

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

March 20, 2024
Date

Committee on Transportation, Housing & Local Government.

After consideration on the merits, the Committee recommends the following:

HB24-1337 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

- 1 Amend printed bill, page 3, line 4, strike "(I)".
- 2 Page 3, line 9, strike "(A)" and substitute "(I)".
- 3 Page 3, line 10, strike "(B)" and substitute "(II)".
- 4 Page 3, line 11, after "PAY;" insert "EXCEPT THAT THE ASSOCIATION IS NOT
- 5 ENTITLED TO REIMBURSEMENT FOR ATTORNEY FEES THAT EXCEED FIFTY
- 6 PERCENT OF THE ASSESSMENTS AND ANY MONEY OWED TO THE
- 7 ASSOCIATION AS DESCRIBED IN THE INTRODUCTORY PORTION OF THIS
- 8 SUBSECTION (1)(a);".
- 9 Page 3, line 12, strike "(C)" and substitute "(III)".
- 10 Page 3, strike lines 14 through 16.
- 11 Page 4, strike lines 1 through 3.
- 12 Page 4, line 4, strike "(I)".
- 13 Page 4, line 11, strike "(A)" and substitute "(I)".
- 14 Page 4, line 13, strike "(B)" and substitute "(II)".
- 15 Page 4, strike lines 14 through 20 and substitute "THE failure to comply;
- 16 ~~without the necessity of commencing a legal proceeding.~~ EXCEPT THAT
- 17 THE ASSOCIATION IS NOT ENTITLED TO REIMBURSEMENT FOR ATTORNEY
- 18 FEES THAT EXCEED FIFTY PERCENT OF THE ACTUAL COSTS THE

1 ASSOCIATION OR UNIT OWNER INCURRED AS A RESULT OF THE FAILURE TO
2 COMPLY."

3 Page 5, line 2, strike "FEES, ACTUAL COSTS, OR ACTUAL COSTS OF
4 COLLECTION" and substitute "FEES".

5 Page 5, line 14, before "foreclosure" insert "JUDICIAL".

6 Page 6, strike lines 26 and 27 and substitute:

7 "SECTION 5. In Colorado Revised Statutes, 38-38-100.3, **add**
8 (1.3), (4.3), (25), and (26) as follows:

9 **38-38-100.3. Definitions.** As used in articles 37 to 39 of this title
10 38, unless the context otherwise requires:

11 (1.3) "ALTERNATE LIENOR" MEANS A PERSON DEEMED A LIENOR BY
12 SECTION 38-38-305.5 (1)(a).

13 (4.3) "COMMON INTEREST COMMUNITY" HAS THE MEANING SET
14 FORTH IN SECTION 38-33.3-103 (8).

15 (25) "UNIT" HAS THE MEANING SET FORTH IN SECTION 38-33.3-103
16 (30).

17 (26) "UNIT ASSOCIATION LIEN" MEANS A LIEN IN A UNIT IN A
18 COMMON INTEREST COMMUNITY THAT IS HELD BY AN ASSOCIATION AS
19 DEFINED IN SECTION 38-33.3-103 (3).

20 **SECTION 6.** In Colorado Revised Statutes, 38-38-302, **amend**
21 (1)(d) introductory portion and (4)(a) as follows:

22 **38-38-302. Redemption by lienor - procedure.**

23 (1) **Requirements for redemption.** A lienor or assignee of a lien is
24 entitled to redeem if the following requirements are met to the satisfaction
25 of the officer:

26 (d) The lienor has, within eight business days after the sale, filed
27 a notice with the officer of the lienor's intent to redeem; EXCEPT THAT, IF
28 THE PERSON IS DEEMED AN ALTERNATE LIENOR PURSUANT TO SECTION
29 38-38-305.5 AND THE LIEN BEING FORECLOSED IS A UNIT ASSOCIATION
30 LIEN, THE ALTERNATE LIENOR HAS THIRTY DAYS TO FILE THE NOTICE WITH
31 THE OFFICER OF THE ALTERNATE LIENOR'S INTENT TO REDEEM. A lienor
32 may file a notice of intent to redeem more than eight business days after
33 sale if:

34 (4) **Redemption period.** (a) (I) EXCEPT AS PROVIDED IN
35 SUBSECTION (4)(a)(II) OF THIS SECTION, no sooner than fifteen business
36 days nor later than nineteen business days after a sale under this ~~article~~
37 ARTICLE 38, the junior lienor having the most senior recorded lien on the
38 sold property or any portion thereof OF THE SOLD PROPERTY, according to
39 the records, having first complied with the requirements of subsection (1)

1 of this section, may redeem the property sold by paying to the officer, no
2 later than 12 noon on the last day of the lienor's redemption period, in the
3 form specified in section 38-37-108, the amount for which the property
4 was sold with interest from the date of sale, together with all sums
5 allowed under section 38-38-301. Interest on the amount for which the
6 property was sold ~~shall be~~ IS charged at the default rate specified in the
7 evidence of debt, deed of trust, or other lien being foreclosed or, if not so
8 specified, at the regular rate specified in the evidence of debt, deed of
9 trust, or other lien being foreclosed. If different interest rates are specified
10 in the evidence of debt, deed of trust, or other lien being foreclosed, the
11 interest rate specified in the evidence of debt ~~shall prevail~~ PREVAILS. If
12 the evidence of debt does not specify an interest rate, including a default
13 interest rate, THE applicable interest rate as specified in the deed of trust
14 or other lien being foreclosed ~~shall apply~~ APPLIES.

15 (II) (A) IF THE LIEN BEING FORECLOSED IS IN A UNIT ASSOCIATION
16 LIEN, AN ALTERNATE LIENOR'S REDEMPTION PERIOD COMMENCES UPON
17 THE EXPIRATION OF ALL REDEMPTION RIGHTS AS SET BY THE OFFICER IN
18 ACCORDANCE WITH SUBSECTION (4)(d) OF THIS SECTION AND IS NO
19 SOONER THAN THIRTY-FIVE DAYS AFTER THE SALE. THIS SUBSECTION
20 (4)(a)(II) DOES NOT OTHERWISE CHANGE THE REQUIREMENTS OF THIS
21 SECTION FOR AN ALTERNATE REDEEMER.

22 (B) NO SOONER THAN THIRTY-FIVE DAYS AND NO LATER THAN ONE
23 HUNDRED EIGHTY DAYS AFTER A SALE OF A UNIT ASSOCIATION LIEN UNDER
24 THIS ARTICLE 38, THE ALTERNATE LIENOR THAT FILED THE NOTICE WITH
25 THE OFFICER OF THE ALTERNATE LIENOR'S INTENT TO REDEEM AND THAT
26 HAS THE HIGHEST PRIORITY IN THE SOLD PROPERTY MAY REDEEM THE
27 PROPERTY BY PAYING, IN THE FORM SPECIFIED IN SECTION 38-37-108, TO
28 THE OFFICER, NO LATER THAN 12 NOON ON THE LAST DAY OF THE
29 ALTERNATE LIENOR'S REDEMPTION PERIOD, THE AMOUNT FOR WHICH THE
30 PROPERTY WAS SOLD WITH INTEREST FROM THE DATE OF SALE, TOGETHER
31 WITH ALL SUMS ALLOWED UNDER SECTION 38-38-107 AND IF APPLICABLE,
32 THE REDEMPTION AMOUNT PAID BY THE IMMEDIATELY PRIOR REDEEMING
33 LIENOR, WITH INTEREST AT THE RATE SPECIFIED IN SUBSECTION (4)(a) OF
34 THIS SECTION, PLUS THE AMOUNT CLAIMED IN THE STATEMENT DELIVERED
35 BY THE IMMEDIATELY PRIOR REDEEMING LIENOR PURSUANT TO
36 SUBSECTION (6) OF THIS SECTION, INCLUDING THE PER DIEM AMOUNTS
37 THROUGH THE DATE WHEN THE PAYMENT IS MADE, OR IF NO PRIOR LIEN
38 HAS REDEEMED, THE REDEMPTION AMOUNT DETERMINED PURSUANT
39 SUBSECTION (4)(a)(I) OF THIS SECTION.

40 (C) IF PROPERTY IS REDEEMED UNDER THIS SUBSECTION (4)(a)(II),
41 ANY ALTERNATE REDEEMER WITH A LOWER PRIORITY REDEMPTION RIGHT
42 IS EXTINGUISHED.

43 (11) AS USED IN THIS SECTION, "UNIT ASSOCIATION LIEN" MEANS

1 A LIEN IN A UNIT IN A COMMON INTEREST COMMUNITY THAT IS HELD BY AN
2 ASSOCIATION AS DEFINED IN SECTION 38-33.3-103 (3).

3 **SECTION 7.** In Colorado Revised Statutes, **add** 38-38-305.5 as
4 follows:

5 **38-38-305.5. Persons considered as lienors - redemption of**
6 **property.** (1) (a) FOR THE PURPOSE OF THIS ARTICLE 38, THE FOLLOWING
7 PEOPLE ARE DEEMED ALTERNATE LIENORS WITHOUT A LIEN AMOUNT:

8 (I) THE UNIT OWNER THAT HAS AN INTEREST APPEARING BY AN
9 INSTRUMENT RECORDED IN THE OFFICE OF THE CLERK AND RECORDER OF
10 THE COUNTY PRIOR TO THE RECORDING OF THE LIS PENDENS IS THE FIRST
11 PRIORITY;

12 (II) A TENANT OF THE UNIT, IF THE TENANCY COMMENCED PRIOR
13 TO THE RECORDING OF THE LIS PENDENS AND IF THE LEASE IS NOT
14 RECORDED, IS THE SECOND PRIORITY;

15 (III) A NONPROFIT ENTITY THAT HAS A PRIMARY PURPOSE TO
16 DEVELOP OR PRESERVE AFFORDABLE HOUSING IS THE THIRD PRIORITY;

17 (IV) A COMMUNITY LAND TRUST IS THE FOURTH PRIORITY;

18 (V) A COOPERATIVE HOUSING CORPORATION FORMED PURSUANT
19 TO ARTICLE 33.5 OF THIS TITLE 38 IS THE FIFTH PRIORITY; AND

20 (VI) THE STATE OF COLORADO OR A POLITICAL SUBDIVISION OF
21 THE STATE OF COLORADO IS THE SIXTH PRIORITY.

22 (b) AN ALTERNATE LIENOR'S ABILITY TO REDEEM THE PROPERTY
23 IS SUBJECT TO:

24 (I) A LIENOR THAT HOLDS EVIDENCE OF DEBT SECURED BY THE
25 PROPERTY; OR

26 (II) A PERSON THAT IS DEEMED A LIENOR UNDER SECTION
27 38-38-305.

28 (c) IF AN ALTERNATE LIENOR REDEEMS AFTER THE REDEMPTION OF
29 A LESSEE OR EASEMENT HOLDER, THE ALTERNATE LIENOR, IN ACQUIRING
30 THE PROPERTY, TAKES THE PROPERTY SUBJECT TO THE LEASE OR
31 EASEMENT.

32 (2) THIS SECTION DOES NOT AFFECT THE RIGHTS UNDER THIS
33 ARTICLE 38 OF A LESSEE WHOSE RESIDENTIAL LEASE IS RECORDED.

34 (3) THIS SECTION APPLIES TO THE FORECLOSURE OF A LIEN IN A
35 UNIT IN A COMMON INTEREST COMMUNITY BY AN ASSOCIATION, AS
36 DEFINED IN SECTION 38-33.3-103 (3).

37 **SECTION 8.** In Colorado Revised Statutes, 38-38-501, **add** (3)
38 as follows:

39 **38-38-501. Title vests upon expiration of redemption periods**
40 **- confirmation deed - definition.** (3) AS USED IN THIS SECTION,
41 "REDEMPTION PERIODS" MEANS THE PERIODS OF TIME DURING WHICH A
42 PERSON MAY REDEEM PROPERTY AS DESCRIBED IN SECTION 38-38-302 (4);
43 EXCEPT THAT THE REDEMPTION PERIOD IS THIRTY DAYS IF THE PROPERTY

1 IS A UNIT IN A COMMON INTEREST COMMUNITY; THE LIEN BEING
2 FORECLOSED IS HELD BY AN ASSOCIATION, AS DEFINED IN 38-33.3-103 (3),
3 AND A LIENOR DOES NOT FILE A NOTICE WITH THE OFFICER OF THE LIENOR'S
4 INTENT TO REDEEM."

5 Strike pages 7 through 13.

6 Page 14, strike lines 1 through 14.

7 Renumber succeeding section accordingly.

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