

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 24-0101.02 Brita Darling x2241

HOUSE BILL 24-1158

HOUSE SPONSORSHIP

Ricks,

SENATE SPONSORSHIP

(None),

House Committees

Transportation, Housing & Local Government

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE PROTECTION OF UNIT OWNERS IN RELATION TO**
102 **FORECLOSURES BY UNIT OWNERS' ASSOCIATIONS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill makes changes to the law relating to the foreclosure of a unit owners' association's (HOA) lien on a homeowner's (unit owner's) home (unit) for unpaid HOA assessments.

Prior to the HOA turning over a delinquent account to collections or to an attorney for legal action, the bill requires the HOA to send notice to the unit owner that free information about collections and foreclosures

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.*

may be obtained through the department of regulatory agencies' HOA information and resource center. Further, before foreclosing on an HOA lien, the HOA shall provide notice to the unit owner that credit counseling is available at the unit owner's expense relating to the impact of foreclosure and options to avoid foreclosure.

The bill limits a court's award of reasonable attorney fees that an HOA incurs when foreclosing on an HOA lien to \$2,500. Further, currently, an executive board member, employee of the HOA's community association management company, and employees of the law firm representing the HOA, and such individuals' immediate family members, are prohibited from purchasing a foreclosed unit. The bill extends the individuals or entities prohibited from purchasing a foreclosed unit to include a community association management company representing the HOA and an individual who was a board member, employee of the HOA's community association management company, or employee of the law firm representing the HOA, or such individuals' immediate family members, during any of the 5-year period preceding the foreclosure sale, as well as a business entity owned by or affiliated with a community association management company or such individuals.

The bill establishes a minimum initial bid amount for the HOA's sale at auction of a unit after foreclosure of the HOA's priority lien for assessments. The amount of the HOA's initial bid at auction must be at least the amount necessary to satisfy the HOA lien foreclosed, the liens for unpaid real estate taxes or other government taxes, and the first mortgage secured by the unit, as well as an amount equal to 60% of the unit owner's equity in the unit, as determined in accordance with the bill, unless the percentage of equity included in the bid amount is decreased by agreement of the unit owner and the HOA. The bill authorizes a different minimum bid amount if the unit owner does not have equity in the unit at the time of the foreclosure sale. Further, the HOA is required to include the minimum bid amount and the information necessary to calculate the minimum bid in the lis pendens filed with the county clerk and recorder in the county where the unit is located.

For purposes of notice of the sale of a unit at auction, the bill amends the mailing list to include the unit owner's address listed in the county assessor's records for the unit, if that address is different from the property address, as well as the address of the unit owner's property manager employed by the unit owner, if that person is known to the HOA.

The bill applies to HOA liens foreclosed on or after October 1, 2024.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 38-33.3-123, **add** (3)

1 as follows:

2 **38-33.3-123. Enforcement - limitation.** (3) NOTWITHSTANDING
3 ANY LAW TO THE CONTRARY, AS A CONDITION PRECEDENT TO RECOVERING
4 MONEY OR SUMS DUE TO THE ASSOCIATION, COLLECTION COSTS, OR
5 REASONABLE ATTORNEY FEES OR COSTS PURSUANT TO THIS SECTION, THE
6 ASSOCIATION SHALL STRICTLY COMPLY WITH THIS SECTION AND ANY
7 APPLICABLE PROVISIONS OF THIS TITLE 38 OR OTHER APPLICABLE LAW, THE
8 DECLARATION, BYLAWS, ARTICLES, AND RULES AND REGULATIONS.

9 **SECTION 2.** In Colorado Revised Statutes, 38-33.3-209.5,
10 **amend** (5)(a) introductory portion, (5)(a)(V)(C), and (5)(a)(V)(D); and
11 **add** (5)(a)(V)(E) as follows:

12 **38-33.3-209.5. Responsible governance policies - due process**
13 **for imposition of fines - procedure for collection of delinquent**
14 **accounts - enforcement through small claims court - definitions.**

15 (5)(a) Notwithstanding any provision of the declaration, bylaws, articles,
16 or rules and regulations to the contrary or the absence of a relevant
17 provision in the declaration, bylaws, articles, or rules or regulations, the
18 association or a holder or assignee of the association's debt, whether the
19 holder or assignee of the association's debt is an entity or a natural person,
20 ~~may~~ SHALL not use a collection agency or take legal action to collect
21 unpaid assessments unless the association or a holder or assignee of the
22 association's debt has adopted and follows a written policy governing the
23 collection of unpaid assessments and unless the association complies with
24 subsection (7) of this section. The policy must, at a minimum, specify:

25 (V) That, before the entity turns over a delinquent account of a
26 unit owner to a collection agency or refers it to an attorney for legal
27 action, the entity must send the unit owner a notice of delinquency, by

1 certified mail, return receipt requested, specifying:

2 (C) The name and contact information for the individual the unit
3 owner may contact to request a copy of the unit owner's ledger in order
4 to verify the amount of the debt, and WHICH COPY OF THE LEDGER MUST
5 BE PROVIDED TO THE UNIT OWNER NO LATER THAN THREE BUSINESS DAYS
6 AFTER RECEIPT OF THE UNIT OWNER'S REQUEST;

7 (D) That action is required to cure the delinquency and that failure
8 to do so within thirty days may result in the unit owner's delinquent
9 account being turned over to a collection agency, a lawsuit being filed
10 against the owner, the filing and foreclosure of a lien against the unit
11 owner's property, or other remedies available under Colorado law; AND

12 (E) THAT FREE INFORMATION RELATING TO THE COLLECTION OF
13 ASSESSMENTS BY AN ASSOCIATION, INCLUDING THE ASSOCIATION'S
14 ABILITY TO FORECLOSE AN ASSOCIATION LIEN FOR UNPAID ASSESSMENTS
15 AND FORCE THE SALE OF THE UNIT OWNER'S HOME AND HOW TO OBTAIN
16 CREDIT COUNSELING PRIOR TO FORECLOSURE, IS AVAILABLE TO THE UNIT
17 OWNER AT [HTTPS://DRE.COLORADO.GOV/HOA-CENTER](https://drc.colorado.gov/hoa-center) THROUGH THE HOA
18 INFORMATION AND RESOURCE CENTER CREATED IN SECTION 12-10-801 (1);

19 **SECTION 3.** In Colorado Revised Statutes, 38-33.3-316, **amend**
20 **(1)(a) and (12); and add (7)(c), (8.5), and (13) as follows:**

21 **38-33.3-316. Lien for assessments - liens for fines, fees,**
22 **charges, costs, and attorney fees - limitations - definition.**

23 (1) (a) (I) The association, if such association is incorporated or
24 organized as a limited liability company, has a statutory lien on a unit for
25 any assessment levied against that unit or fines imposed against its unit
26 owner. Fees, charges, late charges, attorney fees up to the maximum
27 amount authorized under subsection (7) of this section, fines, and interest

1 charged pursuant to section 38-33.3-302 (1)(j), (1)(k), and (1)(l), section
2 38-33.3-313 (6), and section 38-33.3-315 (2) may be subject to a statutory
3 lien but are not subject to a foreclosure action under this article 33.3.

4 (II) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
5 REQUIRES, "ASSESSMENT" MEANS A PAYMENT FOR COMMON EXPENSE
6 OBLIGATIONS OF UNIT OWNERS BASED ON A PERIODIC BUDGET ADOPTED BY
7 THE ASSOCIATION UNDER SECTION 38-33.3-315 (1), OR A PAYMENT FOR
8 LIMITED COMMON ELEMENTS OF UNIT OWNERS, AND SPECIFICALLY
9 EXCLUDES FINES, FEES, AND ANY COSTS ASSOCIATED WITH COLLECTING
10 DELINQUENT ASSESSMENTS, DISPUTE RESOLUTION, OR ENFORCEMENT OF
11 COVENANTS.

12 (7) (c) (I) IN DETERMINING REASONABLE ATTORNEY FEES
13 PURSUANT TO THIS SUBSECTION (7) RELATING TO AN ASSOCIATION'S
14 FORECLOSURE OF A LIEN AGAINST A UNIT OWNER FOR UNPAID
15 ASSESSMENTS, THE COURT SHALL GIVE CONSIDERATION TO ALL RELEVANT
16 FACTORS, INCLUDING:

17 (A) THE AMOUNT OF THE UNPAID ASSESSMENTS;

18 (B) WHETHER THE AMOUNT OF THE ATTORNEY FEES REQUESTED
19 EXCEEDS THE AMOUNT OF THE UNPAID ASSESSMENTS;

20 (C) WHETHER THE AMOUNT OF TIME SPENT OR FEES INCURRED BY
21 THE ATTORNEY ARE DISPROPORTIONATE TO THE NEEDS OF THE CASE,
22 CONSIDERING THE COMPLEXITY OF THE CASE OR THE EFFORTS REQUIRED
23 TO OBTAIN THE UNPAID ASSESSMENTS;

24 (D) WHETHER THE FORECLOSURE ACTION WAS CONTESTED OR
25 REQUIRED THE ASSOCIATION TO RESPOND TO UNMERITORIOUS DEFENSES;
26 AND

27 (E) OTHER FACTORS TYPICALLY CONSIDERED IN DETERMINING AN

1 AWARD OF ATTORNEY FEES.

2 (II) AFTER CONSIDERATION OF THE FACTORS SET FORTH IN
3 SUBSECTION (7)(c)(I) OF THIS SECTION, THE COURT MAY AWARD
4 ATTORNEYS FEES PURSUANT TO THIS SUBSECTION (7) IN AN AMOUNT NOT
5 TO EXCEED FIVE THOUSAND DOLLARS.

6 (8.5) AT LEAST THIRTY DAYS PRIOR TO INITIATING A LEGAL ACTION
7 TO FORECLOSE AN ASSOCIATION LIEN, THE ASSOCIATION SHALL PROVIDE
8 WRITTEN AND ELECTRONIC NOTICE TO THE UNIT OWNER OR THE UNIT
9 OWNER'S DESIGNEE THAT:

10 (a) THE UNIT OWNER HAS THE RIGHT TO PARTICIPATE IN CREDIT
11 COUNSELING AT THE UNIT OWNER'S EXPENSE AND THAT CONTACT
12 INFORMATION FOR INDIVIDUALS OR ENTITIES THAT MAY PROVIDE CREDIT
13 COUNSELING TO THE UNIT OWNER RELATING TO FORECLOSURE BY AN
14 A S S O C I A T I O N M A Y B E F O U N D A T
15 HTTPS://DRE.COLORADO.GOV/HOA-CENTER THROUGH THE HOA
16 INFORMATION AND RESOURCE CENTER CREATED IN SECTION 12-10-801 (1);
17 AND

18 (b) CREDIT COUNSELING MAY INCLUDE:

19 (I) DISCUSSION OF AMOUNTS OWED TO THE ASSOCIATION IN
20 UNPAID ASSESSMENTS AND RELATED COSTS;

21 (II) THE IMPACT OF FORECLOSURE ON THE UNIT OWNER'S CREDIT;

22 (III) ADDITIONAL DEBT THAT MAY BE INCURRED BY THE UNIT
23 OWNER IF FORECLOSURE BY THE ASSOCIATION IS COMPLETED;

24 (IV) OPTIONS AVAILABLE TO THE UNIT OWNER TO RETAIN TITLE TO
25 THE UNIT OR TO REMAIN IN THE UNIT; AND

26 (V) ANY OTHER OPTIONS THAT MAY BE AVAILABLE TO THE UNIT
27 OWNER TO AVOID FORECLOSURE.

1 (12) (a) If a unit has been foreclosed PURSUANT TO A LIEN UNDER
2 THIS SECTION, THE FOLLOWING INDIVIDUALS OR BUSINESS ENTITIES SHALL
3 NOT PURCHASE THE FORECLOSED UNIT:

4 (I) A member of the executive board;

5 (II) An employee of a community association management
6 company representing the association;

7 (III) An employee of a law firm representing the association; or

8 (IV) An immediate family member, as defined in section 2-4-401
9 (3.7), of any such AN executive board member, community association
10 management company employee, or law firm employee; shall not
11 purchase the foreclosed unit OR

12 (V) A COMMUNITY ASSOCIATION MANAGEMENT COMPANY
13 REPRESENTING THE ASSOCIATION.

14 (b) THE PROHIBITION ON THE PURCHASE OF A FORECLOSED UNIT
15 PURSUANT TO SUBSECTION (12)(a) OF THIS SECTION INCLUDES AN
16 INDIVIDUAL OR A COMMUNITY ASSOCIATION MANAGEMENT COMPANY
17 THAT WAS, AT ANY TIME DURING THE FIVE-YEAR PERIOD IMMEDIATELY
18 PRECEDING THE SALE OF THE FORECLOSED UNIT, AN INDIVIDUAL OR A
19 COMMUNITY ASSOCIATION MANAGEMENT COMPANY DESCRIBED IN
20 SUBSECTION (12)(a) OF THIS SECTION. THE PROHIBITION IN THIS SECTION
21 ALSO INCLUDES A BUSINESS ENTITY THAT WAS, AT ANY TIME DURING THE
22 FIVE-YEAR PERIOD IMMEDIATELY PRECEDING THE SALE OF THE
23 FORECLOSED UNIT, OWNED BY OR AFFILIATED WITH AN INDIVIDUAL OR
24 COMMUNITY ASSOCIATION MANAGEMENT COMPANY DESCRIBED IN
25 SUBSECTION (12)(a) OF THIS SECTION.

26 (13) A PURCHASER THAT PURCHASES A UNIT THROUGH THE
27 FORECLOSURE OF A LIEN UNDER THIS SECTION ACQUIRES THE UNIT SUBJECT

1 TO ANY COVENANTS OR LIMITATIONS ON THE USE OR SALE OF THE UNIT TO
2 WHICH THE PREVIOUS UNIT OWNER WAS SUBJECT.

3 SECTION 4. In Colorado Revised Statutes, add 38-33.3-316.4
4 as follows:

5 38-33.3-316.4. Foreclosure of an association lien - sale at
6 auction - bid requirements - definitions. (1) NOTWITHSTANDING ANY
7 PROVISION OF THIS TITLE 38 TO THE CONTRARY, EXCEPT AS PROVIDED IN
8 SUBSECTION (2) OF THIS SECTION, AFTER FORECLOSING AN ASSOCIATION
9 LIEN ON A UNIT, THE ASSOCIATION OR THE ATTORNEY REPRESENTING THE
10 ASSOCIATION SHALL MAKE AN INITIAL BID AT AUCTION THAT IS NOT LESS
11 THAN THE SUM OF:

12 (a) THE AMOUNT OF THE ASSOCIATION'S LIEN DESCRIBED IN
13 SECTION 38-33.3-316 (2)(b);

14 (b) THE AMOUNT, IF ANY, OF ALL LIENS FOR REAL ESTATE TAXES
15 AND OTHER GOVERNMENTAL ASSESSMENTS OR CHARGES, AS DESCRIBED
16 IN SECTION 38-33.3-316 (2)(a)(III);

17 (c) THE AMOUNT, IF ANY, OF THE FIRST MORTGAGE SECURED BY
18 THE UNIT; AND

19 (d) SIXTY PERCENT OF THE UNIT OWNER'S EQUITY IN THE UNIT.

20 (2) (a) THE AMOUNT OF THE ASSOCIATION'S OR ATTORNEY'S
21 INITIAL BID AT AUCTION PURSUANT TO SUBSECTION (1) OF THIS SECTION
22 MAY BE DECREASED BY AGREEMENT OF THE ASSOCIATION AND THE UNIT
23 OWNER PRIOR TO PLACING THE INITIAL BID OR AT ANY TIME, AS PERMITTED
24 UNDER THE LAWS GOVERNING THE FORECLOSURE SALE, TO REDUCE THE
25 PERCENTAGE OF THE UNIT OWNER'S EQUITY IN THE UNIT INCLUDED IN THE
26 BID AMOUNT PURSUANT TO SUBSECTION (1)(d) OF THIS SECTION.

27 (b) THE AMOUNT OF THE ASSOCIATION'S OR ATTORNEY'S MINIMUM

1 BID AT AUCTION SHALL NOT BE LESS THAN SIXTY PERCENT OF THE FAIR
2 MARKET VALUE OF THE UNIT IF:

3 (I) THE FAIR MARKET VALUE OF THE UNIT DOES NOT EXCEED THE
4 SUM OF THE AMOUNTS SPECIFIED IN SUBSECTIONS (1)(a) TO (1)(c) OF THIS
5 SECTION; OR

6 (II) THE ASSOCIATION OR ATTORNEY CANNOT CALCULATE THE
7 MINIMUM BID AMOUNT PURSUANT TO SUBSECTION (1) OF THIS SECTION
8 BECAUSE THE AMOUNT OF THE MORTGAGE SECURED BY THE UNIT, AS
9 DESCRIBED IN SUBSECTION (1)(c) OF THIS SECTION, IS NOT KNOWN TO OR
10 DISCOVERABLE BY THE ASSOCIATION OR ATTORNEY.

11 (3) IN ADDITION TO ANY OTHER INFORMATION REQUIRED
12 PURSUANT TO SECTION 38-35-110, THE ASSOCIATION OR THE ATTORNEY
13 REPRESENTING THE ASSOCIATION SHALL INCLUDE IN A LIS PENDENS FILED
14 WITH THE CLERK AND RECORDER OF THE COUNTY IN WHICH THE UNIT IS
15 LOCATED:

16 (a) THE AMOUNT OF THE REQUIRED MINIMUM INITIAL BID AT
17 AUCTION, AS CALCULATED PURSUANT TO SUBSECTION (1) OR (2) OF THIS
18 SECTION; AND

19 (b) INFORMATION SUPPORTING THE CALCULATION OF THE MINIMUM
20 INITIAL BID AT AUCTION, INCLUDING:

21 (I) THE FAIR MARKET VALUE OF THE UNIT AND THE METHOD USED
22 TO DETERMINE THE FAIR MARKET VALUE OF THE UNIT, AS DESCRIBED IN
23 SUBSECTION (6)(a)(I) OF THIS SECTION;

24 (II) THE AMOUNT OF EACH LIEN OR ENCUMBRANCE ON THE UNIT
25 DESCRIBED IN SUBSECTIONS (1)(a) TO (1)(c) OF THIS SECTION; AND

26 (III) THE AMOUNT OF THE UNIT OWNER'S EQUITY IN THE UNIT.

27 (4) (a) IN ANY ACTION TO FORECLOSE AN ASSOCIATION LIEN

1 PURSUANT TO SECTION 38-33.3-316, THE AWARD OF COSTS TO AN
2 ASSOCIATION FOR AN APPRAISAL CONDUCTED PURSUANT TO THIS SECTION
3 IS LIMITED TO THE MARKET RATE AT THE TIME THE APPRAISAL WAS
4 CONDUCTED, NOT TO EXCEED SEVEN HUNDRED FIFTY DOLLARS.

5 (b) AN INDEPENDENT APPRAISER CONDUCTING AN APPRAISAL OF
6 THE UNIT PURSUANT TO SUBSECTION (6)(a)(I) OF THIS SECTION MUST NOT
7 BE OR HAVE BEEN AFFILIATED OR ASSOCIATED WITH:

8 (I) A MEMBER OF THE EXECUTIVE BOARD, AN EMPLOYEE OF THE
9 ASSOCIATION, AN EMPLOYEE OF A COMMUNITY ASSOCIATION
10 MANAGEMENT COMPANY REPRESENTING THE ASSOCIATION, A PERSON
11 PROVIDING SERVICES TO THE COMMON INTEREST COMMUNITY, AN
12 ATTORNEY OR LAW FIRM REPRESENTING THE ASSOCIATION, OR A UNIT
13 OWNER; OR

14 (II) AN IMMEDIATE FAMILY MEMBER, AS DEFINED IN SECTION
15 2-4-401 (3.7), OF AN INDIVIDUAL DESCRIBED IN SUBSECTION (4)(b)(I) OF
16 THIS SECTION.

17 (c) THE ASSOCIATION SHALL PROVIDE TO THE UNIT OWNER, AT NO
18 CHARGE TO THE UNIT OWNER, A COPY OF THE ASSOCIATION'S INDEPENDENT
19 APPRAISAL CONDUCTED PURSUANT TO SUBSECTION (6)(a)(I) OF THIS
20 SECTION, ALONG WITH NOTICE TO THE UNIT OWNER THAT THE UNIT OWNER
21 MAY OBTAIN AN APPRAISAL BY AN INDEPENDENT APPRAISER AT THE UNIT
22 OWNER'S EXPENSE AND, IF AN APPRAISAL IS OBTAINED BY THE UNIT
23 OWNER, THAT THE APPRAISED VALUE OF THE UNIT WILL BE EITHER THE
24 AVERAGE OF THE TWO APPRAISALS OR THE FAIR MARKET VALUE OF THE
25 UNIT AS STIPULATED BY THE ASSOCIATION AND THE UNIT OWNER.

26 (5) NOTHING IN THIS SECTION LIMITS ANY PROTECTIONS OR
27 DEFENSES AVAILABLE TO A UNIT OWNER PURSUANT TO SECTION 38-38-106

1 IF THE UNIT OWNER IS SUED FOR A DEFICIENCY OR ANY OTHER
2 PROTECTIONS OR DEFENSES IN THIS ARTICLE 33.3 OR ARTICLE 38 OF THIS
3 TITLE 38 THAT ARE AFFORDED TO A UNIT OWNER OR BORROWER.

4 (6) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
5 REQUIRES:

6 (a) "FAIR MARKET VALUE" MEANS:

7 (I) THE FAIR MARKET VALUE OF THE UNIT, AS DETERMINED BY AN
8 INDEPENDENT APPRAISER AT THE ASSOCIATION'S EXPENSE; EXCEPT THAT,
9 IF THE UNIT OWNER DOES NOT AGREE WITH THE ASSOCIATION'S APPRAISAL,
10 THE UNIT OWNER MAY OBTAIN ANOTHER APPRAISAL OF THE UNIT BY AN
11 INDEPENDENT APPRAISER AT THE UNIT OWNER'S EXPENSE, AND, IF THE
12 UNIT OWNER OBTAINS AN APPRAISAL OF THE UNIT, THE FAIR MARKET
13 VALUE OF THE UNIT IS THE AVERAGE OF THE ASSOCIATION'S APPRAISED
14 VALUE AND THE UNIT OWNER'S APPRAISED VALUE; OR

15 (II) THE FAIR MARKET VALUE OF THE UNIT AS STIPULATED BY THE
16 ASSOCIATION AND THE UNIT OWNER.

17 (b) "UNIT OWNER'S EQUITY" MEANS THE FAIR MARKET VALUE OF
18 THE UNIT LESS THE SUM OF THE AMOUNTS SPECIFIED IN SUBSECTIONS
19 (1)(a) TO (1)(c) OF THIS SECTION.

20 **SECTION 5.** In Colorado Revised Statutes, 38-33.3-117, **amend**
21 **(1)(k.5); and add (1)(k.6) as follows:**

22 **38-33.3-117. Applicability to preexisting common interest**
23 **communities.** (1) Except as provided in section 38-33.3-119, the
24 following sections apply to all common interest communities created
25 within this state before July 1, 1992, with respect to events and
26 circumstances occurring on or after July 1, 1992:

27 (k.5) 38-33.3-316.3; and

1 (k.6) 38-33.3-316.4; AND

2 SECTION 6. In Colorado Revised Statutes, 38-33.3-401, add
3 (3.2) as follows:

4 38-33.3-401. Registration - annual fees - data collection -
5 enforcement actions. (3.2) AS PART OF AN ASSOCIATION'S ANNUAL
6 REGISTRATION, THE ASSOCIATION SHALL SUBMIT THE FOLLOWING
7 INFORMATION TO THE DIRECTOR OF THE DIVISION OF REAL ESTATE, IN THE
8 FORM AND MANNER DETERMINED BY THE DIRECTOR OF THE DIVISION OF
9 REAL ESTATE:

10 (a) FOR THE TWELVE-MONTH PERIOD IMMEDIATELY PRECEDING
11 THE ASSOCIATION'S ANNUAL REGISTRATION:

12 (I) THE NUMBER OF UNIT OWNERS THAT WERE, AT ANY TIME
13 DURING THE TWELVE-MONTH PERIOD, THREE OR MORE CALENDAR MONTHS
14 DELINQUENT IN THE PAYMENT OF AN ANNUAL ASSESSMENT OR SPECIAL
15 ASSESSMENT; AND

16 (II) OF THE UNIT OWNERS DESCRIBED IN SUBSECTION (3.2)(a)(I) OF
17 THIS SECTION, THE NUMBER OF UNIT OWNERS THAT WERE SIX OR MORE
18 CALENDAR MONTHS DELINQUENT IN THE PAYMENT OF AN ANNUAL
19 ASSESSMENT OR SPECIAL ASSESSMENT;

20 (b) FOR THE TWELVE-MONTH PERIOD IMMEDIATELY PRECEDING
21 THE ASSOCIATION'S ANNUAL REGISTRATION MONTH, FOR UNPAID ANNUAL
22 ASSESSMENTS OR SPECIAL ASSESSMENTS OR RELATED FEES OR ATTORNEY
23 FEES:

24 (I) THE NUMBER OF UNIT OWNERS AGAINST WHICH THE
25 ASSOCIATION OR ITS DESIGNEE OBTAINED A JUDGMENT;

26 (II) THE NUMBER OF PAYMENT PLANS ENTERED INTO BETWEEN THE
27 ASSOCIATION AND A UNIT OWNER PURSUANT TO SECTION 38-33.3-316.3;

1 AND

2 (III) THE NUMBER OF FORECLOSURE ACTIONS FILED AGAINST UNIT
3 OWNERS PURSUANT TO SECTION 38-33.3-316; AND

4 (c) ANY OTHER INFORMATION SPECIFIED BY THE DIRECTOR OF THE
5 DIVISION OF REAL ESTATE RELATING TO THE COLLECTION OF ASSESSMENTS
6 AND THE FORECLOSURE OF ASSOCIATIONS' LIENS.

7 **SECTION 7.** In Colorado Revised Statutes, 38-38-100.3, **amend**
8 (14)(c) and (14)(d); and **add** (14)(e) 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 (14) "Mailing list" means the mailing list in accordance with
12 section 38-38-101 (1)(e) provided to the officer by the holder of the
13 evidence of debt or the attorney for the holder containing the names and
14 addresses of the following persons:

15 (c) The occupant of the property, addressed to "occupant" at the
16 address of the property; **and**

17 (d) With respect to a public trustee sale, a lessee with an
18 unrecorded possessory interest in the property at the address of the
19 premises of the lessee and, if different, the address of the property, to the
20 extent that the holder of the evidence of debt desires to terminate the
21 possessory interest with the foreclosure; AND

22 (e) (I) WITH RESPECT TO A SHERIFF'S SALE OF A PROPERTY IN A
23 COMMON INTEREST COMMUNITY AFTER FORECLOSURE OF A LIEN BY AN
24 ASSOCIATION:

25 (A) THE OWNER OF THE PROPERTY, AT THE OWNER ADDRESS
26 SHOWN IN THE COUNTY ASSESSOR RECORDS FOR THE COUNTY IN WHICH
27 THE PROPERTY IS LOCATED, IF DIFFERENT FROM THE ADDRESS OF THE

1 PROPERTY; AND

2 (B) A PROPERTY MANAGER EMPLOYED BY THE PROPERTY OWNER,
3 IF KNOWN TO THE ASSOCIATION, AT THE ADDRESS OF THE PROPERTY
4 MANAGER, IF DIFFERENT FROM THE ADDRESS OF THE PROPERTY.

5 (II) AS USED IN THIS SUBSECTION (14)(e):

6 (A) "ASSOCIATION" HAS THE MEANING SET FORTH IN SECTION
7 38-33.3-103 (3).

8 (B) "COMMON INTEREST COMMUNITY" HAS THE MEANING SET
9 FORTH IN SECTION 38-33.3-103 (8).

10 **SECTION 8.** In Colorado Revised Statutes, 38-38-106, **amend**
11 (6) as follows:

12 **38-38-106. Bid required - form of bid.** (6) (a) EXCEPT AS
13 PROVIDED IN SUBSECTION (6)(b) OF THIS SECTION, the holder of the
14 evidence of debt or the attorney for the holder shall bid at least the
15 holder's good faith estimate of the fair market value of the property being
16 sold, less the amount of unpaid real property taxes and all amounts
17 secured by liens against the property being sold that are senior to the deed
18 of trust or other lien being foreclosed and less the estimated reasonable
19 costs and expenses of holding, marketing, and selling the property, net of
20 income received; except that the holder or the attorney for the holder need
21 not bid more than the total amount due to the holder as specified in the
22 bid pursuant to subsection (2) of this section. The failure of the holder to
23 bid the amount required by this subsection (6) shall not affect the validity
24 of the sale but may be raised as a defense by any person sued on a
25 deficiency.

26 (b) A HOLDER OF THE EVIDENCE OF DEBT THAT IS AN ASSOCIATION,
27 AS DEFINED IN SECTION 38-33.3-103 (3), OR THE ATTORNEY REPRESENTING

1 THE ASSOCIATION, SHALL MAKE AN INITIAL BID THAT IS NOT LESS THAN
2 THE AMOUNT DETERMINED PURSUANT TO SECTION 38-33.3-316.4.

3 **SECTION 9. Effective date - applicability.** This act takes effect
4 October 1, 2024, and applies to a foreclosure of a common interest
5 community lien on or after said date.

6 **SECTION 10. Safety clause.** The general assembly finds,
7 determines, and declares that this act is necessary for the immediate
8 preservation of the public peace, health, or safety or for appropriations for
9 the support and maintenance of the departments of the state and state
10 institutions.