

Small HOA CAMs Snubbed Again

Small HOA CAMs were again snubbed in the CAM Licensing Law. HB 16-1133 included language to give the smallest HOA CAMs (Community Association Manager) financial and requirements relief in licensing. Those managing less than a total of 30 units would have reduced licensing fees (similar to reduced HOA registration fees for smaller HOAs). This was removed from HB 16-1133. This small business relief was attempted in 2015 but failed.

The Bill would have required small CAMs to be licensed and comply with all State law and an HOA's governing documents. CAM educational course providers would offer courses at a much lower cost with content commensurate with responsibilities (this task was confirmed feasible with educational providers). CAM licensing and testing fees would be reduced.

All very simple but you guessed it, the Community Association Institute (CAI) did not support this change this year or last. They first claimed the Bill would exclude small CAMs from licensing, not true. Then claimed it would cost too much to implement: another deceptive argument. At most a test would have to be developed for small HOA CAMs with minimal cost paid through licensing fees and a one-time cost. They also indicated that educational courses were not available for small CAMs: also not exactly true. Then they claimed that the reduced requirements would allow for lack of protection for small CAMs which is also not true (no exemption from practicing approved financial management, bonding, insurance, etc.). Note, the CAI sells educational courses/material that are a big part of their income stream. Any chance the reduced course costs to small HOA CAMs impacts their involvement in opposing this proposition to create a lower cost course for small HOA CAMs?

Small CAMs have gone out of business with the initial cost to obtain a license exceeding or equal to a year's income. The small CAM in some cases is compensated for very routine services sporadically completed throughout the year at low cost but still qualifying them to be licensed. The intent of the law was to bring competency and accountability to the CAM industry and HOA protections against abusive practices but not to impose a financial burden to business. The argument for small CAM considerations: 1) CAM companies managing thousands of homes in many HOAs require comprehensive professional requirements are different from small CAMs managing 30 or less homes as long as both are accountable and require competency and 2) educational requirements can be less and still affective. This argument fell deaf on legislator's ears.

It can also be argued that with reduced and fair licensing requirements for small CAMs that more would be licensed resulting in more income to DORA, ensure availability of small CAMs to serve smaller HOAs, and ensure those practicing CAM licensing duties would not serve "under the radar" (unlicensed and unaccountable under the law) to avoid abusive licensing requirements.

Those legislators indicating they are advocates of small business and against burdensome government requirements failed miserably (again) on this issue. The Colorado HOA Form will push for relief for small business HOA CAMs next year: if you say it enough, try it enough times, one day it can happen.