



Legislative Council Staff

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Fiscal Note

Drafting Number: LLS 23-0658 **Date:** February 13, 2023
Prime Sponsors: Rep. Parenti; Titone **Bill Status:** House Business
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Bill Topic: HOA & METRO DISTRICT HOMEOWNERS' RIGHTS TASK FORCES

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 the HOA Homeowners' Rights Task Force and the Metropolitan District Homeowners' Rights Task Force. It increases state expenditures in FY 2023-24 only.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$236,873 to multiple departments.

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

Table 1
State Fiscal Impacts Under HB 23-1105

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	General Fund	\$236,873	-
	Centrally Appropriated	\$18,304	-
	Total Expenditures	\$255,177	-
	Total FTE	1.0 FTE	-
Transfers		-	-
Other Budget Impacts	General Fund Reserve	\$35,531	-

Summary of Legislation

The bill creates two task forces: the HOA Homeowners' Rights Task Force (HOA task force) and the Metropolitan District Homeowners' Rights Task Force (metro district task force) in the Division of Housing in the Department of Local Affairs. The task forces will be comprised of state legislators, representatives of state agencies, and members of the public, including HOA homeowners and attorneys. The metro district task force will also include an elected city council member and an elected county commissioner. Besides the ex officio members are specified in the bill; other appointments are made jointly by the chairs of the House and Senate local government and housing committees. These task forces, which will repeal on September 1, 2024, are described in more detail below.

HOA task force. The HOA task force must be assembled by July 1, 2023. The task force is required to:

- study issues regarding HOA homeowners' rights, including homeowners' associations fining authority and practices, foreclosure practices, and communications with homeowners;
- prepare an interim report regarding its findings and conclusions by September 30, 2023; and
- prepare a final report to relevant legislative committees by December 31, 2023.

Metro district task force. The metro district task force must be assembled by December 1, 2023. The task force is required to:

- study issues confronting metropolitan district homeowners' rights and consider the HOA task force's findings and conclusions as they relate to metropolitan district homeowners' rights; and
- prepare and submit a report regarding its findings and conclusions by March 1, 2024.

State Expenditures

The bill increases state expenditures by about \$250,000 in FY 2023-24, primarily in the Department of Local Affairs and minimally in the Legislative Department. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 23-1105

	FY 2023-24	FY 2024-25
Department of Local Affairs		
Personal Services	\$76,966	-
Operating Expenses	\$1,350	-
Capital Outlay Costs	\$6,670	-
Administration /Facilitator Contract	\$150,000	-
Centrally Appropriated Costs ¹	\$18,225	-
FTE – Personal Services	1.0 FTE	-
DOLA Subtotal	\$253,211	-

**Table 2 Cont.
Expenditures Under HB 23-1105**

Legislative Department		
Legislator Per Diem and Travel Reimbursement	\$1,887	-
Centrally Appropriated Costs ¹	\$79	
Legislative Department Subtotal	\$1,966	-
Total Costs	\$255,177	-
Total FTE	1.0 FTE	-

¹ Centrally appropriated costs are not included in the bill's appropriation.

Task force administration. DOLA will have costs of \$150,000 to contract for a facilitation consultant to coordinate task force meetings, communicate work products expected of task force members and their supporting colleagues, facilitate discussions during meetings, and design and draft task force reports. In addition, DOLA requires 1.0 FTE for administrative staff to procure and manage the facilitation consultants, attend all meetings relating to the task force, and review the work products and plans of the consultants so that they fulfill the legislative intent of each task force. Standard operating and capital outlay expenses are included for this staff.

Legislator per diem and reimbursement. Each task force will have two legislative committee members. This fiscal note assumes each task force will conduct three meetings. Based on the deadlines specified in the bill, it is assumed that all three HOA task force meetings and one metro district task force will take place during the legislative interim and that legislators will receive per diem (\$99 plus \$12.89 for payroll tax and PERA contributions) and travel reimbursement (\$124) for these meetings. The other two meetings of the metro district task force are assumed to occur during the session, when legislators are assumed to already be receiving per diem and reimbursement. Non-legislative members serve without compensation. It is assumed that meetings will be held in the Denver Metro area.

Other agencies. The Department of Law and Department of Regulatory Agencies will have an increase in workload for their staff to participate in the task forces. It is assumed this work can be accomplished within existing appropriations.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Local Government

Local governments with representatives on the task forces will have additional workload to participate in these meetings.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2023-24, the bill requires the following General Fund appropriations:

- \$234,986 to the Department of Local Affairs, and 1.0 FTE; and
- \$1,887 to the General Assembly in the Legislative Department.

State and Local Government Contacts

Counties	County Clerks	District Attorneys
Local Affairs	Municipalities	OEDIT
Property Tax Division – Local Affairs	Special Districts	