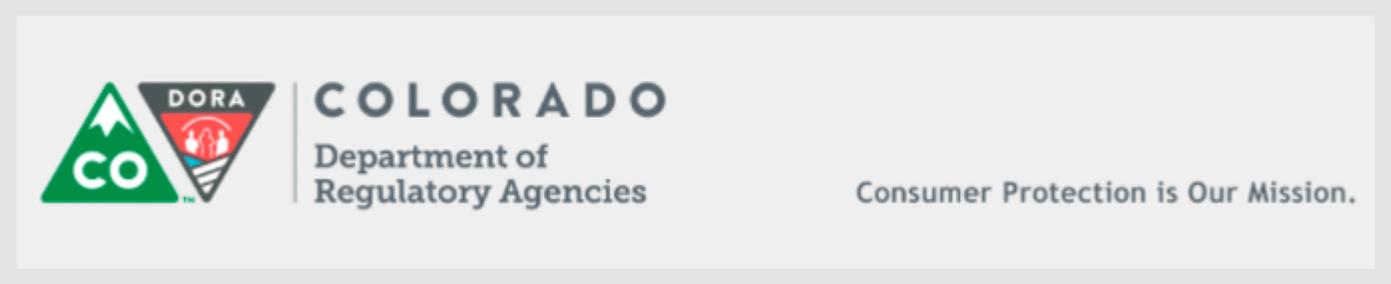




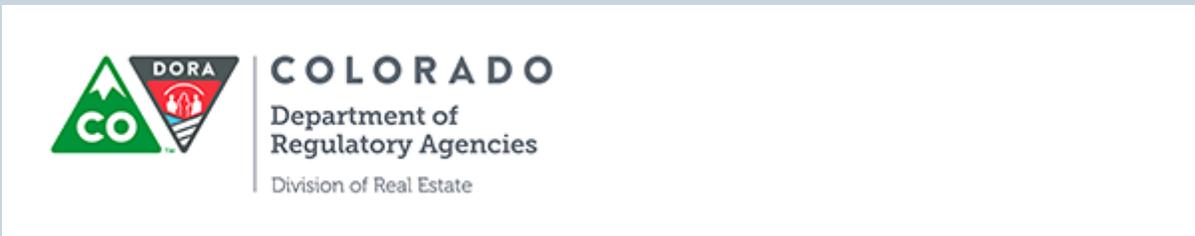
Receive Updates



IMPORTANT NOTICE: Community Association Manager Program Updates

Colorado Department of Regulatory Agencies sent this bulletin at 04/17/2018 11:05 AM MDT

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IMPORTANT NOTICE Community Association Manager Program Updates

Community Association Manager Program Sunset Update

On April 10, 2018, the Senate Committee on Finance of the Colorado Legislature voted to postpone indefinitely HB18-1175 (the Bill Concerning the Continuation of the Community Association Manager Program under the Sunset law). The effect of this vote means that the legislature will **not** continue the Community Association Manager (CAM) Program and will allow it to sunset.

Below are answers to some questions that CAM licensees may have regarding the sunset of this program.

Q: What does it mean that the CAM program sunset?

A: The CAM program was set to be repealed on July 1, 2018, pursuant to C.R.S. 12-61-1014, unless extended by the legislature. Since this program was not extended by the legislature, it then goes through a “wind-up” procedure. This means that the program continues in existence until the date that is one (1) year after the specified repeal date (July 1, 2018) for the purpose of winding up affairs for the program. That ending date of the program will be **July 1, 2019**. On that date, the Division will then cease all activities with regard to the CAM program.

Q: What does this mean for me as a CAM licensee?

A: The CAM program continues to be in place at the Division of Real Estate with all of its statutes, requirements, rules, and regulations until the sunset date of July 1, 2019. This means that a CAM licensee still needs to hold a license, renew one’s license, maintain one’s continuing education, maintain E&O and Fidelity insurance, and comply with all Division requests, complaints and investigations while the CAM program continues in operation until July 1, 2019.

Q: What if I want to become a new licensed CAM, Designated Manager or CAM Entity?

A: If you want to operate as a new CAM, upgrade to a Designated Manager, or begin and operate a CAM entity, you will still have to go through the licensing process until July 1, 2019, since the program will still be in operation until that time. Any license issued during the “wind-up” period will expire on July 1, 2019.

Q: Can I be fined or penalized during this “wind-up” time period?

A: Yes, since the program is still in operation until July 1, 2019, the Division of Real Estate has jurisdiction and authority to regulate and discipline CAM licensees.

Q: What happens if I do not renew my CAM or CAM Entity license?

A: If one does not renew their CAM license or CAM entity license by the upcoming license renewal deadline of July 1, 2018, one cannot operate as a CAM or CAM entity in the State of Colorado. Also, anyone practicing community association management without the required license can be subject to a Cease & Desist Order, and additional penalties as may be determined by the State.

Q: How will the license fees be determined?

A: Since the CAM licensing period runs from July 1st to June 30th each year, the licensing fee will cover the period from July 1, 2018 to June 30, 2019, which is a full year before the program sunsets on July 1, 2019. Any license renewed and issued during the “wind-up” period will expire on July 1, 2019.

Q: Can the Community Association Manager Program be reinstated before it sunsets on July 1, 2019?

A: Yes, the Colorado legislature could pass a Bill to reestablish the program with substantially the same powers, duties and functions before its sunset date of July 1, 2019.

Q: What is a Sunset Review?

A: The Colorado General Assembly sets specific dates that a particular agency, board, or function of government will terminate unless the legislature passes new legislation to

continue. So, the “sun sets” on that part of government if it is not reauthorized. In Colorado, a sunset review will generally question the need for regulation to protect the public. If regulation is determined to be needed, the sunset review will look for the least restrictive level of regulation consistent with the public interest.

Resources:

Link for the original 2017 Sunset Review of the Community Association Management Practice Act: <https://drive.google.com/file/d/0B1eD7wvZltwxQWlxU1ZiRk5RcW8/view>

Link for HB18-1175 (the Bill Concerning the Continuation of the Community Association Manager Program under the Sunset law): <http://leg.colorado.gov/bills/hb18-1175>

Statutory References: C.R.S. 12-61-1014; and C.R.S. 24-34-104 (2017)

Community Association Manager Program Division Website:
<https://www.colorado.gov/pacific/dora/node/97701>

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Entity Licensure Requirements of Common Interest Communities That Directly Employ W-2 Licensed Managers

The Division has received numerous inquiries with regard to the entity licensure requirements of common interest communities that directly employ W-2 licensed managers. The Division currently does not require the entity licensure of the common interest community that directly employs a licensed manager(s). Additionally, any common interest community that is **not** required to obtain an entity license will not need to entitle a qualified active designated manager, nor be required to satisfy the insurance requirements of the Community Association Manager Practice Act.

Although it is not a requirement to obtain an entity license for any common interest community that directly employs W-2 employees, it may voluntarily apply for an entity license. If the entity desires to obtain a license, the common interest community would need to complete the entity license application, pay the fee, entitle a qualified active designated manager, and provide proof of satisfying the license law insurance requirements. The Division will accept a common interest community’s Directors & Officers (D&O) policy in lieu of an Errors & Omissions (E&O) insurance policy, so long as the policy meets the statutory coverage limits and any employed licensed manager is named as an additional insured.

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