

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 20-0573.01 Duane Gall x4335

HOUSE BILL 20-1333

HOUSE SPONSORSHIP

Titone,

SENATE SPONSORSHIP

(None),

House Committees

Transportation & Local Government

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE GOVERNANCE OF UNIT OWNERS' ASSOCIATIONS
102 UNDER THE "COLORADO COMMON INTEREST OWNERSHIP
103 ACT".

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>.)

The bill increases requirements for disclosure and transparency in the operations of unit owners' associations (HOAs) in common interest communities, including:

- ! Posting on an internet website the community's governing documents, and any amendments to those documents, in

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.

addition to recording them in the county land record, as required by current law (**section 1** of the bill);

- ! Supplying the same governing documents, as well as a list of the HOA's current fees chargeable upon sale of a home in the community, to the HOA information and resource center for posting on the center's own website (**sections 1 and 11**);
- ! Posting on an internet website, with the web address communicated annually to all unit owners, the contact information for the HOA and its management company, if any, as well as other information currently required to be disclosed (**section 2**);
- ! Allowing unit owners to record any portion of an open meeting and to invite a professional election inspector to observe executive board elections (**sections 6 and 7**);
- ! Prohibiting any action to be taken at an open meeting by written or secret ballot unless at least 20% of the unit owners in attendance so request (**section 7**); and
- ! If access to association records required to be provided within 30 calendar days after a request was submitted by certified mail is withheld beyond that period, penalizing the HOA \$50 per day for not providing them (**section 9**).

The bill also requires members of an HOA's executive board to complete a free, online basic training course offered or approved by the HOA information and resource center (**sections 4 and 11**); requires the board to commission a reserve study at least every 5 years and, at least annually, to adjust the HOA's finances accordingly (**sections 3 and 5**); eliminates the option to forgo annual audits but allows audits to be informal unless otherwise required by the bylaws or a majority vote (section 5); and requires all new contracts for goods or services over a specific dollar amount to be awarded based on a competitive bid process involving at least 3 bids (**section 8**).

Under current law, the developer of a subdivision (declarant) is not required to transfer control of the HOA to board members representing the owners of units in the subdivision until specified percentages of the units are sold to initial purchasers. Section 5 places limits on the amount of time that may pass before the declarant must turn over control of the HOA to unit owners, regardless of the percentage of units that remain unsold.

Upon the sale of a unit, current law requires disclosure to the buyer of certain HOA documents. **Section 10** requires the seller to certify that the documents are correct and complete, and gives the buyer the right to sue for damages if they are not.

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

2 **SECTION 1.** In Colorado Revised Statutes, 38-33.3-201, **amend**
3 (1) as follows:

4 **38-33.3-201. Creation of common interest communities -**
5 **recordation and on-line postings required.** (1) (a) A common interest
6 community may be created pursuant to this ~~article~~ ARTICLE 33.3 only by
7 recording a declaration executed in the same manner as a deed and, in a
8 cooperative, by conveying the real estate subject to that declaration to the
9 association.

10 (b) The declaration must be:

11 (I) Recorded in every county in which any portion of the common
12 interest community is located; ~~and must be~~

13 (II) Indexed:

14 (A) In the grantee's index in the name of the common interest
15 community and in the name of the association; and

16 (B) In the grantor's index in the name of each person executing the
17 declaration; AND

18 (III) POSTED ON THE WEB PAGE MAINTAINED BY THE HOA
19 INFORMATION OFFICER PURSUANT TO SECTION 12-10-801 (3)(a)(I.5). A
20 COPY OF ANY SUBSEQUENT AMENDMENT MUST ALSO BE TRANSMITTED TO
21 THE HOA INFORMATION OFFICER FOR POSTING ON THE WEB PAGE.

22 (c) No common interest community is created until the
23 DECLARATION AND ANY ASSOCIATED plat or map for the common interest
24 community is recorded AND TRANSMITTED TO THE HOA INFORMATION
25 OFFICER AS REQUIRED BY THIS SECTION.

26 **SECTION 2.** In Colorado Revised Statutes, 38-33.3-209.4,
27 **amend** (3) as follows:

1 **38-33.3-209.4. Public disclosures required - identity of**
2 **association - agent - manager - contact information.** (3) It is the intent
3 of this section to allow the association ~~the widest possible~~ latitude in
4 methods and means of disclosure while requiring that the information be
5 readily available at no cost to unit owners at their convenience.
6 ~~Disclosure shall be accomplished by one of the following means:~~ THE
7 METHODS OF DISCLOSURE MUST INCLUDE posting on an internet web page,
8 with ~~accompanying~~ notice of the web address SENT TO ALL UNIT OWNERS
9 AT LEAST ANNUALLY via first-class mail or e-mail, AND MAY ALSO
10 INCLUDE the maintenance of a literature table or binder at the association's
11 principal place of business or DISTRIBUTION BY mail or personal delivery.
12 The cost of ~~such distribution~~ ANY OF THESE METHODS OF DISCLOSURE
13 shall be accounted for as a common expense liability.

14 **SECTION 3.** In Colorado Revised Statutes, 38-33.3-209.5,
15 **amend** (1)(b)(IX) as follows:

16 **38-33.3-209.5. Responsible governance policies - due process**
17 **for imposition of fines - procedure for collection of delinquent**
18 **accounts - definition.** (1) To promote responsible governance,
19 associations shall:

20 (b) Adopt policies, procedures, and rules and regulations
21 concerning:

22 (IX) ~~When the association has a reserve study prepared for the~~
23 ~~portions of the community maintained, repaired, replaced, and improved~~
24 ~~by the association; whether there is a~~ THE YEARS IN WHICH RESERVE
25 STUDIES WILL BE CONDUCTED IN ACCORDANCE WITH SECTION 38-33.3-303
26 (2.7) AND THE CRITERIA FOR SELECTION OF THE PERSONS TO CONDUCT
27 THEM; THE funding plan for any work recommended by the reserve ~~study~~

1 STUDIES and if so, the projected sources of funding for the work; and
2 whether the reserve study is STUDIES ARE TO BE based on a physical
3 analysis, and A financial analysis, OR BOTH. For the purposes of this
4 ~~subparagraph (IX)~~ SUBSECTION (1)(b)(IX), an internally conducted
5 reserve study shall be IS sufficient.

6 SECTION 4. In Colorado Revised Statutes, amend
7 38-33.3-209.6 as follows:

8 38-33.3-209.6. Executive board member education. (1) The
9 board may authorize, and account for as a common expense,
10 reimbursement of board members for their actual and necessary expenses
11 incurred in attending educational meetings and seminars on responsible
12 governance of unit owners' associations. TO QUALIFY FOR
13 REIMBURSEMENT, the course content of such educational meetings and
14 seminars shall MUST be specific to Colorado, and shall MUST make
15 reference to applicable sections of this article ARTICLE 33.3.

16 (2) ON OR BEFORE JULY 1, 2021, OR WITHIN SIXTY DAYS AFTER
17 FIRST BECOMING A MEMBER OF THE EXECUTIVE BOARD, WHICHEVER
18 OCCURS LATER, EACH BOARD MEMBER SHALL COMPLETE THE ONLINE
19 BASIC KNOWLEDGE COURSE OFFERED BY THE HOA INFORMATION OFFICER
20 UNDER SECTION 12-10-801 (3)(a)(V) OR A SUBSTANTIALLY SIMILAR
21 COURSE APPROVED BY THE HOA INFORMATION OFFICER.

22 SECTION 5. In Colorado Revised Statutes, 38-33.3-303, amend
23 (4)(b), (5), and (6); and add (2.7) as follows:

24 38-33.3-303. Executive board members and officers - powers
25 and duties - reserve funds - reserve studies - audit - definition.
26 (2.7) (a) AT LEAST ONCE EVERY FIVE YEARS, THE EXECUTIVE BOARD
27 SHALL CAUSE TO BE CONDUCTED A STUDY OF THE RESERVES REQUIRED TO

1 MAINTAIN, REPAIR, REPLACE, AND RESTORE THE MAJOR COMPONENTS OF
2 THE COMMON ELEMENTS AND ANY OTHER PORTION OF THE COMMON
3 INTEREST COMMUNITY THAT THE ASSOCIATION IS OBLIGATED TO
4 MAINTAIN, REPAIR, REPLACE, OR RESTORE.

5 (b) AT LEAST ANNUALLY, THE EXECUTIVE BOARD SHALL:

6 (I) REVIEW THE RESULTS OF THE RESERVE STUDY TO DETERMINE
7 WHETHER THE RESERVES ARE SUFFICIENT; AND

8 (II) MAKE ANY ADJUSTMENTS TO THE ASSOCIATION'S FUNDING
9 PLAN THAT THE BOARD DEEMS NECESSARY TO PROVIDE ADEQUATE
10 FUNDING FOR THE REQUIRED RESERVES. AS USED IN THIS SUBSECTION
11 (2.7), "ADEQUATE" MEANS THAT THE AMOUNT RESERVED EQUALS OR
12 EXCEEDS ONE-HALF OF THE AMOUNT IDENTIFIED IN THE PROFESSIONAL
13 RESERVE STUDY AS THE AMOUNT NEEDED TO FULLY FUND THE
14 ASSOCIATION'S RESERVE ACCOUNT. FUNDING OF THE RESERVE ACCOUNT
15 IN AN AMOUNT LESS THAN ONE-HALF OF THE AMOUNT SO IDENTIFIED
16 REQUIRES AN AFFIRMATIVE VOTE OF A MAJORITY OF ALL UNIT OWNERS.
17 THE VETO OF A BUDGET THAT WOULD ADEQUATELY FUND THE RESERVE
18 ACCOUNT SHALL BE DEEMED A VOTE OF THE UNIT OWNERS TO FUND THE
19 RESERVE ACCOUNT IN AN AMOUNT LESS THAN ONE-HALF OF THE AMOUNT
20 IDENTIFIED IN THE PROFESSIONAL RESERVE STUDY AS THE AMOUNT
21 NEEDED TO FULLY FUND THE ASSOCIATION'S RESERVE ACCOUNT.

22 (4) (b) (I) ~~At the discretion of the executive board or upon request~~
23 ~~pursuant to subparagraph (II) or (III) of this paragraph (b) as applicable~~
24 LEAST ANNUALLY, the books and records of the association shall be
25 subject to an audit, using generally accepted auditing standards, ~~or a~~
26 ~~review, using statements on standards for accounting and review services,~~
27 by an independent and qualified person selected by the board. Such

1 person need not be a certified public accountant ~~except in the case of an~~
2 ~~audit. A person selected to conduct a review shall have at least a basic~~
3 ~~understanding of the principles of accounting as a result of prior business~~
4 ~~experience, education above the high school level, or bona fide home~~
5 ~~study~~ UNLESS SO REQUIRED BY THE BYLAWS OR BY A MAJORITY VOTE OF
6 THE EXECUTIVE BOARD OR THE UNIT OWNERS. The audit ~~or review report~~
7 ~~shall~~ MUST cover the association's financial statements, which shall be
8 prepared using generally accepted accounting principles or the cash or tax
9 basis of accounting.

10 ~~(H) An audit shall be required under this paragraph (b) only when~~
11 ~~both of the following conditions are met:~~

12 ~~(A) The association has annual revenues or expenditures of at~~
13 ~~least two hundred fifty thousand dollars; and~~

14 ~~(B) An audit is requested by the owners of at least one-third of the~~
15 ~~units represented by the association.~~

16 ~~(H) A review shall be required under this paragraph (b) only~~
17 ~~when requested by the owners of at least one-third of the units~~
18 ~~represented by the association.~~

19 ~~(IV) (II) Copies of an audit or review under this paragraph (b)~~
20 ~~SUBSECTION (4)(b) shall be made available upon request to any unit~~
21 ~~owner beginning no later than thirty days after its completion.~~

22 ~~(V) (III) Notwithstanding section 38-33.3-117 (1.5)(h), this~~
23 ~~paragraph (b) shall~~ SUBSECTION (4)(b) DOES not apply to an association
24 that includes time-share units, as defined in section 38-33-110 (7).

25 (5) (a) Subject to subsection (6) of this section:

26 (I) The declaration, except a declaration for a large planned
27 community, may provide for a period of declarant control of the

1 association, during which period a declarant, or persons designated by
2 ~~such~~ THE declarant, may appoint and remove the officers and members of
3 the executive board. Regardless of the period of declarant control
4 provided in the declaration, a period of declarant control terminates no
5 later than the earlier of:

6 (A) Sixty days after conveyance of seventy-five percent of the
7 units that may be created to unit owners other than a declarant;

8 (B) ~~Two years~~ ONE YEAR after the last conveyance of a unit by the
9 declarant in the ordinary course of business; ~~or~~

10 (C) Two years after any right to add new units was last exercised;

11 OR

12 (D) TWO YEARS AFTER THE FIRST CONVEYANCE OF A UNIT TO A
13 UNIT OWNER OTHER THAN THE DECLARANT.

14 (II) The declaration for a large planned community may provide
15 for a period of declarant control of the association during which period
16 a declarant, or persons designated by ~~such~~ THE declarant, may appoint and
17 remove the officers and members of the executive board. Regardless of
18 the period of declarant control provided in the declaration, a period of
19 declarant control terminates in a large planned community no later than
20 the earlier of:

21 (A) Sixty days after conveyance of seventy-five percent of the
22 maximum number of units that may be created under zoning or other
23 governmental development approvals in effect for the large planned
24 community at any given time to unit owners other than a declarant;

25 (B) ~~Six~~ TWO years after the last conveyance of a unit by the
26 declarant in the ordinary course of business; or

27 (C) ~~Twenty FIVE~~ FIVE years after ~~recording of the declaration~~ THE

1 FIRST CONVEYANCE OF A UNIT TO A UNIT OWNER OTHER THAN THE
2 DECLARANT.

3 (b) A declarant may voluntarily surrender the right to appoint and
4 remove officers and members of the executive board before termination
5 of the period of declarant control, but, in that event, the declarant may
6 require, for the duration of the period of declarant control, that specified
7 actions of the association or executive board, as described in a recorded
8 instrument executed by the declarant, be approved by the declarant before
9 they become effective.

10 (c) If a period of declarant control is to terminate in a large
11 planned community pursuant to ~~subparagraph (H) of paragraph (a) of this~~
12 ~~subsection (5)~~ SUBSECTION (5)(a)(II) OF THIS SECTION, THEN, UPON
13 TERMINATION OF THE PERIOD, the declarant, or persons designated by the
14 declarant, ~~shall~~ no longer have the right to appoint and remove the
15 officers and members of the executive board unless, prior to the
16 termination date, the association approves an extension of the declarant's
17 ability to appoint and remove no more than a majority of the executive
18 board by vote of a majority of the votes entitled to be cast in person or by
19 proxy, other than by the declarant, at a meeting duly convened as required
20 by law. ~~Any such approval~~ AN EXTENSION APPROVED by the association
21 may contain conditions and limitations. ~~Such~~ THE extension of THE
22 declarant's appointment and removal power, together with any conditions
23 and limitations approved as provided in this ~~paragraph (c), shall~~
24 SUBSECTION (5)(c), MUST be included in an amendment to the declaration
25 previously executed by the declarant.

26 (6) (a) Not later than THE EARLIER OF sixty days after conveyance
27 of twenty-five percent of the units that may be created, OR ONE YEAR

1 AFTER THE FIRST CONVEYANCE OF A UNIT THAT WAS CREATED, to unit
2 owners other than a declarant, at least one member and not less than
3 twenty-five percent of the members of the executive board must be
4 elected by unit owners other than the declarant.

5 (b) Not later than sixty days after conveyance of fifty percent of
6 the units that may be created, OR THREE YEARS AFTER THE FIRST
7 CONVEYANCE OF A UNIT THAT WAS CREATED, to unit owners other than a
8 declarant, not less than ~~thirty-three and one-third~~ FIFTY percent of the
9 members of the executive board must be elected by unit owners other
10 than the declarant.

11 **SECTION 6.** In Colorado Revised Statutes, 38-33.3-308, **amend**
12 (2)(b)(I) and (2.5)(a) as follows:

13 **38-33.3-308. Meetings.** (2) (b) (I) (A) The association is
14 encouraged to provide all notices and agendas required by this ~~article~~
15 ARTICLE 33.3 in electronic form, by posting on a website or otherwise, in
16 addition to printed form. If such electronic means are available, the
17 association shall provide notice of all regular and special meetings of unit
18 owners AND OF THE EXECUTIVE BOARD by electronic mail to all unit
19 owners who so request and who furnish the association with their
20 electronic mail addresses. Electronic notice of a special meeting shall be
21 given as soon as possible but at least twenty-four hours before the
22 meeting.

23 (B) AT LEAST ONCE EACH YEAR, THE ASSOCIATION SHALL NOTIFY
24 ALL UNIT OWNERS, IN TANGIBLE WRITTEN FORM, OF THE OPPORTUNITY TO
25 REQUEST NOTICE OF MEETINGS BY ELECTRONIC MAIL. A UNIT OWNER'S
26 REQUEST FOR SUCH NOTICE MUST ALSO BE IN TANGIBLE WRITTEN FORM.

27 (C) UPON A CHANGE IN OWNERSHIP OF A UNIT, THE NEW OWNER IS

1 PRESUMED NOT TO HAVE REQUESTED NOTICE OF MEETINGS BY ELECTRONIC
2 MAIL UNTIL THE NEW OWNER MAKES A REQUEST, IN TANGIBLE WRITTEN
3 FORM, FOR NOTICE OF MEETINGS BY ELECTRONIC MAIL.

4 (2.5) (a) (I) Notwithstanding any provision in the declaration,
5 bylaws, or other documents to the contrary, all meetings of the association
6 and OF THE EXECUTIVE board of directors are open to every unit owner of
7 the association, or to any person designated by a unit owner in writing as
8 the unit owner's representative.

9 (II) ALL PROCEEDINGS, OTHER THAN THOSE OCCURRING DURING
10 AN EXECUTIVE SESSION, MAY BE RECORDED BY A UNIT OWNER OR BY A
11 PERSON DESIGNATED BY A UNIT OWNER IN WRITING AS THE UNIT OWNER'S
12 REPRESENTATIVE, SUBJECT TO THE FOLLOWING CONDITIONS:

13 (A) RECORDING DEVICES AND ANY RELATED EQUIPMENT MUST
14 NOT PRODUCE DISTRACTING SOUND OR LIGHT EMISSIONS;

15 (B) THE EXECUTIVE BOARD OR UNIT OWNERS MAY, BY WRITTEN
16 RULE OR BYLAW ADOPTED IN ADVANCE, REQUIRE PRIOR NOTICE OF AUDIO
17 OR VIDEO RECORDING OF THE PROCEEDINGS OR REQUIRE RECORDING
18 DEVICES AND RELATED EQUIPMENT TO BE ASSEMBLED AND PLACED IN
19 POSITION BEFORE THE MEETING; AND

20 (C) THE EXECUTIVE BOARD OR UNIT OWNERS MAY, BY WRITTEN
21 RULE OR BYLAW ADOPTED IN ADVANCE, PROHIBIT PERSONS FROM MOVING
22 ABOUT THE MEETING SPACE TO FACILITATE AUDIO OR VIDEO RECORDING.

23 **SECTION 7.** In Colorado Revised Statutes, 38-33.3-310, **amend**
24 (1)(b)(I)(B); and **add** (1)(b)(I)(E) as follows:

25 **38-33.3-310. Voting - proxies - professional election inspectors.**
26 (1) (b) (I) (B) ~~At the discretion of the board or~~ NOTWITHSTANDING ANY
27 PROVISION TO THE CONTRARY IN THE "COLORADO REVISED NONPROFIT

1 CORPORATION ACT", ARTICLES 121 TO 137 OF TITLE 7, OR ANY OTHER
2 LAW, NO ACTION MAY BE TAKEN IN AN OPEN MEETING BY SECRET OR
3 WRITTEN BALLOT; EXCEPT THAT, upon the request of AT LEAST twenty
4 percent of the unit owners who are present at the meeting or represented
5 by proxy, if a quorum has been achieved, a vote on any matter affecting
6 the common interest community on which all unit owners are entitled to
7 vote shall be by secret ballot.

8 (E) ANY UNIT OWNER MAY, AT THE UNIT OWNER'S OWN EXPENSE,
9 EMPLOY A PROFESSIONAL ELECTION INSPECTOR TO OBSERVE THE CONDUCT
10 OF AN ELECTION FOR A CONTESTED POSITION ON THE EXECUTIVE BOARD.

11 **SECTION 8.** In Colorado Revised Statutes, 38-33.3-310.5, **add**
12 (2) as follows:

13 **38-33.3-310.5. Executive board - conflicts of interest -**
14 **definitions - competitive bids - when required.** (2) WHEN THE
15 EXECUTIVE BOARD CONSIDERS ANY CONTRACT FOR GOODS OR SERVICES
16 WITH A VALUE EXCEEDING THE GREATER OF TEN THOUSAND DOLLARS OR
17 FIVE PERCENT OF THE ASSOCIATION'S ANNUAL BUDGET, THE BOARD SHALL
18 SOLICIT BIDS FROM AT LEAST THREE INDEPENDENT VENDORS; EXCEPT
19 THAT THIS SUBSECTION (2) DOES NOT APPLY TO THE RENEWAL OF AN
20 EXISTING CONTRACT WITH A CURRENT VENDOR.

21 **SECTION 9.** In Colorado Revised Statutes, 38-33.3-317, **add**
22 (1)(h.5), (2)(c), and (4.5) as follows:

23 **38-33.3-317. Association records.** (1) In addition to any records
24 specifically defined in the association's declaration or bylaws or expressly
25 required by section 38-33.3-209.4 (2), the association must maintain the
26 following, all of which shall be deemed to be the sole records of the
27 association for purposes of document retention and production to owners:

1 (h.5) A LIST OF THE CURRENT AMOUNTS OF ALL FEES AND
2 EXPENSES CHARGEABLE BY THE ASSOCIATION IN CONNECTION WITH THE
3 PURCHASE OR SALE OF A UNIT, INCLUDING TRANSFER FEES, RECORD
4 CHANGE FEES, AND THE CHARGE FOR A STATUS LETTER OR STATEMENT OF
5 ASSESSMENTS DUE;

6 (2) (c) THE ASSOCIATION SHALL PROVIDE AN ELECTRONIC COPY OF
7 THE INFORMATION DESCRIBED IN SUBSECTION (1)(h.5) OF THIS SECTION TO
8 THE HOA INFORMATION AND RESOURCE CENTER CREATED IN SECTION
9 12-10-801 ON OR BEFORE JANUARY 1, 2021, AND THEREAFTER WITHIN
10 THIRTY DAYS AFTER ANY CHANGE.

11 (4.5) (a) AN ASSOCIATION'S FAILURE TO ALLOW INSPECTION OR
12 COPYING OF RECORDS IN ACCORDANCE WITH THIS SECTION WITHIN THIRTY
13 CALENDAR DAYS AFTER RECEIPT OF A WRITTEN REQUEST SUBMITTED BY
14 CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND PAYMENT OF ANY FEES
15 REQUIRED PURSUANT TO SUBSECTION (4) OF THIS SECTION, CREATES A
16 REBUTTABLE PRESUMPTION THAT THE ASSOCIATION WILLFULLY REFUSED
17 TO COMPLY WITH THIS SECTION. TO DETERMINE WHETHER THE
18 ASSOCIATION WILLFULLY REFUSED TO COMPLY WITH THIS SECTION, A
19 COURT OF LAW OR ARBITRATOR MAY TAKE INTO ACCOUNT WHETHER OR
20 NOT THE ASSOCIATION FAILED TO PRODUCE THE RECORDS AFTER THE
21 REQUESTOR MADE A GOOD-FAITH EFFORT TO FOLLOW UP WITH THE
22 ASSOCIATION ABOUT THE PRODUCTION OF THE RECORDS.

23 (b) A UNIT OWNER IS ENTITLED TO DAMAGES FOR AN
24 ASSOCIATION'S WILLFUL REFUSAL TO ALLOW INSPECTION OR COPYING AS
25 DESCRIBED IN SUBSECTION (4.5)(a) OF THIS SECTION IN THE AMOUNT OF
26 FIFTY DOLLARS PER DAY, COMMENCING ON THE ELEVENTH BUSINESS DAY
27 AFTER THE ASSOCIATION RECEIVED THE WRITTEN REQUEST, UP TO A

1 MAXIMUM OF FIVE HUNDRED DOLLARS OR THE UNIT OWNER'S ACTUAL
2 DAMAGES SUSTAINED AS A RESULT OF THE REFUSAL, WHICHEVER IS
3 GREATER.

4 **SECTION 10.** In Colorado Revised Statutes, 38-35.7-102,
5 **amend (2)(b)** as follows:

6 **38-35.7-102. Disclosure - common interest community -**
7 **obligation to pay assessments - requirement for architectural**
8 **approval.** (2) (b) (I) Upon request, the seller shall either provide to the
9 buyer or authorize the unit owners' association to provide to the buyer,
10 upon payment of the association's usual fee pursuant to section
11 38-33.3-317 (4), A CERTIFIED COPY OF all of the common interest
12 community's governing documents and financial documents, as listed in
13 the most recent available version of the contract to buy and sell real estate
14 promulgated by the real estate commission as of the date of the contract.

15 (II) THE CERTIFICATION REQUIRED BY SUBSECTION (2)(b)(I) OF
16 THIS SECTION MUST:

17 (A) STATE THAT THE DOCUMENTS HAVE BEEN OBTAINED AND
18 PROVIDED BY THE SELLER DIRECTLY AND PERSONALLY, OR BY THE UNIT
19 OWNERS' ASSOCIATION OR THE ASSOCIATION'S DULY AUTHORIZED
20 REPRESENTATIVE, IN FURTHERANCE OF THE SALE OF THE SELLER'S UNIT TO
21 THE BUYER; AND

22 (B) INCLUDE A STATEMENT THAT ALL DOCUMENTS ARE CURRENT,
23 COMPLETE, AND SPECIFICALLY APPLICABLE TO THE SELLER'S UNIT AND TO
24 EVERY APPLICABLE UNIT OWNERS' ASSOCIATION AS OF THE DATE OF
25 TRANSMITTAL TO THE BUYER.

26 (III) A SELLER'S FAILURE TO PROVIDE THE CERTIFICATION
27 REQUIRED BY SUBSECTION (2)(b)(I) OF THIS SECTION CREATES A CLAIM

1 FOR RELIEF BY THE BUYER AGAINST THE SELLER FOR ACTUAL DAMAGES
2 DIRECTLY AND PROXIMATELY CAUSED BY THE FAILURE PLUS COURT COSTS.

3 **SECTION 11.** In Colorado Revised Statutes, 12-10-801, **amend**
4 (3)(a)(I), (3)(a)(III), and (3)(a)(IV); and **add** (3)(a)(I.5) and (3)(a)(V) as
5 follows:

6 **12-10-801. HOA information and resource center - creation -**
7 **duties - rules - subject to review - repeal.** (3) (a) The HOA information
8 officer shall act as a clearing house for information concerning the basic
9 rights and duties of unit owners, declarants, and unit owners' associations
10 under the act by:

11 (I) Compiling a database about registered associations, including:

12 (A) The name; address; e-mail address, if any; website, if any; and
13 telephone number of each; AND

14 (B) THE MOST RECENT AVAILABLE INFORMATION ABOUT FEES AND
15 CHARGES UPON TRANSFER OF A UNIT, PROVIDED IN ACCORDANCE WITH
16 SECTION 38-33.3-317 (2)(c);

17 (I.5) MAINTAINING A WEB PAGE ON THE DIVISION'S WEBSITE
18 CONTAINING COPIES OF THE CURRENT VERSIONS OF THE DECLARATIONS,
19 PLATS, AND MAPS OF ALL COMMON INTEREST COMMUNITIES FORMED IN
20 COLORADO, AS RECORDED IN COUNTY LAND RECORDS, PURSUANT TO
21 SECTION 38-33.3-201 (1)(b);

22 (III) Monitoring changes in federal and state laws relating to
23 common interest communities and providing information about the
24 changes on the division's website; **and**

25 (IV) Providing information, including a "frequently asked
26 questions" resource AND A "BUYING A HOME IN AN HOA" EDUCATIONAL
27 GUIDE, on the division's website; AND

1 (V) DEVELOPING AN ONLINE BASIC KNOWLEDGE COURSE FOR
2 EXECUTIVE BOARD MEMBERS TO COMPLETE, FREE OF CHARGE, IN
3 ACCORDANCE WITH SECTION 38-33.3-209.6 (2).

4 **SECTION 12.** In Colorado Revised Statutes, 38-33.3-117,
5 **amend** (1.5)(h) as follows:

6 **38-33.3-117. Applicability to preexisting common interest**
7 **communities.** (1.5) Except as provided in section 38-33.3-119, the
8 following sections apply to all common interest communities created
9 within this state before July 1, 1992, with respect to events and
10 circumstances occurring on or after January 1, 2006:

11 (h) 38-33.3-303 (1)(b), **(2.7)**, (3)(b), and (4)(b);

12 **SECTION 13. Act subject to petition - effective date -**
13 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
14 the expiration of the ninety-day period after final adjournment of the
15 general assembly (August 5, 2020, if adjournment sine die is on May 6,
16 2020); except that, if a referendum petition is filed pursuant to section 1
17 (3) of article V of the state constitution against this act or an item, section,
18 or part of this act within such period, then the act, item, section, or part
19 will not take effect unless approved by the people at the general election
20 to be held in November 2020 and, in such case, will take effect on the
21 date of the official declaration of the vote thereon by the governor.

22 (2) This act applies to conduct occurring on or after the applicable
23 effective date of this act.