



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Note

Drafting Number: LLS 22-0396
Prime Sponsors: Rep. Ricks

Date: February 11, 2022
Bill Status: House Trans. & Local Govt.
Fiscal Analyst: Matt Bishop | 303-866-4796
Matt.Bishop@state.co.us

Bill Topic: HOA BOARD ACCOUNTABILITY AND TRANSPARENCY

Summary of Fiscal Impact:

- | | |
|---|--|
| <input type="checkbox"/> State Revenue | <input type="checkbox"/> TABOR Refund |
| <input checked="" type="checkbox"/> State Expenditure | <input checked="" type="checkbox"/> Local Government |
| <input type="checkbox"/> State Transfer | <input type="checkbox"/> Statutory Public Entity |

The bill creates requirements and limitations for HOAs when a unit owner is delinquent on assessments. It minimally increases state and local workload beginning in FY 2022-23.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

When a unit owner in a homeowners' association (HOA) is delinquent in paying their HOA assessment, the bill establishes required notification procedures and limitations that dictate how the HOA may pursue recovering the assessment, including the methods and types of information to be disclosed and limits on late fees and interest it may charge. Once the procedures have been completed, the HOA may attempt to recover delinquent payments and appropriate costs in small claims court, up to certain limits. The bill also requires HOAs to perform a reconciliation of all reserve accounts when performing a reserve study, and make the information available to all unit owners.

State and Local Government Expenditures

HOAs are registered with the HOA Information and Resource Center in the Department of Regulatory Agencies. Workload may increase for the center to respond to questions from HOAs regarding the bill. This workload is expected to be minimal and no change in appropriations is required.

Any workload impact on the trial courts, for both county courts within the state court system and Denver County Court, funded and operated by the City and County of Denver, is assumed to be minimal.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, and applies to conduct occurring on or after this date.

State and Local Government Contacts

Counties

Information Technology

Regulatory Agencies