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Fiscal Note

Drafting Number: LLS 24-0490
Prime Sponsors: Sen. Rich
Rep. Soper

Date: January 12, 2024
Bill Status: Senate Local Govt. & Housing
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Bill Topic: **EXEMPT SMALL COMMUNITIES FROM HOA REQUIREMENTS**

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.

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

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).

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 CCIOA. The center also registers common interest communities like HOAs and other housing cooperatives, and tracks complaints. 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.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Counties	Law	Local Affairs	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: leg.colorado.gov/fiscalnotes.