



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

Drafting Number:	LLS 24-0490	Date:	May 23, 2024
Prime Sponsors:	Sen. Rich; Exum Rep. Soper	Bill Status:	Signed into Law
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Bill Topic:	EXEMPT SMALL COMMUNITIES FROM HOA REQUIREMENTS
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Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill expands current exemptions for small homeowner associations from compliance with certain provisions of the Colorado Common Interest Ownership Act. It minimally increases state workload beginning in FY 2024-25.

Appropriation Summary:	No appropriation is required.
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Fiscal Note Status:	This final fiscal note reflects the enacted bill.
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Summary of Legislation

Under current law, certain small homeowner associations (HOAs) are exempt from various requirements of the Colorado Common Interest Ownership Act (CCIOA) based on the HOA's creation date, number of residential units, and average annual common expense liability of residents. Specifically, this bill consolidates these exemptions for small associations by:

- increasing the number of units allowed from 10 to 20 units for associations created between 1992 and 1998 (in accordance with the limit set for associations created since 1998); and
- uniformly applying the common expenses threshold and inflation adjustment regardless of when an HOA was created (For informational purposes, the common expense threshold was \$400 when created in July 1999, which is approximately \$733 as of July 2023).

The HOA Information and Resource Center in the Department of Regulatory Agencies must notify registered HOAs about expanded exemptions under the bill and that an eligible HOA may elect to adopt an amendment to its declaration to be subject to the entirety of the CCIOA.

State Expenditures

The HOA Information and Resource Center serves as a resource for consumers to understand rights and responsibilities under the CCIOA. The center also registers common interest communities like HOAs and other housing cooperatives, and tracks complaints. Workload will minimally increase for the center to identify and contact HOAs about exemption eligibility, and respond to questions from HOAs and residents. No change in appropriations is required.

Effective Date

The bill was signed into law by the Governor on April 11, 2024, and takes effect on August 7, 2024, assuming no referendum petition is filed.

State and Local Government Contacts

Counties	Law	Local Affairs
Regulatory Agencies		

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit: leg.colorado.gov/fiscalnotes.