

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

PREAMENDED

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

LLS NO. 16-0875.01 Jennifer Berman x3286

HOUSE BILL 16-1149

HOUSE SPONSORSHIP

Melton,

SENATE SPONSORSHIP

Newell,

House Committees
Local Government

Senate Committees
Local Government

A BILL FOR AN ACT

101 **CONCERNING A REQUIREMENT THAT THE EXECUTIVE BOARD OF A**
102 **COMMON INTEREST COMMUNITY CREATED IN COLORADO**
103 **BEFORE JULY 1, 1992, COMPLY WITH THE BUDGET REPORTING**
104 **PROVISION OF THE "COLORADO COMMON INTEREST**
105 **OWNERSHIP 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://www.leg.state.co.us/billsummaries>.)

Common interest communities created before the July 1, 1992, enactment of the "Colorado Common Interest Ownership Act" (Act) are

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

HOUSE
3rd Reading Unamended
March 4, 2016

HOUSE
Amended 2nd Reading
February 29, 2016

exempt from many of the Act's provisions, including a provision requiring a common interest community's executive board to give notice to all unit owners of, and hold a meeting about, the executive board's adoption of a new proposed budget. Commencing July 1, 2018, the bill requires common interest communities that predate the Act to comply with the budget reporting provision.

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

2 **SECTION 1.** In Colorado Revised Statutes, 38-33.3-117, **add**
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,
6 SECTION 38-33.3-303 (4) (a) (I) APPLIES TO ALL COMMON INTEREST
7 COMMUNITIES CREATED WITHIN THIS STATE BEFORE JULY 1, 1992, WITH
8 RESPECT TO EVENTS AND CIRCUMSTANCES OCCURRING ON OR AFTER JULY
9 1, 2017.

10 **SECTION 2.** In Colorado Revised Statutes, 38-33.3-116, **amend**
11 (1) and (3) as follows:

12 **38-33.3-116. Exception for new small cooperatives and small**
13 **and limited expense planned communities.** (1) If a cooperative created
14 in this state on or after July 1, 1992, but prior to July 1, 1998, contains
15 only units restricted to nonresidential use or contains no more than ten
16 units and is not subject to any development rights, it is subject only to
17 sections 38-33.3-105 to 38-33.3-107, unless the declaration provides that
18 this entire article is applicable. If a planned community created in this
19 state on or after July 1, 1992, but prior to July 1, 1998, contains no more
20 than ten units and is not subject to any development rights or if a planned
21 community provides, in its declaration, that the annual average common
22 expense liability of each unit restricted to residential purposes, exclusive

1 of optional user fees and any insurance premiums paid by the association,
2 may not exceed ~~three~~ FOUR hundred dollars, AS ADJUSTED PURSUANT TO
3 SUBSECTION (3) OF THIS SECTION, it is subject only to sections
4 38-33.3-105 to 38-33.3-107, unless the declaration provides that this
5 entire article is applicable.

6 (3) ~~The four-hundred-dollar~~ DOLLAR limitation set forth in
7 subsection SUBSECTIONS (1) AND (2) of this section shall be increased
8 annually on July 1, 1999, and on July 1 of each succeeding year in
9 accordance with any increase in the United States department of labor
10 bureau of labor statistics final consumer price index for the
11 Denver-Boulder consolidated metropolitan statistical area for the
12 preceding calendar year. The limitation shall not be increased if the final
13 consumer price index for the preceding calendar year did not increase and
14 shall not be decreased if the final consumer price index for the preceding
15 calendar year decreased.

16 **SECTION 3.** In Colorado Revised Statutes, 38-33.3-303, **amend**
17 **(4) (a) as follows:**

18 **38-33.3-303. Executive board members and officers - powers**
19 **and duties - reserve funds - reserve study - audit.** (4) (a) (I) Within
20 ninety days after adoption of ~~any~~ A proposed budget for the common
21 interest community, the executive board shall mail, by ~~ordinary~~ first-class
22 mail, or otherwise deliver, INCLUDING POSTING THE PROPOSED BUDGET ON
23 THE ASSOCIATION'S WEBSITE, a summary of the budget to all the unit
24 owners and shall set a date for a meeting of the unit owners to consider
25 the budget. ~~Such~~ THE meeting ~~shall~~ MUST occur within a reasonable time
26 after mailing or other delivery of the summary, or as allowed for in the
27 bylaws. The executive board shall give notice to the unit owners of the

1 meeting as allowed for in the bylaws.

2 (II) Unless the declaration requires otherwise, the budget proposed
3 by the executive board does not require approval from the unit owners
4 and it will be deemed approved by the unit owners in the absence of a
5 veto at the noticed meeting by a majority of all unit owners, or if
6 permitted in the declaration, a majority of a class of unit owners, or any
7 larger percentage specified in the declaration, whether or not a quorum is
8 present. ~~In the event that~~ IF the proposed budget is vetoed, the periodic
9 budget last proposed by the executive board and not vetoed by the unit
10 owners must be continued until a subsequent budget proposed by the
11 executive board is not vetoed by the unit owners.

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13 **SECTION 4. Act subject to petition - effective date -**
14 **applicability.** (1) This act takes effect July 1, 2018; except that, if a
15 referendum petition is filed pursuant to section 1 (3) of article V of the
16 state constitution against this act or an item, section, or part of this act
17 within the ninety-day period after final adjournment of the general
18 assembly, then the act, item, section, or part will not take effect unless
19 approved by the people at the general election to be held in November
20 2016 and, in such case, will take effect on July 1, 2018, or on the date of
21 the official declaration of the vote thereon by the governor, whichever is
22 later.

23 (2) This act applies to budgets adopted by a common interest
24 community's executive board on or after the applicable effective date of
25 this act.