



Legislative
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HB 20-1200

**REVISED
FISCAL NOTE**

(replaces fiscal note dated February 21, 2020)

Drafting Number: LLS 20-0519
Prime Sponsors: Rep. Titone; Weissman
 Sen. Story
Date: May 28, 2020
Bill Status: House Finance
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Bill Topic: **SUNSET HOA INFORMATION & RESOURCE CENTER**

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

Sunset bill. HB 20-1200 continues the HOA Information and Resource Center in the Department of Regulatory Agencies, which is scheduled to repeal on September 1, 2020. State fiscal impacts under the bill include only the continuation of the program's current revenue and expenditures. The bill may also increase state workload on an ongoing basis. The program is continued through September 1, 2025.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: This fiscal note reflects the introduced bill, as amended by the House Business Affairs and Labor Committee.

**Table 1
State Fiscal Impacts Under HB 20-1200***

New Impacts		FY 2020-21	FY 2021-22
Revenue		-	-
Expenditures		-	-
TABOR Refund		-	-
Continuing Program Impacts			
		FY 2020-21	FY 2021-22
Revenue	Cash Funds	-	\$255,420
Expenditures	Cash Funds	-	\$255,420
	FTE	-	2.0 FTE
TABOR Refund		-	-

* Table 1 shows the new impacts resulting from changes to the program under the bill, and the continuing impacts from extending the program beyond its current repeal date. Because the bill continues a program without making any changes, there are no new impacts. The continuing program impacts will end if the bill is not passed and the program is allowed to repeal.

Summary of Legislation

Under current law, the HOA Information and Resource Center (center) in the Division of Real Estate (division) in the Department of Regulatory Agencies (DORA) is a central repository for complaints related to Colorado homeowners associations (HOAs) and common interest communities. This bill continues the center until September 1, 2025.

In addition, the bill clarifies that HOAs may not prohibit the display of a religious item or symbol on the entry door or entry door frame of a unit except under the specific circumstances listed in the bill. If HOAs need to conduct repair or maintenance, they must notify the unit owner of any such work and the unit owner may be required to remove the religious item or symbol during the work.

Background and Assumptions

The center was created in 2010 to collect complaint information and register HOAs. The center also assists homeowners, associations, managers, and other parties in understanding about their rights and responsibilities under the Colorado Common Interest Ownership Act and conducts outreach efforts for HOAs and other real estate boards.

All HOAs are required to register with the center. Only associations that have greater than \$5,000 in annual revenue are required to pay the registration fee. The current HOA initial registration fee is \$30 and the renewal fee is \$33. As of December 1, 2019, there were 7,881 HOAs registered with 7,740 expected in FY 2021-22. The center receives approximately an average of 1,152 complaints related to HOAs.

Continuing Program Impacts.

Based on the department's FY 2020-21 budget request, DORA is expected to have revenue and expenditures of \$255,420 and 2.0 FTE to administer the center. If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2021-22. This continuing revenue is subject to the state TABOR limits. If this bill is not enacted, the program will end on September 1, 2020, following a wind-down period, and state revenue and expenditures will decrease starting in FY 2021-22 by the amounts shown in Table 1.

State Expenditures

To the extent that complaints regarding religious items or symbols on unit entry doors increase, workload for the center may increase. Any workload increase is expected to be minimal and can be accomplished within existing resources.

Effective Date

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

State and Local Government Contacts

Regulatory Agencies