

22 (IX) An investment advisor representative, as defined by section
23 11-51-201 (9.6), C.R.S.; or

24 (p.5) ACTING OUTSIDE THE SCOPE OF AUTHORITY GRANTED BY THE
25 ISSUANCE OF A LICENSE; OR

26 (6) All administrative fines collected pursuant to this section shall
27 be transmitted to the state treasurer, who shall credit the same to the

1 ~~community association manager licensing~~ DIVISION OF REAL ESTATE cash
2 fund, created in section ~~12-61-1012~~ 12-61-111.5 (2) (b).

3 **SECTION 7.** In Colorado Revised Statutes, **amend** 12-61-1012
4 as follows:

5 **12-61-1012. Community association manager licensing cash**
6 **fund - creation - repeal.** (1) (a) The direct and indirect costs incurred by
7 the director in administering this part 10 are payable from the community
8 association manager licensing cash fund, which fund is hereby created in
9 the state treasury. The fund consists of fees paid by community
10 association managers and applicants for licensure under section
11 12-61-1009. Interest earned on moneys in the fund remain in the fund,
12 and any unexpended and unencumbered moneys in the fund at the end of
13 any fiscal year do not revert to the general fund or any other fund.
14 Payments from the fund are subject to annual appropriation by the general
15 assembly.

16 (b) THIS SUBSECTION (1) IS REPEALED, EFFECTIVE JULY 1, 2015.

17 (2) ON JULY 1, 2015, THE STATE TREASURER SHALL TRANSFER ANY
18 MONEY REMAINING IN THE COMMUNITY ASSOCIATION MANAGER
19 LICENSING CASH FUND TO THE DIVISION OF REAL ESTATE CASH FUND
20 CREATED IN SECTION 12-61-111.5 (2) (b).

21 **SECTION 8.** In Colorado Revised Statutes, 12-61-1013, **amend**
22 (1) introductory portion as follows:

23 **12-61-1013. Review and report by director - report - repeal.**

24 (1) The director shall review the operation of this part 10 during the first
25 year of its implementation and shall report to the COMMITTEES IN THE
26 senate ~~committee on business, labor, and technology~~ and the house
27 ~~committee on~~ OF REPRESENTATIVES THAT HEAR MATTERS PERTAINING TO

1 business, ~~labor, and economic and workforce development, or their~~
2 ~~successor committees~~, on or before February 15, 2016, concerning the
3 director's findings and recommendations for legislative changes, if any.

4 The matters included in the director's report may include:

5 **SECTION 9.** In Colorado Revised Statutes, 24-34-104, **amend**
6 (49.5) (g) as follows:

7 **24-34-104. General assembly review of regulatory agencies**
8 **and functions for termination, continuation, or reestablishment.**

9 (49.5) The following agencies, functions, or both, terminate on
10 September 1, 2018:

11 (g) The licensing of community association managers AND
12 APPRENTICES by the director of the division of real estate in accordance
13 with part 10 of article 61 of title 12, C.R.S.;

14 **SECTION 10.** In Colorado Revised Statutes, **amend** 38-33.3-402
15 as follows:

16 **38-33.3-402. Manager licensing - condition precedent for**
17 **enforcement of contract terms.** A person that is subject to licensure ~~as~~
18 ~~a community association manager~~ under part 10 of article 61 of title 12,
19 C.R.S., shall at all times have and maintain a valid license when acting or
20 purporting to act on behalf of the association. The association's agreement
21 to pay a fee for the services of a community manager or to hold harmless
22 or indemnify the community manager for any act or omission in the
23 course of providing those services is void and unenforceable for any
24 period in which the MANAGER'S license is expired, suspended, or revoked.

25 **SECTION 11. Appropriation.** For the 2015-16 state fiscal year,
26 \$47,250 is appropriated to the department of regulatory agencies for use
27 by the division of real estate. This appropriation is from the division of

1 real estate cash fund created in section 12-61-111.5 (2) (b), C.R.S. To
2 implement this act, the division may use this appropriation for operating
3 expenses.

4 **SECTION 12. Safety clause.** The general assembly hereby finds,
5 determines, and declares that this act is necessary for the immediate
6 preservation of the public peace, health, and safety.