

“2024 HOA Legislative Update”

Colorado HOA Information & Resource Center

Friday, June 28th, 2024

Thanks for joining. We will begin momentarily!



COLORADO
Department of
Regulatory Agencies
Division of Real Estate

Colorado HOA Information & Resource Center

What It Does

- Provides information to homeowners regarding their basic rights and responsibilities under the Colorado Common Interest Ownership Act “CCIOA”.
- Gathers, analyzes, and reports information through complaints and HOA registrations.
- Creates resource materials.
- Provides education and forums.
- Provides a website with information for the public.
- Registers HOAs pursuant to §38-33.3-401(1) C.R.S.
- Provides an Annual Report to the Legislature.

What It Doesn't Do

- Does not mediate or arbitrate on behalf of homeowners, board members, or community association managers.
- Does not act as a regulatory program.
- Does not provide legal advice.
- Does not investigate or intervene in disputes that arise between homeowners or associations.
- Does not act as an advocate.
- Does not assess fines or penalties.
- Does not enforce an HOA's failure to register.



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Disclaimer: This presentation should not be construed as legal advice. Please consult with a qualified Colorado attorney.



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Bills made into law in the 2024 Legislative Session. Note bills are ordered based off what the HOA Center believes to be most relevant and important to Colorado common interest communities.



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HB24-1173- Electric Vehicle Charging System Permits

Prime Sponsors: Senator Kevin Priola, Senator Sonya Jaquez Lewis, Representative Alex Valdez

Introduced: January 31, 2024

Signed: May 21, 2024

Effective Date: August 7, 2024



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HB24-1173- Electric Vehicle Charging System Permits



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Summary:

- Streamlines the permitting process of counties and municipalities so that more EV charging systems may be constructed at reduced time and cost
- Imposes certain requirements on counties and municipalities related to the approval, conditional approval, or denial of an application for an EV-charger permit
- Appropriates additional funds to the Colorado Energy Office for use in awarding grants to state agencies, public universities, public transit agencies, local governments, landlords of multifamily apartment buildings, private nonprofit or for-profit organizations, and unit owners' associations of common interest communities.

SB24-129- Nonprofit Member Data & Public Agencies

Prime Sponsors: Senator Byron Pelton, Senator Chris Kolker, Representative Chris deGruy Kennedy, and Representative Lisa Frizell

Introduced: February 6, 2024

Signed: May 28, 2024

Effective Date: August 7, 2024



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SB24-129- Nonprofit Member Data & Public Agencies

Summary:

Member information for nonprofit corporations is considered Personal Identifying Information (“PII”).

Public agencies are prohibited from collecting or disclosing member-specific data.

Board members should be aware of common scams and fraud and, subject to applicable law, should take reasonable steps to protect member information, board information, officer information, and vendor information.



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SB24-058- Landowner Liability Recreational Use Warning Signs

Prime Sponsors: Senator Mark Baisley,
Senator Dylan Roberts, Representative Brianna
Titone, and Representative Shannon Bird

Introduced: January 17, 2024

Signed: May 15, 2024

Effective Date: August 7, 2024



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SB24-058- Landowner Liability Recreational Use Warning Signs

Summary: The Colorado Recreational Use Statute limits owner's liability when lands are used for recreational purposes.

An owner is not committing a willful or malicious failure if:

1. The owner posts a warning sign at the primary access point where the individual entered the land, which sign satisfies certain criteria.
2. The owner maintains photographic or other evidence of the sign.
3. The dangerous condition, use, structure, or activity that caused the injury or death is described by the sign.



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SB24-058- Landowner Liability Recreational Use Warning Signs

Summary:

Signage must meet specific requirements including language, size, and location.

Signage must be:

1. At least 8 inches in width and 10 inches in length or 8 inches in length and 10 inches in width.
2. Posted in a conspicuous place at the primary access point to the property.



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HB24-1051: Towing Carrier Regulation

Prime Sponsors: Representative Andrew Boesenecker, Representative Tisha Mauro, Senator Julie Gonzales, and Senator Kevin Priola

Introduced: January 10, 2024

Signed: May 30, 2024

Effective Date: August 7, 2024



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HB24-1051: Towing Carrier Regulation

Summary: In 2022, significant changes were made to towing regulations in the State of Colorado (See HB22-1314).

Associations are **STILL** prohibited from towing a vehicle from a common parking area with less than twenty-four (24) hours-notice after posting a notice.

Documented permission **MUST**:

1. Be for each individual tow
2. On a form to be created by the PUC
3. Signed by someone with authority (Board Member or CAM)

Documented permission is required which must **NOT**:

1. Be Automated
2. Be Preapproved



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HB24-1051: Towing Carrier Regulation



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Signage Requirements (provided by towing carrier)

- Is not less than two square feet in size
- Has lettering not less than one inch in height
- Has lettering that must sharply contrast with the background color of the sign and must sharply contrast with the structure on which the signage is placed
- Contains information in the following order:
 - The restriction or prohibition on parking
 - The times of the day and days that the restriction is applicable, but, if the restriction applies 24 hours a day, 7 days a week, the sign must say “Authorized Parking Only”.
 - The name and telephone number of the towing carrier
- Is printed in English and Spanish
- Is permanently mounted both:
 - At the entrance to the private property so that the sign faces outward toward the street in a manner that makes it visible before and upon entering the private property
 - Inside the private property so that the sign faces outward toward the parking area
- Is not obstructed from view or that is placed in a manner that prevents direct visibility
- Is not placed higher than 10 feet or lower than 3 feet from the surface closest to the sign’s placement

SB24-145- Uniform Unlawful Restrictions in Land Records

Prime Sponsors: Senator Bob Gardner,
Representative Marc Snyder, and Representative
Manny Rutinel

Introduced: February 7, 2024

Signed: May 1, 2024

Effective Date: August 7, 2024



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SB24-145- Uniform Unlawful Restrictions in Land Records

Summary:

In the past, some Common Interest Communities had restrictions which were discriminatory on the basis of race, color, religion, national origin, sex, familial status, disability, or other personal characteristics.

Unfortunately, some of these restrictions still exist in association's governing documents.

They are referred to as “unlawful restrictions”.



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SB24-145- Uniform Unlawful Restrictions in Land Records

Summary:

For a traditional land owner, the owner may submit to the recorder for recordation an amendment to remove the unlawful restriction, but only as to the owner's property.

For an association, the board and its officers may submit to the recorder for recordation an amendment to the governing documents WITHOUT a vote of the members of the association.

A unit owner may also request the board to exercise its authority to remove the unlawful restriction.

- Within 90 days of the member's request, the board shall determine whether the governing document includes an unlawful restriction.
- If so, the board shall amend the governing document within the next 90 days.

HB24-1383- Common Interest Community Declarations

Prime Sponsors: Representative William
Lindstedt, Senator Dafna Michaelson Jenet

Introduced: March 25, 2024

Signed: May 15, 2024

Effective Date: August 7, 2024



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HB24-1383- Common Interest Community Declarations

Summary:

- Modifies the act of executing and recording a declaration to a common interest community.
- Previously, CCIOA only required a declaration to be executed in the same manner as a deed. In some cases in Colorado, an affiliate of the real estate owner (but not the real estate owner) was allowed to execute a declaration to a common interest community.
- Now, a declaration to a common interest community must be executed by, or on behalf of, the owner of the real estate.



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HB24-1383- Common Interest Community Declarations

Summary:

- Additionally, House Bill 24-1383 provides that any amendment to a declaration that adds real estate to an existing common interest community must be executed by, or on behalf of, the owner(s) of the real estate to be added, as shown by the records of the county clerk and recorder's office of the county where the real estate is located.



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SB24-021- Exempt Small Communities from HOA Requirements

Prime Sponsors: Senator Janice Rich, Senator Tony Exum, Representative Matt Soper

Introduced: January 10, 2024

Signed: April 11, 2024

Effective Date: August 7, 2024



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SB24-021- Exempt Small Communities from HOA Requirements

Summary:

- Exempt by creation date, # of units, and average annual common expense liability of each unit
- Increase from 10 to 20 units for HOAs created between 1992 and 1998
- Uniformly applies the common expense threshold and inflation adjustment regardless of when an HOA was created
- A cooperative or planned community that qualifies may elect instead to be subject to the entirety of CCIOA by adopting an amendment to its declaration evidencing its election.



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SB24-021- Exempt Small Communities from HOA Requirements

Summary:

- Additionally requires the HOA Information Officer in the Department of Regulatory Agencies to provide notice of the bill to cooperatives and planned communities that are affected by the bill, including notice of the option to opt out of the exemption.



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SB24-005-Prohibit Landscaping Practices for Water Conservation

Prime Sponsors: Senator Dylan Roberts,
Senator Cleave Simpson Representative Karen
McCormick and Representative Barbara McLachlan

Introduced: January 10, 2024

Signed: May 15, 2024

Effective Date: August 7, 2024



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SB24-005-Prohibit Landscaping Practices for Water Conservation

Summary:

Common Interest Communities, as well as Local Entities, such as cities, counties, special districts and metropolitan districts, shall not install, plant, or place any nonfunctional turf, artificial turf, or invasive species, as part of a new development project or redevelopment project.

- Applies to all Common Interest Communities



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SB24-005-Prohibit Landscaping Practices for Water Conservation

Definitions:

- Nonfunctional turf is turf that is not functional, including street right-of-way, parking lot, median, or transportation corridor turf.
- Artificial turf is synthetic materials developed or designed to resemble natural grass.
- Invasive species are defined as plants that are not native to the state and that:
 1. Are introduced into the state accidentally or intentionally
 2. Have no natural competitors or predators in the state because the state is outside of their competitors' or predators' range; and
 3. Have harmful effects on the state's environment or economy or both.



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SB24-005-Prohibit Landscaping Practices for Water Conservation

SB24-005 does not prohibit:

1. The maintenance of nonfunctional turf, artificial turf, or invasive species in place before January 1, 2026.
2. The installation of grass seed or sod that is a native plant or has been hybridized for arid conditions, like what we find here in Colorado.
3. The use of artificial turf on athletic fields of play.



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SB24-134

Operation of Home-Based Businesses

Prime Sponsors: Senator Jim Smallwood, Senator Tony Exum, Representative Jenny Willford, Representative Ron Weinberg

Introduced: February 7, 2024

Signed: April 19, 2024

Effective Date: August 7, 2024



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SB24-134

Operation of Home-Based Businesses

Definitions:

- Allows a unit owner (or resident of the unit owner with the unit owner's permission) to operate a home-based business at a unit owner's unit
- A homeowners association may no longer seek to enforce any covenant or restriction that would prohibit a unit owner from operating a home-based business.
- According to the bill, a “home-based business” means a business for which the main office is located at, or the business operations primarily occur at, a unit.



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SB24-134

Operation of Home-Based Businesses

Definitions:

- HOA may still adopt and enforce any reasonable and applicable rules and regulations governing:
 - ☐ Architectural control
 - ☐ Parking
 - ☐ Landscaping
 - ☐ Noise
 - ☐ Nuisance
 - ☐ Other matters concerning the operations of a home-based business



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SB24-134

Operation of Home-Based Businesses

Definitions:

- The home-based business must also comply with any applicable noise or nuisance ordinances or resolutions of the municipality or county where the common interest community/HOA is located.



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HB24-1091

Fire-Hardened Building Materials in Real Property

Prime Sponsors: Senator Lisa Cutter, Senator Sonya Jaquez Lewis, Representative Kyle Brown, Representative Brianna Titone

Introduced: January 22, 2024

Signed: March 12, 2024

Effective Date: March 12, 2024



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HB24-1091

Fire-Hardened Building Materials in Real Property

Summary:

- Generally prohibits covenants and other restrictions that disallow the installation, use, or maintenance of fire-hardened building materials in residential real property, including in common interest communities
- “Fire-hardened building material” means *the criteria of ignition-resistant construction set forth in sections 504 to 506 of the most recent version of the International Wildland-Urban Interface Code*



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HB24-1091

Fire-Hardened Building Materials in Real Property

Summary:

- HOAs may still adopt and enforce reasonable standards regarding design, dimensions, placement, and external appearance of a fire-hardened building material as long as those standards do NOT:
 - ☐ *Increase the cost of the fencing by more than ten (10) percent compared to other fire-hardened building materials used for fencing; or*
 - ☐ *Require a period of review and approval that exceeds sixty (60) days after the date on which the application for review is filed.*



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HB24-1108

Insurance

Commissioner

Study Insurance

Market

Prime Sponsors: Representative Julie McCluskie, Representative Judy Amabile, and Senator Dylan Roberts

Introduced: January 26, 2024

Signed: May 31, 2024

Effective Date: August 7, 2024



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HB24-1108 Insurance Commissioner Study Insurance Market

Summary:

Insurance coverage and the costs associated with insurance coverage have continued to increase.

A study will be completed on or before January 1, 2026 with recommendations.

In the meantime, visit the Division of Insurance Toolkit:

<https://doi.colorado.gov/homeowners-hoainsurancetoolkit>



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HB24-1007

Concerning Residential Occupancy Limits

Prime Sponsors: Representative William Lindstedt, Representative Shannon Bird, Senator Jeff Bridges, Senator Faith Winter

Introduced: January 10, 2024

Signed: April 15, 2024

Effective Date: April 15, 2024



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HB24-1007 Concerning Residential Occupancy Limits

Summary:

- Harmonizing Occupancy Measures Equitably Act (“HOME”)
- Increase housing availability by removing local government regulations limiting the number of people living together in a single dwelling based on familial relationships.
- Exceptions:
 - Affordable housing program guidelines
 - Demonstrated health and safety standards
 - International building code standards
 - Fire code regulations
 - Wastewater management
 - Water quality standards



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HB24-1007 Concerning Residential Occupancy Limits

Summary:

For associations, this law **WILL NOT** directly affect living in an HOA because HOAs ARE NOT a Local Government and are considered private entities.

If HOA restrictions do not violate public policy (discrimination, public safety), no action is necessary.

However, any association that relies on municipal code to control the amount of inhabitants should review their policies.



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HB24-1233- Homeowners' Association Delinquency Payment Enforcement

Prime Sponsors: Representative Judy Amabile, Representative Ron Weinberg, Senator Kyle Mullica, and Senator Tony Exum

Introduced: January 30, 2024

Signed: May 13, 2024

Effective Date: May 13, 2024



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HB24-1233- Homeowners' Association Delinquency Payment Enforcement

Summary:

Section 38-33.3.209.5, C.R.S. of CCIOA already requires an association to adopt policies, procedures, and rules and regulations concerning multiple areas of association governance.

The Collection Policy now requires:

- The association must first contact the unit owner before taking action.
- The association must maintain a record of the efforts to contact the unit owner.
- Any contact with the unit owner must be to:
 - The unit owner
 - The designated contact of the unit owner



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HB24-1233- Homeowners' Association Delinquency Payment Enforcement

Summary (con't):

- Any contact must be in a language designated by the unit owner.
- Any contact must be the same for the unit owner and the Designated Contact.
- Contact must be delivered by certified mail, return receipt requested, and TWO of the following:
 - Telephone, including leaving a voice message
 - Text message
 - Email
- The association is permitted to charge the actual cost of certified mail.



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HB24-1152- Accessory Dwelling Units

Prime Sponsors: Representative Judy Amabile, Representative Ron Weinberg, Senator Kyle Mullica, and Senator Tony Exum

Introduced: January 30, 2024

Signed: May 13, 2024

Effective Date: May 13, 2024



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HB24-1152- Accessory Dwelling Units (ADUs)

- What is an ADU?
 - An internal, attached, or detached dwelling unit that
 - Provides complete independent living facilities for one or more individuals,
 - Is located on the same lot as the proposed or existing primary residence, and
 - Includes facilities for living, sleeping, eating, cooking, and sanitation.



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HB24-1152- Accessory Dwelling Units (ADUs)

Summary:

- This bill applies to **all Common Interest Communities** in Colorado: CCIOA communities, pre-CCIOA communities, and limited expense communities
- Allows the installation of ADUs in single-unit detached dwelling situations.
- The association may impose reasonable restrictions, which are defined as a “substantive condition or requirement that does not unreasonably increase the cost to construct, effectively prohibit the construction of, or extinguish the ability to otherwise construct an Accessory Dwelling Unit.”



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HB24-1337-Real Property Owner Unit Association Collections

Prime Sponsors: Representative Iman Jodeh,
Representative Jennifer Bacon, Senator James Coleman,
Senator Tony Exum

Introduced: February 26, 2024

Signed: June 05, 2024

Effective Date: August 7, 2024



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HB24-1337-Real Property Owner Unit Association Collections

- Limits the reimbursement amount for attorney fees the HOA may seek to collect from a unit owner who is delinquent on assessments (or when the HOA attempts to enforce or defend its rules or bylaws in court) to 1) \$5,000, or 2) 50% of the original money owed, whichever is less.
- In awarding attorney fees, courts now must also consider:
 - ☐ the amount of the unpaid assessments;
 - ☐ whether foreclosure action was contested; and
 - ☐ whether the attorney fees incurred are disproportionate to the needs of the case.
- To foreclose on a lien, HOAs must obtain a personal judgment against the unit owner in a civil action.



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HB24-1337-Real Property Owner Unit Association Collections

- The HOA may NOT foreclose on a lien if the unit owner is in compliance with a payment plan offered by the association in accordance with 38-33.3-209.5, C.R.S.
- Newly established 180 day right of redemption following a foreclosure sale.
- Order of redemption is as follows:
 1. The unit owner
 2. A tenant of the unit
 3. A nonprofit entity whose primary purpose is the development or preservation of affordable housing
 4. A community land trust
 5. A cooperative housing corporation
 6. The state of Colorado or a political subdivision of the state of Colorado



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HB24-1337-Real Property Owner Unit Association Collections

- Finally, the bill provides that at least 30 days before initiating legal action to foreclose a lien, an association must provide notice to the unit owner that the unit owner has the right to engage in mediation prior to litigation.



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Lost Bills

HB24-1078- Regulation of Community Association Managers

Prime Sponsors: Representative Brianna Titone,
Representative Naquetta Ricks

Introduced: January 10, 2024

Lost: May 14, 2024



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Lost Bills

HB24-1078- Regulation of Community Association Managers

- Would have created a licensure program for entities that operate as community association managers
- Licensing fees and fingerprint-based background checks
- Lost and did NOT become law



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Lost Bills

HB24-1158- Homeowners' Association Foreclosure Sales Requirements

Prime Sponsors: Representative Brianna Titone,
Representative Naquetta Ricks

Introduced: January 10, 2024

Lost: May 14, 2024



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Lost Bills

HB24-1158- Homeowners' Association Foreclosure Sales Requirements

- Would have updated HOA foreclosure requirements to include disclosures, minimum initial bids, purchase restrictions, and court awards.
- Additional registration requirements with DORA
- Lost and did NOT become law



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Corporate Transparency Act (“CTA”)

- Enacted in 2021 to limit illicit financial activity
- Federal law, not a state law
- Requires nonprofit corporations to disclose certain information about “beneficial owners” on or before December 31, 2024
- A “beneficial owner” includes directors, officers, and any owners who own more than 25% of the units in the association, or an individual who exercises “substantial control” over a reporting entity
- FinCEN created a registration portal in which associations can file the Beneficial Ownership Information Report, or “BOIR”. Board members can follow a detailed instruction guide for beneficial owners at the following links:

[Beneficial Ownership Information Step-by-Step Instructions](#)

[Beneficial Ownership Filing Instructions](#)



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Stay tuned to the [HOA Center's website](#) for summaries of the most important laws that affect the HOA industry. Check back soon to learn more.

To track any bills, you can visit the Colorado General Assembly's website and use the ["Find A Bill" tool](#) to research any bills, past or present.

Questions?



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