

CHAPTER 42

PROPERTY

HOUSE BILL 26-1099

BY REPRESENTATIVE(S) Titone and Nguyen, Bacon, Joseph, Lindsay;
also SENATOR(S) Kolker and Marchman, Exum, Gonzales J., Jodeh, Kipp, Sullivan, Weissman, Coleman.

AN ACT**CONCERNING PROTECTING THE FINANCIAL CONDITION OF COMMON INTEREST COMMUNITIES.**

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, **add** 38-33.3-209.2 as follows:

38-33.3-209.2. Declarant duties - reserve study.

(1) **PRIOR TO TRANSFER OF CONTROL FROM THE DECLARANT TO THE ASSOCIATION OF A PLANNED COMMUNITY OR CONDOMINIUM, THE DECLARANT SHALL COMMISSION AND PAY FOR A RESERVE STUDY FOR THE PLANNED COMMUNITY OR CONDOMINIUM, WHICH STUDY ADDRESSES THE COMPONENTS OF THE COMMON ELEMENTS AND PROPERTY THAT THE ASSOCIATION IS RESPONSIBLE FOR MAINTAINING, REPAIRING, OR REPLACING, AS DESCRIBED IN THE DECLARATION. THE RESERVE STUDY MUST PROJECT COSTS OVER A THIRTY-YEAR PERIOD.**

(2) **THE RESERVE STUDY DESCRIBED IN SUBSECTION (1) OF THIS SECTION MUST INCLUDE AN ESTIMATE OF THE PROJECTED COST OF MAINTAINING, REPAIRING, OR REPLACING THE COMMON ELEMENTS OR PROPERTY OF THE PLANNED COMMUNITY OR CONDOMINIUM.**

(3) **A RESERVE STUDY REQUIRED PURSUANT TO THIS SECTION MUST BE CONDUCTED BY AN INDEPENDENT RESERVE STUDY PROFESSIONAL OR OTHER QUALIFIED PROFESSIONAL THAT:**

- (a) **HAS KNOWLEDGE OF INDUSTRY STANDARDS FOR RESERVE STUDIES;**
- (b) **HAS NO BUSINESS RELATIONSHIP WITH OR FINANCIAL INTEREST IN THE**

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

DECLARANT, OTHER THAN BEING RETAINED BY THE DECLARANT TO CONDUCT RESERVE STUDIES; AND

(c) IS NOT AN AFFILIATE OF THE DECLARANT.

SECTION 2. In Colorado Revised Statutes, 38-33.3-209.4, **amend** (2)(h) and (2)(i); and **add** (2)(j) as follows:

38-33.3-209.4. Public disclosures required - identity of association - agent - manager - contact information.

(2) Within ninety days after assuming control from the declarant pursuant to section 38-33.3-303 (5), and within ninety days after the end of each fiscal year thereafter, the association shall make the following information available to unit owners upon reasonable notice in accordance with subsection (3) of this section:

(h) The minutes of the executive board and member meetings for the fiscal year immediately preceding the current annual disclosure; ~~and~~

(i) The association's responsible governance policies adopted under section 38-33.3-209.5; AND

(j) THE MOST RECENT RESERVE STUDY REQUIRED PURSUANT TO SECTION 38-33.3-209.2.

SECTION 3. In Colorado Revised Statutes, 38-33.3-303, **amend** (9)(l) and (9)(m); and **add** (9)(n) as follows:

38-33.3-303. Executive board members and officers - powers and duties - reserve funds - audit.

(9) Within sixty days after the unit owners other than the declarant elect a majority of the members of the executive board, the declarant shall deliver to the association all property of the unit owners and of the association held by or controlled by the declarant, including without limitation the following items:

(l) Any service contract in which the association is a contracting party or in which the association or the unit owners have any obligation to pay a fee to the persons performing the services; ~~and~~

(m) For large planned communities, copies of all recorded deeds and all recorded and unrecorded leases evidencing ownership or leasehold rights of the large planned community unit owners' association in all common elements within the large planned community; AND

(n) FOR PLANNED COMMUNITIES AND CONDOMINIUMS, THE RESERVE STUDY COMMISSIONED BY THE DECLARANT PURSUANT TO SECTION 38-33.3-209.2.

SECTION 4. In Colorado Revised Statutes, 38-33.3-317, **add** (9) as follows:

38-33.3-317. Association records - rules - timely transfer of association money and records to new management company or the association - penalty - civil action - damages - attorney fees.

(9) (a) (I) WHEN AN ASSOCIATION, OTHER THAN A SELF-MANAGED ASSOCIATION THAT HAS NOT RETAINED AN ASSOCIATION MANAGEMENT COMPANY, TERMINATES OR FAILS TO RENEW AN AGREEMENT WITH ITS ASSOCIATION MANAGEMENT COMPANY, WITHIN FORTY-FIVE DAYS AFTER THE TERMINATION OR FAILURE TO RENEW THE AGREEMENT, THE FORMER ASSOCIATION MANAGEMENT COMPANY SHALL DELIVER TO THE NEW ASSOCIATION MANAGEMENT COMPANY OR TO THE ASSOCIATION, AT NO CHARGE TO THE ASSOCIATION, ALL ASSOCIATION PROPERTY, INCLUDING MONEY, FINANCIAL ACCOUNTS, ACCOUNT BOOKS, FINANCIAL RECORDS, INSURANCE POLICIES, CONTRACTS, BUSINESS DOCUMENTS, INVOICES, RECEIPTS, SUBSCRIPTIONS, ACCOUNT INFORMATION, ACCOUNT PASSWORDS, KEYS, AND ANY OTHER PROPERTY OR RECORDS OF THE ASSOCIATION, OR INFORMATION CONCERNING THE ASSOCIATION.

(II) SUBSECTION (9)(a)(I) OF THIS SECTION DOES NOT REQUIRE A FORMER ASSOCIATION MANAGEMENT COMPANY TO SUBMIT ANY PROPRIETARY SOFTWARE OR COMPUTER PROGRAMS TO THE ASSOCIATION, SO LONG AS THE ASSOCIATION'S DATA OR RECORDS WITHIN THE PROPRIETARY SOFTWARE OR COMPUTER PROGRAM IS SUBMITTED TO THE ASSOCIATION.

(b) UNLESS OTHERWISE AGREED IN WRITING BETWEEN THE ASSOCIATION AND THE FORMER ASSOCIATION MANAGEMENT COMPANY, THE FORMER ASSOCIATION MANAGEMENT COMPANY THAT FAILS TO COMPLY WITH THE REQUIREMENT SET FORTH IN SUBSECTION (9)(a)(I) OF THIS SECTION:

(I) IS LIABLE TO THE ASSOCIATION FOR ALL INTEREST AND LATE FEES ON LATE PAYMENTS MADE BY THE ASSOCIATION DUE TO THE FORMER ASSOCIATION MANAGEMENT COMPANY'S FAILURE TO COMPLY WITH THE REQUIREMENT SET FORTH IN SUBSECTION (9)(a)(I) OF THIS SECTION AND ANY OTHER DAMAGES INCURRED BY THE ASSOCIATION DUE TO THE INABILITY OF THE ASSOCIATION TO ACCESS THE ASSOCIATION'S ACCOUNTS, MONEY, PROPERTY, OR INFORMATION SPECIFIED IN SUBSECTION (9)(a)(I) OF THIS SECTION;

(II) SHALL PAY TO THE ASSOCIATION TWO HUNDRED FIFTY DOLLARS FOR EACH BUSINESS DAY THAT THE FORMER ASSOCIATION MANAGEMENT COMPANY FAILS TO COMPLY WITH THE REQUIREMENT SET FORTH IN SUBSECTION (9)(a)(I) OF THIS SECTION; AND

(III) IN ANY CIVIL ACTION TO ENFORCE THIS SUBSECTION (9), IF THE FORMER ASSOCIATION MANAGEMENT COMPANY'S VIOLATION IS FOUND TO BE WILLFUL, SHALL BE LIABLE TO THE ASSOCIATION FOR TREBLE THE ASSOCIATION'S ACTUAL DAMAGES PLUS THE ASSOCIATION'S REASONABLE ATTORNEY FEES AND COURT COSTS.

SECTION 5. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a referendum petition is filed pursuant to section

1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: April 13, 2026