



## HB 1175 – Sunset Community Association Management Practice Act AMEND

**AMEND – CAI supports continuing the licensing of Community Association Managers (CAMs) and management companies for five years. CAI also is requesting you amend the bill to codify current DORA guidance that only licensed managers sign contracts.**

The Department of Regulatory Agencies 2017 Sunset Review of the Community Association Management Practice Act recommends that the act be continued for five years until 2023.

### Why regulate community association managers and companies?

A community association manager is responsible for duties such as collecting monthly fees, preparing budgets and other financial statements, and negotiations with contractors, they are in a position of power that can be easily abused.

- FY 15-16 Two Manager’s licenses and one Management Company license were revoked for theft of funds from an association.
- FY 16-17, the Director revoked one Manager’s license, issued one cease and desist order against a company and 11 cease and desist orders against individuals for unlicensed activity.

This common sense regulation protects home owners from theft or mismanagement of funds, undisclosed conflicts of interest, inadequate accounting or record keeping, and a lack of transparency when it comes to board meetings or association records.

### What does HB 1175 do?

- Continues the licensing of Community Association Managers (CAMs) and management companies for an additional five years.
- Clarifies the supervision requirements for support staff who are providing clerical, ministerial, accounting or maintenance functions and specifies any activities that would trigger support staff to be licensed.
- Requires the Director to define by rule the appropriate level of supervision related to specific activities of an Apprentice and detail any supervision requirements that are necessary to protect the public.
- Enhances the due process protections of a cease and desist order.

### CAI supports extension with amendment

Community Associations Institute was involved in the original legislation three years ago that sought to regulate the industry and has worked closely to assist with the implementation of and compliance with the program. CAI believes that the licensing of community association managers has had a positive impact on the industry and support HB 1175 but believe it needs to be amended to include the current guidance from DORA on eligibility to sign contracts.

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