

Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 22-0396.01 Jennifer Berman x3286

**HOUSE BILL 22-1137**

---

**HOUSE SPONSORSHIP**

**Ricks and Bradfield,**

**SENATE SPONSORSHIP**

**Gonzales and Coleman,**

---

**House Committees**

Transportation & Local Government

**Senate Committees**

---

**A BILL FOR AN ACT**

101 **CONCERNING PRACTICES OF UNIT OWNERS' ASSOCIATIONS, AND, IN**  
102 **CONNECTION THEREWITH, AUTHORIZING THE ENFORCEMENT OF**  
103 **CERTAIN MATTERS REGARDING UNIT OWNERS' ASSOCIATIONS IN**  
104 **SMALL CLAIMS COURT AND LIMITING THE CONDUCT OF UNIT**  
105 **OWNERS' ASSOCIATIONS IN COLLECTING UNPAID ASSESSMENTS,**  
106 **FEES, AND FINES.**

---

**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>.)*

**Section 1** of the bill authorizes a party in a matter concerning

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.

rights and responsibilities arising under the declaration, bylaws, covenants, or other governing documents of a unit owners' association (HOA) to enforce those rights or responsibilities in small claims court if the amount at issue does not exceed \$7,500, exclusive of interest and costs. The party may also seek declaratory relief in small claims court. **Section 2** specifies that the authority to enforce rights and responsibilities in small claims court applies to an HOA's collection of fines from a unit owner if the amount of fines, exclusive of interest and costs, does not exceed \$7,500.

**Section 2** also requires an HOA that voluntarily conducts a reserve study to also conduct a reconciliation of all of its reserve accounts at the time of conducting the reserve study.

With regard to a unit owner's delinquency in paying HOA assessments, **section 2** also:

- Requires an HOA to alert the unit owner regarding the delinquency by, in addition to sending a notice of delinquency to the unit owner as required by current law, attempting to contact the unit owner by at least 2 other methods of communication, including first-class or certified mail, an e-mail, a telephone call or voice mail message, or an in-person contact. The HOA must keep records of its attempts to contact the unit owner regarding the delinquency.
- Prohibits an HOA, or a property management company acting on behalf of an HOA, from referring the delinquent account to a collection agency or attorney unless a majority of the HOA's board of directors vote to refer the matter on the record at a public hearing;
- Prohibits an HOA from imposing late fees, fines, and interest on a per-diem basis in an amount that exceeds the lesser of \$50 per day or \$500 total;
- Prohibits an HOA from assessing late fees and fines in an amount or manner that renders the HOA dependent on the late fees or fines for the purpose of generating revenue for the HOA's general expenses;
- Prohibits an HOA from charging a rate of interest on unpaid assessments, fees, or fines in an amount greater than 8% per year;
- Prohibits an HOA from assessing a fee or other charge for providing the unit owner a statement of the total amount that the unit owner owes the HOA;
- Requires an HOA to adopt a policy to provide the unit owner with contact information for one or more foreclosure counseling services available in the county in which the unit owner's common interest community is located; and

- Before an HOA may initiate a foreclosure action against a unit owner, requires that the HOA offer the unit owner a repayment plan to pay the debt in monthly installments, and the unit owner either declines the offer or, after accepting the offer, fails to make at least 3 monthly payments.

**Section 3** limits the interest rate that an HOA may apply to a unit owner's past due assessment to an amount not to exceed 8% per year.

**Section 4** limits the amount that an HOA is entitled to recover in any action or suit that the HOA brings against a unit owner to an amount equal to 3 times the amount of unpaid regular and special assessments plus interest. Similarly, **section 5** limits the maximum amount of assessments and associated fees, late charges, attorney fees, fines, and interest that an HOA may recover from the unit owner to 3 times the amount of all unpaid regular and special assessments plus interest.

---

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

2 **SECTION 1.** In Colorado Revised Statutes, 38-33.3-209.5,  
3 **amend** (2)(a), (5)(a) introductory portion, and (5)(a)(V) introductory  
4 portion; and **add** (1.7), (2)(c), (6), (7), (8), (9), and (10) as follows:

5 **38-33.3-209.5. Responsible governance policies - due process**  
6 **for imposition of fines - procedure for collection of delinquent**  
7 **accounts - enforcement through small claims court - definitions.**

8 (1.7) (a) WITH REGARD TO A UNIT OWNER'S DELINQUENCY IN PAYING  
9 ASSESSMENTS, FINES, OR FEES, AN ASSOCIATION SHALL:

10 (I) FIRST CONTACT THE UNIT OWNER TO ALERT THE UNIT OWNER  
11 OF THE DELINQUENCY BEFORE TAKING ACTION IN RELATION TO THE  
12 DELINQUENCY PURSUANT TO SUBSECTION (1.7)(a)(II) OF THIS SECTION  
13 AND SHALL MAINTAIN A RECORD OF ANY CONTACTS, INCLUDING  
14 INFORMATION REGARDING THE TYPE OF COMMUNICATION USED TO  
15 CONTACT THE UNIT OWNER AND THE DATE AND TIME THAT THE CONTACT  
16 WAS MADE. ANY CONTACTS THAT A COMMUNITY ASSOCIATION MANAGER  
17 OR A PROPERTY MANAGEMENT COMPANY MAKES ON BEHALF OF AN

1 ASSOCIATION PURSUANT TO THIS SUBSECTION (1.7)(a) IS DEEMED A  
2 CONTACT MADE BY THE ASSOCIATION AND NOT BY A DEBT COLLECTOR AS  
3 DEFINED IN SECTION 5-16-103 (9). A UNIT OWNER MAY IDENTIFY ANOTHER  
4 PERSON TO SERVE AS A DESIGNATED CONTACT FOR THE UNIT OWNER TO BE  
5 CONTACTED ON THE UNIT OWNER'S BEHALF FOR PURPOSES OF THIS  
6 SUBSECTION (1.7)(a)(I). A UNIT OWNER MAY ALSO NOTIFY THE  
7 ASSOCIATION IF THE UNIT OWNER PREFERS THAT CORRESPONDENCE AND  
8 NOTICES FROM THE ASSOCIATION BE MADE IN A LANGUAGE OTHER THAN  
9 ENGLISH. AN ASSOCIATION MAY DETERMINE THE MANNER IN WHICH A  
10 UNIT OWNER MAY IDENTIFY A DESIGNATED CONTACT. IN CONTACTING THE  
11 UNIT OWNER OR A DESIGNATED CONTACT, AN ASSOCIATION SHALL SEND  
12 THE SAME TYPE OF NOTICE OF DELINQUENCY REQUIRED TO BE SENT  
13 PURSUANT TO SUBSECTION (5)(a)(V) OF THIS SECTION, INCLUDING BY  
14 SENDING IT BY CERTIFIED MAIL FOR WHICH THE ASSOCIATION RECEIVES  
15 CONFIRMATION OF ITS RECEIPT, AND PHYSICALLY POST A COPY OF THE  
16 NOTICE OF DELINQUENCY AT THE UNIT OWNER'S UNIT. IN ADDITION, THE  
17 ASSOCIATION SHALL CONTACT THE UNIT OWNER BY ONE OF THE  
18 FOLLOWING MEANS:

19 (A) FIRST-CLASS MAIL;

20 (B) TEXT MESSAGE TO A CELLULAR NUMBER THAT THE  
21 ASSOCIATION HAS ON FILE BECAUSE THE UNIT OWNER HAS PROVIDED THE  
22 CELLULAR NUMBER TO THE ASSOCIATION; OR

23 (C) E-MAIL TO AN E-MAIL ADDRESS THAT THE ASSOCIATION HAS  
24 ON FILE BECAUSE THE UNIT OWNER HAS PROVIDED THE E-MAIL ADDRESS  
25 TO THE ASSOCIATION.

26 (II) REFER A DELINQUENT ACCOUNT TO A COLLECTION AGENCY OR  
27 ATTORNEY ONLY IF A MAJORITY OF THE EXECUTIVE BOARD VOTES TO

1 REFER THE MATTER IN A RECORDED VOTE AT A MEETING CONDUCTED  
2 PURSUANT TO SECTION 38-33.3-308 (4)(e). A COMMUNITY ASSOCIATION  
3 MANAGEMENT OR PROPERTY MANAGEMENT COMPANY ACTING ON BEHALF  
4 OF THE ASSOCIATION SHALL NOT REFER A DELINQUENT ACCOUNT TO A  
5 COLLECTION AGENCY OR AN ATTORNEY UNLESS A MAJORITY OF THE  
6 EXECUTIVE BOARD VOTES TO REFER THE MATTER IN A RECORDED VOTE AT  
7 A MEETING CONDUCTED PURSUANT TO SECTION 38-33.3-308 (4)(e).

8 (b) (I) AN ASSOCIATION SHALL NOT IMPOSE THE FOLLOWING ON A  
9 DAILY BASIS AGAINST A UNIT OWNER:

10 (A) LATE FEES; OR

11 (B) FINES ASSESSED FOR VIOLATIONS OF THE DECLARATION,  
12 BYLAWS, COVENANTS, OR OTHER GOVERNING DOCUMENTS OF THE  
13 ASSOCIATION. AN ASSOCIATION MAY ONLY IMPOSE FINES FOR VIOLATIONS  
14 IN ACCORDANCE WITH THIS SUBSECTION (1.7)(b).

15 (II) (A) WITH RESPECT TO ANY VIOLATION OF THE DECLARATION,  
16 BYLAWS, COVENANTS, OR OTHER GOVERNING DOCUMENTS OF AN  
17 ASSOCIATION THAT THE ASSOCIATION REASONABLY DETERMINES  
18 THREATENS THE PUBLIC SAFETY, HEALTH, OR WELFARE, THE ASSOCIATION  
19 SHALL PROVIDE THE UNIT OWNER WRITTEN NOTICE, IN ENGLISH AND IN  
20 ANY LANGUAGE THAT THE UNIT OWNER HAS INDICATED A PREFERENCE FOR  
21 CORRESPONDENCE AND NOTICES PURSUANT TO SUBSECTION (1.7)(a)(I) OF  
22 THIS SECTION, OF THE VIOLATION INFORMING THE UNIT OWNER THAT THE  
23 UNIT OWNER HAS SEVENTY-TWO HOURS TO CURE THE VIOLATION OR THE  
24 ASSOCIATION MAY FINE THE UNIT OWNER.

25 (B) IF, AFTER AN INSPECTION OF THE UNIT, THE ASSOCIATION  
26 DETERMINES THAT THE UNIT OWNER HAS NOT CURED THE VIOLATION  
27 WITHIN SEVENTY-TWO HOURS AFTER RECEIVING THE NOTICE, THE

1 ASSOCIATION MAY IMPOSE FINES ON THE UNIT OWNER EVERY OTHER DAY  
2 AND MAY TAKE LEGAL ACTION AGAINST THE UNIT OWNER FOR THE  
3 VIOLATION; EXCEPT THAT, IN ACCORDANCE WITH SUBSECTION (8)(c)(I) OF  
4 THIS SECTION, THE ASSOCIATION SHALL NOT PURSUE FORECLOSURE  
5 AGAINST THE UNIT OWNER BASED ON FINES OWED.

6 (III) (A) IF AN ASSOCIATION REASONABLY DETERMINES THAT A  
7 UNIT OWNER COMMITTED A VIOLATION OF THE DECLARATION, BYLAWS,  
8 COVENANTS, OR OTHER GOVERNING DOCUMENTS OF THE ASSOCIATION,  
9 OTHER THAN A VIOLATION THAT THREATENS THE PUBLIC HEALTH, SAFETY,  
10 OR WELFARE, THE ASSOCIATION SHALL, THROUGH CERTIFIED MAIL FOR  
11 WHICH THE ASSOCIATION RECEIVES CONFIRMATION OF ITS RECEIPT,  
12 PROVIDE THE UNIT OWNER WRITTEN NOTICE, IN ENGLISH AND IN ANY  
13 LANGUAGE THAT THE UNIT OWNER HAS INDICATED A PREFERENCE FOR  
14 CORRESPONDENCE AND NOTICES PURSUANT TO SUBSECTION (1.7)(a)(I) OF  
15 THIS SECTION, OF THE VIOLATION INFORMING THE UNIT OWNER THAT THE  
16 UNIT OWNER HAS THIRTY DAYS TO CURE THE VIOLATION OR THE  
17 ASSOCIATION, AFTER CONDUCTING AN INSPECTION AND DETERMINING  
18 THAT THE UNIT OWNER HAS NOT CURED THE VIOLATION, MAY FINE THE  
19 UNIT OWNER; HOWEVER, THE TOTAL AMOUNT OF FINES IMPOSED FOR THE  
20 VIOLATION MAY NOT EXCEED FIVE HUNDRED DOLLARS.

21 (B) AN ASSOCIATION SHALL GRANT A UNIT OWNER TWO  
22 CONSECUTIVE THIRTY-DAY PERIODS TO CURE A VIOLATION BEFORE THE  
23 ASSOCIATION MAY TAKE LEGAL ACTION AGAINST THE UNIT OWNER FOR  
24 THE VIOLATION. IN ACCORDANCE WITH SUBSECTION (8)(c)(I) OF THIS  
25 SECTION, AN ASSOCIATION SHALL NOT PURSUE FORECLOSURE AGAINST THE  
26 UNIT OWNER BASED ON FINES OWED.

27 (IV) IF THE UNIT OWNER CURES THE VIOLATION WITHIN THE

1 PERIOD TO CURE AFFORDED THE UNIT OWNER, THE UNIT OWNER MAY  
2 NOTIFY THE ASSOCIATION OF THE CURE AND, IF THE UNIT OWNER SENDS  
3 WITH THE NOTICE VISUAL EVIDENCE THAT THE VIOLATION HAS BEEN  
4 CURED, THE VIOLATION IS DEEMED CURED ON THE DATE THAT THE UNIT  
5 OWNER SENDS THE NOTICE. IF THE UNIT OWNER'S NOTICE DOES NOT  
6 INCLUDE VISUAL EVIDENCE THAT THE VIOLATION HAS BEEN CURED, THE  
7 ASSOCIATION SHALL INSPECT THE UNIT AS SOON AS PRACTICABLE TO  
8 DETERMINE IF THE VIOLATION HAS BEEN CURED.

9 (V) ONCE THE UNIT OWNER CURES A VIOLATION, THE ASSOCIATION  
10 SHALL NOTIFY THE UNIT OWNER, IN ENGLISH AND IN ANY LANGUAGE THAT  
11 THE UNIT OWNER HAS INDICATED A PREFERENCE FOR CORRESPONDENCE  
12 AND NOTICES PURSUANT TO SUBSECTION (1.7)(a)(I) OF THIS SECTION:

13 (A) THAT THE UNIT OWNER WILL NOT BE FURTHER FINED WITH  
14 REGARD TO THE VIOLATION; AND

15 (B) OF ANY OUTSTANDING FINE BALANCE THAT THE UNIT OWNER  
16 STILL OWES THE ASSOCIATION.

17 (c) ON A QUARTERLY BASIS, AN ASSOCIATION SHALL SEND TO EACH  
18 UNIT OWNER WHO HAS ANY OUTSTANDING BALANCE OWED THE  
19 ASSOCIATION AN ITEMIZED LIST OF ALL ASSESSMENTS, FINES, FEES, AND  
20 CHARGES THAT THE UNIT OWNER OWES TO THE ASSOCIATION.

21 (2) Notwithstanding any provision of the declaration, bylaws,  
22 articles, or rules and regulations to the contrary, the association may not  
23 fine any unit owner for an alleged violation unless:

24 (a) The association has adopted, and follows, a written policy  
25 governing the imposition of fines; and

26 (c) THE POLICY:

27 (I) REQUIRES NOTICE REGARDING THE NATURE OF THE ALLEGED

1 VIOLATION, THE ACTION OR ACTIONS REQUIRED TO CURE THE ALLEGED  
2 VIOLATION, AND THE TIMELINE FOR THE FAIR AND IMPARTIAL  
3 FACT-FINDING PROCESS REQUIRED UNDER SUBSECTION (2)(b) OF THIS  
4 SECTION. THE ASSOCIATION MAY SEND THE UNIT OWNER THE NOTICE  
5 REQUIRED UNDER THIS SUBSECTION (2)(c)(I) IN ACCORDANCE WITH  
6 SUBSECTION (1.7)(a) OF THIS SECTION.

7 (II) SPECIFIES THE INTERVAL UPON WHICH FINES MAY BE LEVIED  
8 IN ACCORDANCE WITH SUBSECTION (1.7)(b) OF THIS SECTION FOR  
9 VIOLATIONS THAT ARE CONTINUING IN NATURE.

10 (5) (a) Notwithstanding any provision of the declaration, bylaws,  
11 articles, or rules and regulations to the contrary or the absence of a  
12 relevant provision in the declaration, bylaws, articles, or rules or  
13 regulations, the association or a holder or assignee of the association's  
14 debt, whether the holder or assignee of the association's debt is an entity  
15 or a natural person, may not use a collection agency or take legal action  
16 to collect unpaid assessments unless the association or a holder or  
17 assignee of the association's debt has adopted, and follows, a written  
18 policy governing the collection of unpaid assessments AND UNLESS THE  
19 ASSOCIATION COMPLIES WITH SUBSECTION (7) OF THIS SECTION. The policy  
20 must, at a minimum, specify:

21 (V) That, before the entity turns over a delinquent account of a  
22 unit owner to a collection agency or refers it to an attorney for legal  
23 action, the entity must send the unit owner a notice of delinquency, BY  
24 CERTIFIED MAIL FOR WHICH THE ASSOCIATION RECEIVES CONFIRMATION  
25 OF ITS RECEIPT, specifying:

26 (6) A NOTICE OF DELINQUENCY THAT AN ASSOCIATION SENDS TO  
27 A UNIT OWNER FOR UNPAID ASSESSMENTS, FINES, FEES, OR CHARGES MUST:

1 (a) BE WRITTEN IN ENGLISH AND IN ANY LANGUAGE THAT THE  
2 UNIT OWNER HAS INDICATED A PREFERENCE FOR CORRESPONDENCE AND  
3 NOTICES PURSUANT TO SUBSECTION (1.7)(a)(I) OF THIS SECTION;

4 (b) SPECIFY WHETHER THE DELINQUENCY CONCERNS UNPAID  
5 ASSESSMENTS; UNPAID FINES, FEES, OR CHARGES; OR BOTH UNPAID  
6 ASSESSMENTS AND UNPAID FINES, FEES, OR CHARGES, AND, IF THE NOTICE  
7 OF DELINQUENCY CONCERNS UNPAID ASSESSMENTS, THE NOTICE OF  
8 DELINQUENCY MUST NOTIFY THE UNIT OWNER THAT UNPAID ASSESSMENTS  
9 MAY LEAD TO FORECLOSURE; AND

10 (c) INCLUDE:

11 (I) A DESCRIPTION OF THE STEPS THE ASSOCIATION MUST TAKE  
12 BEFORE THE ASSOCIATION MAY TAKE LEGAL ACTION AGAINST THE UNIT  
13 OWNER, INCLUDING A DESCRIPTION OF THE ASSOCIATION'S CURE PROCESS  
14 ESTABLISHED IN ACCORDANCE WITH SUBSECTION (1.7)(b) OF THIS  
15 SECTION; AND

16 (II) A DESCRIPTION OF WHAT LEGAL ACTION THE ASSOCIATION  
17 MAY TAKE AGAINST THE UNIT OWNER, INCLUDING:

18 (A) A DESCRIPTION OF THE TYPES OF MATTERS THAT THE  
19 ASSOCIATION MAY TAKE TO SMALL CLAIMS COURT, INCLUDING INJUNCTIVE  
20 MATTERS FOR WHICH THE ASSOCIATION SEEKS AN ORDER REQUIRING THE  
21 UNIT OWNER TO COMPLY WITH THE DECLARATION, BYLAWS, COVENANTS,  
22 OR OTHER GOVERNING DOCUMENTS OF THE ASSOCIATION; AND

23 (B) A DESCRIPTION OF THE SMALL CLAIMS PROCESS AND THE UNIT  
24 OWNER'S RIGHTS AND RESPONSIBILITIES IF THE MATTER IS TAKEN TO  
25 SMALL CLAIMS COURT.

26 (7) (a) AN ASSOCIATION SHALL NOT COMMENCE A LEGAL ACTION  
27 TO INITIATE A FORECLOSURE PROCEEDING BASED ON A UNIT OWNER'S

1 DELINQUENCY IN PAYING ASSESSMENTS UNLESS:

2 (I) THE ASSOCIATION HAS COMPLIED WITH EACH OF THE  
3 REQUIREMENTS IN THIS SECTION AND IN SECTION 38-33.3-316.3 RELATED  
4 TO A UNIT OWNER'S DELINQUENCY IN PAYING ASSESSMENTS;

5 (II) THE ASSOCIATION HAS PROVIDED THE UNIT OWNER WITH A  
6 WRITTEN OFFER TO ENTER INTO A REPAYMENT PLAN PURSUANT TO  
7 SECTION 38-33.3-316.3 (2) THAT AUTHORIZES THE UNIT OWNER TO REPAY  
8 THE DEBT IN MONTHLY INSTALLMENTS OVER EIGHTEEN MONTHS. UNDER  
9 THE REPAYMENT PLAN, THE UNIT OWNER MAY CHOOSE THE AMOUNT TO BE  
10 PAID EACH MONTH, SO LONG AS EACH PAYMENT MUST BE IN AN AMOUNT  
11 OF AT LEAST TWENTY-FIVE DOLLARS UNTIL THE BALANCE OF THE AMOUNT  
12 OWED IS LESS THAN TWENTY-FIVE DOLLARS; AND

13 (III) WITHIN THIRTY DAYS AFTER THE ASSOCIATION HAS PROVIDED  
14 THE OWNER WITH A WRITTEN OFFER TO ENTER INTO A REPAYMENT PLAN,  
15 THE UNIT OWNER HAS EITHER:

16 (A) DECLINED THE REPAYMENT PLAN; OR

17 (B) AFTER ACCEPTING THE REPAYMENT PLAN, FAILED TO PAY AT  
18 LEAST THREE OF THE MONTHLY INSTALLMENTS WITHIN FIFTEEN DAYS  
19 AFTER THE MONTHLY INSTALLMENTS WERE DUE.

20 (b) A UNIT OWNER WHO HAS ENTERED INTO A REPAYMENT PLAN  
21 PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION MAY ELECT TO PAY THE  
22 REMAINING BALANCE OWED UNDER THE REPAYMENT PLAN AT ANY TIME  
23 DURING THE DURATION OF THE REPAYMENT PLAN.

24 (8) AN ASSOCIATION SHALL NOT:

25 (a) CHARGE A RATE OF INTEREST ON UNPAID ASSESSMENTS, FINES,  
26 OR FEES IN AN AMOUNT GREATER THAN EIGHT PERCENT PER YEAR;

27 (b) ASSESS A FEE OR OTHER CHARGE TO RECOVER COSTS INCURRED

1 FOR PROVIDING THE UNIT OWNER A STATEMENT OF THE TOTAL AMOUNT  
2 THAT THE UNIT OWNER OWES;

3 (c) FORECLOSE ON AN ASSESSMENT LIEN IF THE DEBT SECURING  
4 THE LIEN CONSISTS ONLY OF ONE OR BOTH OF THE FOLLOWING:

5 (I) FINES THAT THE ASSOCIATION HAS ASSESSED AGAINST THE UNIT  
6 OWNER; OR

7 (II) COLLECTION COSTS OR ATTORNEY FEES THAT THE  
8 ASSOCIATION HAS INCURRED AND THAT ARE ONLY ASSOCIATED WITH  
9 ASSESSED FINES.

10 (9) A PARTY SEEKING TO ENFORCE RIGHTS AND RESPONSIBILITIES  
11 ARISING UNDER THE DECLARATION, BYLAWS, COVENANTS, OR OTHER  
12 GOVERNING DOCUMENTS OF AN ASSOCIATION IN RELATION TO DISPUTES  
13 ARISING FROM ASSESSMENTS, FINES, OR FEES OWED TO THE ASSOCIATION  
14 AND FOR WHICH THE AMOUNT AT ISSUE DOES NOT EXCEED SEVEN  
15 THOUSAND FIVE HUNDRED DOLLARS, EXCLUSIVE OF INTEREST AND COSTS,  
16 MAY FILE A CLAIM IN SMALL CLAIMS COURT PURSUANT TO SECTION  
17 13-6-403 (1)(b)(I).

18 (10) AS USED IN THIS SECTION, "NOTICE OF DELINQUENCY" MEANS  
19 A WRITTEN NOTICE THAT AN ASSOCIATION SENDS TO A UNIT OWNER TO  
20 NOTIFY THE UNIT OWNER OF ANY UNPAID ASSESSMENTS, FINES, FEES, OR  
21 CHARGES THAT THE UNIT OWNER OWES THE ASSOCIATION.

22 **SECTION 2.** In Colorado Revised Statutes, 38-33.3-308, **amend**  
23 (4)(e) as follows:

24 **38-33.3-308. Meetings.** (4) Matters for discussion by an  
25 executive or closed session are limited to:

26 (e) Any matter, the disclosure of which would constitute an  
27 unwarranted invasion of individual privacy, INCLUDING A DISCIPLINARY

1 HEARING REGARDING A UNIT OWNER AND ANY REFERRAL OF  
2 DELINQUENCY; EXCEPT THAT A UNIT OWNER WHO IS THE SUBJECT OF A  
3 DISCIPLINARY HEARING OR A REFERRAL OF DELINQUENCY MAY REQUEST  
4 AND RECEIVE THE RESULTS OF ANY VOTE TAKEN AT THE RELEVANT  
5 MEETING;

6 **SECTION 3.** In Colorado Revised Statutes, 38-33.3-315, **amend**  
7 (2) as follows:

8 **38-33.3-315. Assessments for common expenses.** (2) Except for  
9 assessments under subsections (3) and (4) of this section and section  
10 38-33.3-207 (4)(a)(IV), all common expenses shall be assessed against all  
11 the units in accordance with the allocations set forth in the declaration  
12 pursuant to section 38-33.3-207 (1) and (2). Any past-due common  
13 expense assessment or installment ~~thereof shall bear~~ OF A COMMON  
14 EXPENSE ASSESSMENT BEARS interest at the rate established by the  
15 association ~~not exceeding twenty-one~~ IN AN AMOUNT NOT TO EXCEED  
16 EIGHT percent per year.

17 **SECTION 4.** In Colorado Revised Statutes, 38-33.3-316, **amend**  
18 (1), (2)(d), and (7); and **add** (12) as follows:

19 **38-33.3-316. Lien for assessments - liens for fines, fees,**  
20 **charges, costs, and attorney fees - limitations.** (1) (a) The association,  
21 if such association is incorporated or organized as a limited liability  
22 company, has a statutory lien on a unit for any assessment levied against  
23 that unit or fines imposed against its unit owner. Unless the declaration  
24 otherwise provides, fees, charges, late charges, attorney fees UP TO THE  
25 MAXIMUM AMOUNT AUTHORIZED UNDER SUBSECTION (7) OF THIS SECTION,  
26 fines, and interest charged pursuant to section 38-33.3-302 (1)(j), (1)(k),  
27 and (1)(l), section 38-33.3-313 (6), and section 38-33.3-315 (2) are

1 enforceable as assessments under this article. The amount of the lien shall  
2 include all those items set forth in this section from the time such items  
3 become due MAY BE SUBJECT TO A STATUTORY LIEN BUT ARE NOT SUBJECT  
4 TO A FORECLOSURE ACTION UNDER THIS ARTICLE 33.3.

5 (b) If an assessment is payable in installments, each installment  
6 is a lien from the time it becomes due, including the due date set by any  
7 valid association's acceleration of installment obligations MAY BE SUBJECT  
8 TO A STATUTORY LIEN IF THE UNIT OWNER FAILS TO PAY THE INSTALLMENT  
9 WITHIN FIFTEEN DAYS AFTER THE INSTALLMENT BECOMES DUE, BUT THE  
10 ASSOCIATION MAY NOT PURSUE LEGAL ACTION FOR UNPAID MONTHLY  
11 INSTALLMENTS UNTIL THE UNIT OWNER HAS FAILED TO PAY AT LEAST  
12 THREE MONTHLY INSTALLMENTS PURSUANT TO SECTION 38-33.3-209.5  
13 (7)(a)(III)(B).

14 (2) (d) ~~The association shall have the statutory lien described in~~  
15 ~~subsection (1) of this section for any assessment levied or fine imposed~~  
16 ~~after June 30, 1992. Such A lien shall have~~ DESCRIBED IN SUBSECTION (1)  
17 OF THIS SECTION HAS the priority described in this subsection (2) if the  
18 other lien or encumbrance is created after June 30, 1992.

19 (7) (a) (I) The association ~~shall be~~ IS entitled to costs and  
20 reasonable attorney fees ~~incurred by~~ THAT the association ~~in a judgment~~  
21 ~~or decree~~ INCURS in any action or suit FOR A JUDGMENT OR DECREE  
22 brought by the association under this section.

23 (II) A COURT SHALL DETERMINE REASONABLE ATTORNEY FEES IN  
24 ACCORDANCE WITH RULE 121 SEC. 1-22 OF THE COLORADO RULES OF CIVIL  
25 PROCEDURE.

26 (b) AN ASSOCIATION IS NOT ENTITLED TO RECOVER ATTORNEY  
27 FEES UNDER SUBSECTION (7)(a) OF THIS SECTION FOR ATTORNEY FEES

1 INCURRED BEFORE THE ASSOCIATION HAS COMPLIED WITH THE NOTICE  
2 REQUIREMENTS OF SECTION 38-33.3-209.5 (1.7)(a) WITH REGARD TO ANY  
3 MATTER FOR WHICH THE ASSOCIATION IS REQUIRED TO COMPLY WITH THE  
4 NOTICE REQUIREMENTS OF SECTION 38-33.3-209.5 (1.7)(a).

5 (12) IF A UNIT HAS BEEN FORECLOSED, A MEMBER OF THE  
6 EXECUTIVE BOARD, AN EMPLOYEE OF A COMMUNITY ASSOCIATION  
7 MANAGEMENT COMPANY REPRESENTING THE ASSOCIATION, AN EMPLOYEE  
8 OF A LAW FIRM REPRESENTING THE ASSOCIATION, OR AN IMMEDIATE  
9 FAMILY MEMBER, AS DEFINED IN SECTION 2-4-401 (3.7), OF ANY SUCH  
10 EXECUTIVE BOARD MEMBER, COMMUNITY ASSOCIATION MANAGEMENT  
11 COMPANY EMPLOYEE, OR LAW FIRM EMPLOYEE SHALL NOT PURCHASE THE  
12 FORECLOSED UNIT.

13 **SECTION 5.** In Colorado Revised Statutes, 38-33.3-316.3,  
14 **amend (2); repeal (3); and add (4) and (5) as follows:**

15 **38-33.3-316.3. Collections - limitations - violations.** (2) A  
16 payment plan negotiated between the association or a holder or assignee  
17 of the association's debt, whether the holder or assignee of the  
18 association's debt is an entity or a natural person, and the unit owner  
19 pursuant to this section must permit the unit owner to pay off the  
20 deficiency in equal installments over a period of at least ~~six~~ EIGHTEEN  
21 months. Nothing in this section prohibits an association or a holder or  
22 assignee of the association's debt from pursuing legal action against a unit  
23 owner if the unit owner fails to comply with the terms of ~~his or her~~ THE  
24 UNIT OWNER'S payment plan. A unit owner's failure to remit payment of  
25 ~~an~~ THREE OR MORE agreed-upon ~~installment~~ INSTALLMENTS PURSUANT TO  
26 SECTION 38-33.3-209.5 (7)(a)(III)(B), or to remain current with regular  
27 assessments as they come due during the ~~six-month~~ EIGHTEEN-MONTH

1 period, constitutes a failure to comply with the terms of ~~his or her~~ THE  
2 UNIT OWNER'S payment plan.

3 (3) ~~For purposes of this section, "assessments" includes regular~~  
4 ~~and special assessments and any associated fees, charges, late charges,~~  
5 ~~attorney fees, fines, and interest charged pursuant to section 38-33.3-315~~  
6 ~~(2).~~

7 (4) IF A UNIT OWNER WHO HAS BOTH UNPAID ASSESSMENTS AND  
8 UNPAID FINES, FEES, OR OTHER CHARGES MAKES A PAYMENT TO THE  
9 ASSOCIATION, THE ASSOCIATION SHALL APPLY THE PAYMENT FIRST TO THE  
10 ASSESSMENTS OWED AND ANY REMAINING AMOUNT OF THE PAYMENT TO  
11 THE FINES, FEES, OR OTHER CHARGES OWED.

12 (5) IF AN ASSOCIATION HAS VIOLATED ANY FORECLOSURE LAWS,  
13 THE UNIT OWNER IN RELATION TO WHOM THE VIOLATION OCCURRED MAY,  
14 WITHIN FIVE YEARS AFTER THE VIOLATION OCCURRED, FILE CIVIL SUIT IN  
15 A COURT OF COMPETENT JURISDICTION AGAINST THE ASSOCIATION TO SEEK  
16 DAMAGES. THE COURT MAY AWARD THE UNIT OWNER DAMAGES IN AN  
17 AMOUNT OF UP TO TWENTY-FIVE THOUSAND DOLLARS, PLUS COSTS AND  
18 REASONABLE ATTORNEY FEES, IF THE UNIT OWNER PROVES THE VIOLATION  
19 BY A PREPONDERANCE OF THE EVIDENCE.

20 **SECTION 6.** In Colorado Revised Statutes, 13-6-403, **amend** (1),  
21 (2) introductory portion, and (2)(h) as follows:

22 **13-6-403. Jurisdiction of small claims court - limitations.**

23 (1) (a) ~~On and after January 1, 1996,~~ The small claims court ~~shall have~~  
24 HAS concurrent original jurisdiction with the county and district courts in  
25 all civil actions in which the debt, damage, or value of the personal  
26 property claimed by either the plaintiff or the defendant, exclusive of  
27 interest and ~~cost~~ COSTS, does not exceed seven thousand five hundred

1 dollars, including such civil penalties as may be provided by law. By way  
2 of further example, and not limitation, the small claims court ~~shall have~~  
3 HAS jurisdiction to hear and determine actions in tort and assess damages  
4 ~~therein~~ IN TORT ACTIONS not to exceed seven thousand five hundred  
5 dollars.

6 (b) The small claims court division ~~shall also have~~ ALSO HAS  
7 concurrent original jurisdiction with the county and district courts in  
8 actions where a party seeks:

9 (I) TO ENFORCE RIGHTS AND RESPONSIBILITIES ARISING UNDER THE  
10 DECLARATION, BYLAWS, COVENANTS, OR OTHER GOVERNING DOCUMENTS  
11 OF A UNIT OWNERS' ASSOCIATION, AS DEFINED IN SECTION 38-33.3-103 (3),  
12 IN RELATION TO DISPUTES ARISING FROM ASSESSMENTS, FINES, OR FEES  
13 OWED TO THE UNIT OWNERS' ASSOCIATION AND FOR WHICH THE AMOUNT  
14 AT ISSUE DOES NOT EXCEED SEVEN THOUSAND FIVE HUNDRED DOLLARS,  
15 EXCLUSIVE OF INTEREST AND COSTS.

16 (II) To enforce a restrictive covenant on residential property and  
17 the amount required to comply with the covenant does not exceed seven  
18 thousand five hundred dollars, exclusive of interest and costs; ~~in actions~~

19 (III) ~~Where a party seeks~~ Replevin if the value of the property  
20 sought does not exceed seven thousand five hundred dollars; and ~~in~~  
21 ~~actions~~

22 (IV) ~~Where a party seeks~~ To enforce a contract by specific  
23 performance or to disaffirm, avoid, or rescind a contract and the amount  
24 at issue does not exceed seven thousand five hundred dollars.

25 (2) The small claims court ~~shall have no~~ HAS ONLY THAT  
26 jurisdiction ~~except that~~ specifically conferred upon it by law, AS  
27 PROVIDED IN SUBSECTION (1) OF THIS SECTION. In particular, it ~~shall have~~

1 ~~no~~ DOES NOT HAVE jurisdiction over the following matters:

2 (h) Actions involving injunctive relief, except as required to:

3 (I) ENFORCE RIGHTS OR RESPONSIBILITIES ARISING UNDER THE  
4 DECLARATION, BYLAWS, COVENANTS, OR OTHER GOVERNING DOCUMENTS  
5 OF A UNIT OWNERS' ASSOCIATION, AS DEFINED IN SECTION 38-33.3-103 (3),  
6 AND INCLUDING ACTIONS SEEKING DECLARATORY RELIEF;

7 (H) (II) Enforce restrictive covenants on residential property;

8 (HH) (III) Enforce the provisions of section 6-1-702.5; ~~C.R.S.~~;

9 (HHH) (IV) Accomplish replevin; and

10 (HV) (V) Enter judgments in actions where a party seeks to enforce  
11 a contract by specific performance or to disaffirm, avoid, or rescind a  
12 contract;

13 **SECTION 7. Act subject to petition - effective date -**  
14 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
15 the expiration of the ninety-day period after final adjournment of the  
16 general assembly; except that, if a referendum petition is filed pursuant  
17 to section 1 (3) of article V of the state constitution against this act or an  
18 item, section, or part of this act within such period, then the act, item,  
19 section, or part will not take effect unless approved by the people at the  
20 general election to be held in November 2022 and, in such case, will take  
21 effect on the date of the official declaration of the vote thereon by the  
22 governor.

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