

The General Assembly Allows the Regulation of HOA Managers to Lapse

It was a good day for Colorado's 1.9 million HOA members on July 1, 2015, when all HOA managers were required to be fingerprinted, educated about their functions, and licensed by the Division of Real Estate.

REAL ESTATE TODAY



By **JIM SMITH, Realtor®**

However, like all such laws, the Community Association Manager (CAM) program had a 3-year sunset requirement, meaning that it had to be studied by the Department of Regulatory Affairs (DORA) for its effectiveness and renewed (or not) by the General Assembly (Colorado's legislature).

So, DORA submitted its analysis of the program, recommending that it be renewed and improved, but on April 10, 2018, the Senate Committee on Finance voted 3-2 to "postpone indefinitely" (i.e., kill) HB18-1175, the bill to renew the program for another five years. It was a party-line vote, with all Republicans voting against renewal and both Democrats voting for renewal.

In DORA's report recommending renewal, it was noted that, because the law was only two years old, "there is little data to rely on in determining how much harm related to management activities exists...."

"However, two Managers and one Management Company have already been disciplined for misconduct related to management activities. All of these cases were related to theft of association funds. Additionally, many of the complaints received by the Division and reported during the sunset review reflect the findings of the 2012 sunrise review [which suggested the law]."

"Community Association Managers have access to association funds, which is often in the millions of dollars. An association relies on these funds to ensure the common areas, facilities and, in some cases, buildings are well maintained, and the loss or mismanagement of these funds can be devastating to a community. As a result, the owners may suffer large assessments in order to bring the reserves up to an amount necessary to pay for the daily operation of the community, which may include water bills, trash removal, landscaping and professional services, not to mention necessary upkeep such as repainting buildings, re-

placing old roofs, repairing driveways and any emergency situations that may arise.

"Ensuring Community Association Managers do not steal or mishandle association funds is an important reason to regulate the industry. The Division has the ability to audit the business records of Community Association Managers, and through these audits, the Division may uncover misconduct...."

"In fiscal year 16-17, the Director issued one cease and desist order against a company and 11 cease and desist orders against individuals, and revoked one individual license."

[End of excerpt from the DORA report.]

Colorado is known as a low-regulation state. In other words, if regulation is not deemed necessary for the public safety, the default is to not regulate an industry.

Mortgage brokers, for example, were not even reg-

istered in Colorado until the mid-2000s, and it was another couple years before they were fingerprinted and required to take classes and pass a state exam in order to be licensed. Prior to that, a felon who had studied up on identity crime while in prison could claim to be a mortgage broker as soon as he was released and begin taking financial information and Social Security numbers from unsuspecting homeowners or home buyers!

HOA members were able to breathe a sigh of relief when the state decided to license Community Association Managers in 2013, with full implementation by July 2015, and they should be concerned that a Senate committee killed renewal of it.

The actual end of the program doesn't happen until July 1, 2019, which means the 2019 session of the General Assembly could pass a renewal of the CAM program in time to avoid a lapse in regulation.

2-Story Mesa View Estates Home Backs to Greenbelt

This large home at **15318 W. Ellsworth Drive** backs to one of the greenbelts in Mesa View Estates, far from the noise of US 6 and Interstate 70. It is only a mile, however, to the Indiana Street/US 6 interchange, making it convenient to both Denver and the mountains. With 5 bedrooms and 4½ baths on three levels and its oversized 4-car garage, it can accommodate even the largest family! Features include a main-floor master suite that opens to a 10'x24' wood deck with a view of Green Mountain and stairs down to the backyard. There are three gas fireplaces, too. In the basement bathroom is a wide 2-headed shower and a sauna that can accommodate 2 or 3 people. On the second floor are 3 bedrooms, one with a private bathroom and two sharing a Jack-and-Jill bathroom. The gourmet kitchen has hardwood flooring and gorgeous slab granite countertops and stainless steel appliances, which are all included, as are the high efficiency washer and dryer in the main-floor laundry room. See pictures and a narrated video tour at www.MesaViewEstates.info. **Open Sunday, 11-2 pm.**



Westminster Patio Home Just Listed by Debbi Hysmith



This lovely home at **5742 W. 71st Avenue** boasts a professionally finished kitchen with granite counter tops and stainless steel appliances. You'll love this quiet patio home neighborhood within walking distance to shopping, public transportation, and coffee shops. This home is perfect for social gatherings as well. Behind the 6' fence, enjoy a private courtyard leading back to a covered deck off the kitchen. Mature trees surround the property and give shade and comfort to the home. There's a private balcony off of the master suite too! There is plenty of room including a finished basement with a bonus room that could be used as a project room. Extremely low HOA dues buy you use of the clubhouse four times per year, trash service, indoor swimming pool, and tennis courts! You can see interior pictures plus a narrated video tour at www.WestminsterPatioHome.com. Open house is this **Saturday, 11 a.m. to 2 p.m.**

This Saturday Is the Rain Date for Golden's Community Garage Sales

Last Saturday's garage sale in two of Golden's high-end neighborhoods — the **Village at Mountain Ridge** west of Hwy. 93 in north Golden and **Stonebridge at Eagle Ridge** off Heritage Road in south Golden — went on despite the intermittent rain, but the turnout was so poor because of the rain that we're holding them again this Saturday, May 19th. See the updated map and what each home is selling at www.GoldenGarageSale.com.

Hours are this Saturday, **May 19th, from 8 a.m. to noon.**



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