



**Legislative Council Staff**

*Nonpartisan Services for Colorado's Legislature*

**Fiscal Note**

|                         |                                                 |                        |                                                       |
|-------------------------|-------------------------------------------------|------------------------|-------------------------------------------------------|
| <b>Drafting Number:</b> | LLS 24-0298                                     | <b>Date:</b>           | January 26, 2024                                      |
| <b>Prime Sponsors:</b>  | Rep. Brown; Titone<br>Sen. Cutter; Jaquez Lewis | <b>Bill Status:</b>    | House Trans., Hous. & Local Govt.                     |
|                         |                                                 | <b>Fiscal Analyst:</b> | Brendan Fung   303-866-4781<br>brendan.fung@coleg.gov |

**Bill Topic: FIRE-HARDENED BUILDING MATERIALS IN REAL PROPERTY**

|                                  |                                                       |                                         |                                                      |
|----------------------------------|-------------------------------------------------------|-----------------------------------------|------------------------------------------------------|
| <b>Summary of Fiscal Impact:</b> | <input type="checkbox"/> State Revenue                | <input type="checkbox"/> State Transfer | <input checked="" type="checkbox"/> Local Government |
|                                  | <input checked="" type="checkbox"/> State Expenditure | <input type="checkbox"/> TABOR Refund   | <input type="checkbox"/> Statutory Public Entity     |

The bill prohibits community covenants, or any legal instrument affecting the sale or transfer of real property, from restricting the use of fire-hardened building materials in residential property. It minimally increases local revenue and state and local workload beginning in FY 2024-25.

**Appropriation Summary:** No appropriation is required.

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

**Summary of Legislation**

The bill prohibits property transfer instruments such as deeds or contracts, and homeowner association (HOA) bylaws or declarations from restricting the installation, use, or maintenance of fire-hardened building materials in residential property. Existing provisions that violate this are annulled upon adoption of the bill.

The bill clarifies exemptions for HOAs to develop reasonable standards regarding the design, dimensions, placement, or external appearance of fire-hardened building materials used for fencing within the community.

**Background**

Fire-hardened building materials, as defined in this bill, meet the standards set forth by the 2021 International Wildland-Urban Interface Code, the National Fire Protection Association, and the Insurance Institute for Business and Home Safety. These associations establish regulations to safeguard life and property from the intrusion of wildland fire and prevent structure fires from spreading to wildland fuels. They provide ignition-resistant construction requirements to protect against fire exposure and resist ignition by burning embers.

## State Expenditures

The HOA Information and Resource Center in the Department of Regulatory Agencies serves as a resource for consumers to understand rights and responsibilities under the Colorado Common Interest Ownership Act. The center also registers common interest communities like HOAs and other housing cooperatives, tracks complaints, and notifies HOAs of statutory changes. Workload may increase for the center to respond to questions from HOAs and residents. This workload is expected to be minimal and no change in appropriations is required.

## Local Government

Starting in FY 2024-25, revenue and workload for the county clerk and recorder's office will increase to update and refile property transfer instruments nullified under the bill. This revenue and workload are expected to be minimal.

## Effective Date

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

## State and Local Government Contacts

|           |                     |               |
|-----------|---------------------|---------------|
| Counties  | County Clerks       | Local Affairs |
| Personnel | Regulatory Agencies |               |

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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 the [General Assembly website](#).