

Manager & Management Company Executive Licensure (HB 13-1277)

June 1, 2013

Bill Summary. The bill requires the licensure of community association managers, management company executives and supervisors of managers.

Effective Dates. The bill will go into effect on January 1, 2015. Managers and management company executives will not be required to hold a license until July 1, 2015. The bill was signed by the Governor on May 28, 2013.

Highlights.

- **License to Manage Required.** Beginning on July 1, 2015, community association managers, management company CEO's and executives of management companies (those who directly supervise managers) are required to be licensed in Colorado.
- **Credentials – One or More.** To obtain a license, these individuals must hold one or more of the following credentials:
 - The Certified Manager of Community Associations (CMCA) certification awarded by the National Board of Certification for Community Association Managers
 - The Association Management Specialist (AMS designation awarded by Community Associations Institute)
 - The Professional Community Association Manager (PCAM designation awarded by Community Associations Institute) or
 - Any other credential identified by the Director of the Division of Real Estate
- **Colorado Law and Governing Documents Education/Exam.** In addition to holding one or more of the credentials outlined above, the manager must certify completion of educational requirements, as determined by the Director, and pass an examination relating to Colorado law and the governing documents of associations
- **Background Check.** Prior to obtaining their license, managers must pass a criminal background check.
- **Discipline.** Licensed managers may be subject to discipline by the Division of Real Estate for a variety of offenses. Depending upon the severity of the offense, the discipline may include:

- An administrative fine not to exceed \$2,500
- Censure of a licensee
- Place the licensee on probation and set the terms of probation
- Temporary suspension of license or
- Revocation of license

Rules Governing Managers, CEO's and Supervisors of Managers. Rules governing who is a manager, and the requirements for licensing, are to be developed. Licenses are required as of July 1, 2015.

"Manager" Defined. The bill defines a HOA manager (referred to in the bill as "Community Association Manager" or "Manager") as:

- The chief executive officer (CEO) of an HOA management company
- Anyone who supervises a manager
- A person who performs 2 or more of the following services:
 - Receiving, depositing, controlling or disbursing association funds, preparing budgets or preparing other financial documents
 - Assisting in reserve fund plan creation and implementation
 - Preparing notices of meetings (board or member meetings) or conducting these meetings
 - Coordinating maintenance of the HOA or contracts for those services
 - Performing inspections, administering ACC applications and keeping records of violations
 - Performing other services related to day-to-day operations

Expectations for HB 1277. HB 1277 –Governor Hickenlooper signed the bill into law on May 28, 2013.