

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 18-1150.01 Jennifer Berman x3286

HOUSE BILL 18-1342

HOUSE SPONSORSHIP

Melton,

SENATE SPONSORSHIP

Todd,

House Committees
Business Affairs and Labor

Senate Committees
Finance

A BILL FOR AN ACT

101 CONCERNING A REQUIREMENT THAT A COMMON INTEREST
102 COMMUNITY CREATED IN COLORADO BEFORE JULY 1, 1992,
103 COMPLY WITH A PROVISION OF THE "COLORADO COMMON
104 INTEREST OWNERSHIP ACT" THAT ALLOWS A MAJORITY OF THE
105 UNIT OWNERS IN A COMMON INTEREST COMMUNITY TO VETO A
106 BUDGET PROPOSED BY THE EXECUTIVE BOARD OF THE COMMON
107 INTEREST COMMUNITY.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

SENATE
2nd Reading Unamended
April 30, 2018

HOUSE
3rd Reading Unamended
April 20, 2018

HOUSE
Amended 2nd Reading
April 18, 2018

Common interest communities created before the July 1, 1992, enactment of the "Colorado Common Interest Ownership Act" (Act) are exempt from many of the Act's provisions, including a provision allowing a majority of the unit owners in a common interest community to veto a budget proposed by the common interest community's executive board. The bill requires a common interest community that predates the Act to allow its unit owners to veto, by majority vote, a budget proposed by the common interest community's executive board.

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

2 **SECTION 1.** In Colorado Revised Statutes, 38-33.3-117, **amend**
3 (1.8) as follows:

4 **38-33.3-117. Applicability to preexisting common interest**
5 **communities.** (1.8) Except as provided in section 38-33.3-119, section
6 38-33.3-303 ~~(4)(a)(I)~~ (4)(a) applies to all common interest communities
7 created within this state before July 1, 1992, with respect to events and
8 circumstances occurring on or after July 1, 2017.

9 **SECTION 2.** In Colorado Revised Statutes, 38-33.3-303, **amend**
10 **as it becomes effective July 1, 2018,** (4)(a)(II) as follows:

11 **38-33.3-303. Executive board members and officers - powers**
12 **and duties - reserve funds - reserve study - audit.**

13 (4) (a) (II) (A) Unless the declaration requires otherwise, the budget
14 proposed by the executive board does not require approval from the unit
15 owners and it will be deemed approved by the unit owners in the absence
16 of a veto at the noticed meeting by a majority of all unit owners, or if
17 permitted in the declaration, a majority of a class of unit owners, or any
18 larger percentage specified in the declaration, whether or not a quorum is
19 present. If the proposed budget is vetoed, the periodic budget last
20 proposed by the executive board and not vetoed by the unit owners must

1 be continued until a subsequent budget proposed by the executive board
2 is not vetoed by the unit owners.

3 (B) THIS SUBSECTION (4)(a)(II) SHALL NOT APPLY TO ANY
4 COMMON INTEREST COMMUNITY FORMED PRIOR TO JULY 1, 1992, IF THE
5 DECLARATION SETS A MAXIMUM ASSESSMENT AMOUNT OR LIMITS THE
6 INCREASE IN AN ANNUAL BUDGET TO A SPECIFIC AMOUNT AND THE BUDGET
7 PROPOSED BY THE EXECUTIVE BOARD DOES NOT EXCEED THE MAXIMUM
8 AMOUNT OR LIMITS SET IN THE DECLARATION.

9 **SECTION 3. Effective date - applicability.** This act takes effect
10 July 1, 2018, and applies to proposed budgets adopted by a common
11 interest community's executive board on or after said date.

12 **SECTION 4. Safety clause.** The general assembly hereby finds,
13 determines, and declares that this act is necessary for the immediate
14 preservation of the public peace, health, and safety.