

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Transportation & Local Government.

HB22-1137 be amended as follows:

1 Amend printed bill, strike everything below the enacting clause and  
2 substitute:

3 "SECTION 1. In Colorado Revised Statutes, 38-33.3-209.5,  
4 **amend** (2)(a), (5)(a) introductory portion, and (5)(a)(V) introductory  
5 portion; and **add** (1.7), (2)(c), (6), (7), (8), (9), and (10) as follows:

6 **38-33.3-209.5. Responsible governance policies - due process**  
7 **for imposition of fines - procedure for collection of delinquent**  
8 **accounts - enforcement through small claims court - definitions.**

9 (1.7) (a) WITH REGARD TO A UNIT OWNER'S DELINQUENCY IN PAYING  
10 ASSESSMENTS, FINES, OR FEES, AN ASSOCIATION SHALL:

11 (I) FIRST CONTACT THE UNIT OWNER TO ALERT THE UNIT OWNER  
12 OF THE DELINQUENCY BEFORE TAKING ACTION IN RELATION TO THE  
13 DELINQUENCY PURSUANT TO SUBSECTION (1.7)(a)(II) OF THIS SECTION  
14 AND SHALL MAINTAIN A RECORD OF ANY CONTACTS, INCLUDING  
15 INFORMATION REGARDING THE TYPE OF COMMUNICATION USED TO  
16 CONTACT THE UNIT OWNER AND THE DATE AND TIME THAT THE CONTACT  
17 WAS MADE. ANY CONTACTS THAT A COMMUNITY ASSOCIATION MANAGER  
18 OR A PROPERTY MANAGEMENT COMPANY MAKES ON BEHALF OF AN  
19 ASSOCIATION PURSUANT TO THIS SUBSECTION (1.7)(a) IS DEEMED A  
20 CONTACT MADE BY THE ASSOCIATION AND NOT BY A DEBT COLLECTOR AS  
21 DEFINED IN SECTION 5-16-103 (9). A UNIT OWNER MAY IDENTIFY ANOTHER  
22 PERSON TO SERVE AS A DESIGNATED CONTACT FOR THE UNIT OWNER TO BE  
23 CONTACTED ON THE UNIT OWNER'S BEHALF FOR PURPOSES OF THIS  
24 SUBSECTION (1.7)(a)(I). AN ASSOCIATION MAY DETERMINE THE MANNER  
25 IN WHICH A UNIT OWNER MAY IDENTIFY A DESIGNATED CONTACT. IN  
26 CONTACTING THE UNIT OWNER OR A DESIGNATED CONTACT, AN  
27 ASSOCIATION SHALL SEND THE SAME TYPE OF NOTICE OF DELINQUENCY  
28 REQUIRED TO BE SENT PURSUANT TO SUBSECTION (5)(a)(V) OF THIS  
29 SECTION, INCLUDING BY SENDING IT BY CERTIFIED MAIL FOR WHICH THE  
30 ASSOCIATION RECEIVES CONFIRMATION OF ITS RECEIPT, AND PHYSICALLY  
31 POST A COPY OF THE NOTICE OF DELINQUENCY AT THE UNIT OWNER'S UNIT.  
32 IN ADDITION, THE ASSOCIATION SHALL CONTACT THE UNIT OWNER BY ONE  
33 OF THE FOLLOWING MEANS:

34 (A) FIRST-CLASS MAIL;

35 (B) TEXT MESSAGE TO A CELLULAR NUMBER THAT THE  
36 ASSOCIATION HAS ON FILE BECAUSE THE UNIT OWNER HAS PROVIDED THE  
37 CELLULAR NUMBER TO THE ASSOCIATION; OR

38 (C) E-MAIL TO AN E-MAIL ADDRESS THAT THE ASSOCIATION HAS  
39 ON FILE BECAUSE THE UNIT OWNER HAS PROVIDED THE E-MAIL ADDRESS  
40 TO THE ASSOCIATION.

41 (II) REFER A DELINQUENT ACCOUNT TO A COLLECTION AGENCY OR

1 ATTORNEY ONLY IF A MAJORITY OF THE EXECUTIVE BOARD VOTES TO  
2 REFER THE MATTER IN A RECORDED VOTE AT A MEETING CONDUCTED  
3 PURSUANT TO SECTION 38-33.3-308 (4)(e). A COMMUNITY ASSOCIATION  
4 MANAGEMENT OR PROPERTY MANAGEMENT COMPANY ACTING ON BEHALF  
5 OF THE ASSOCIATION SHALL NOT REFER A DELINQUENT ACCOUNT TO A  
6 COLLECTION AGENCY OR AN ATTORNEY UNLESS A MAJORITY OF THE  
7 EXECUTIVE BOARD VOTES TO REFER THE MATTER IN A RECORDED VOTE AT  
8 A MEETING CONDUCTED PURSUANT TO SECTION 38-33.3-308 (4)(e).

9 (b) (I) AN ASSOCIATION SHALL NOT IMPOSE THE FOLLOWING ON A  
10 DAILY BASIS AGAINST A UNIT OWNER:

11 (A) LATE FEES; OR

12 (B) FINES ASSESSED FOR VIOLATIONS OF THE DECLARATION,  
13 BYLAWS, COVENANTS, OR OTHER GOVERNING DOCUMENTS OF THE  
14 ASSOCIATION. AN ASSOCIATION MAY ONLY IMPOSE FINES FOR VIOLATIONS  
15 IN ACCORDANCE WITH THIS SUBSECTION (1.7)(b).

16 (II) (A) WITH RESPECT TO ANY VIOLATION OF THE DECLARATION,  
17 BYLAWS, COVENANTS, OR OTHER GOVERNING DOCUMENTS OF AN  
18 ASSOCIATION THAT THE ASSOCIATION REASONABLY DETERMINES  
19 THREATENS THE PUBLIC SAFETY, HEALTH, OR WELFARE, THE ASSOCIATION  
20 SHALL PROVIDE THE UNIT OWNER WRITTEN NOTICE, IN A MANNER THAT IS  
21 CULTURALLY COMPETENT AND LINGUISTICALLY APPROPRIATE, OF THE  
22 VIOLATION INFORMING THE UNIT OWNER THAT THE UNIT OWNER HAS  
23 SEVENTY-TWO HOURS TO CURE THE VIOLATION OR THE ASSOCIATION MAY  
24 FINE THE UNIT OWNER.

25 (B) IF, AFTER AN INSPECTION OF THE UNIT, THE ASSOCIATION  
26 DETERMINES THAT THE UNIT OWNER HAS NOT CURED THE VIOLATION  
27 WITHIN SEVENTY-TWO HOURS AFTER RECEIVING THE NOTICE, THE  
28 ASSOCIATION MAY IMPOSE FINES ON THE UNIT OWNER EVERY OTHER DAY  
29 AND MAY TAKE LEGAL ACTION AGAINST THE UNIT OWNER FOR THE  
30 VIOLATION; EXCEPT THAT, IN ACCORDANCE WITH SUBSECTION (8)(c)(I) OF  
31 THIS SECTION, THE ASSOCIATION SHALL NOT PURSUE FORECLOSURE  
32 AGAINST THE UNIT OWNER BASED ON FINES OWED.

33 (III) (A) IF AN ASSOCIATION REASONABLY DETERMINES THAT A  
34 UNIT OWNER COMMITTED A VIOLATION OF THE DECLARATION, BYLAWS,  
35 COVENANTS, OR OTHER GOVERNING DOCUMENTS OF THE ASSOCIATION,  
36 OTHER THAN A VIOLATION THAT THREATENS THE PUBLIC HEALTH, SAFETY,  
37 OR WELFARE, THE ASSOCIATION SHALL, THROUGH CERTIFIED MAIL FOR  
38 WHICH THE ASSOCIATION RECEIVES CONFIRMATION OF ITS RECEIPT,  
39 PROVIDE THE UNIT OWNER WRITTEN NOTICE, IN A MANNER THAT IS  
40 CULTURALLY COMPETENT AND LINGUISTICALLY APPROPRIATE, OF THE  
41 VIOLATION INFORMING THE UNIT OWNER THAT THE UNIT OWNER HAS  
42 THIRTY DAYS TO CURE THE VIOLATION OR THE ASSOCIATION, AFTER  
43 CONDUCTING AN INSPECTION AND DETERMINING THAT THE UNIT OWNER  
44 HAS NOT CURED THE VIOLATION, MAY FINE THE UNIT OWNER; HOWEVER,  
45 THE TOTAL AMOUNT OF FINES IMPOSED FOR THE VIOLATION MAY NOT

1 EXCEED FIVE HUNDRED DOLLARS.

2 (B) AN ASSOCIATION SHALL GRANT A UNIT OWNER TWO  
3 CONSECUTIVE THIRTY-DAY PERIODS TO CURE A VIOLATION BEFORE THE  
4 ASSOCIATION MAY TAKE LEGAL ACTION AGAINST THE UNIT OWNER FOR  
5 THE VIOLATION. IN ACCORDANCE WITH SUBSECTION (8)(c)(I) OF THIS  
6 SECTION, AN ASSOCIATION SHALL NOT PURSUE FORECLOSURE AGAINST THE  
7 UNIT OWNER BASED ON FINES OWED.

8 (IV) IF THE UNIT OWNER CURES THE VIOLATION WITHIN THE  
9 PERIOD TO CURE AFFORDED THE UNIT OWNER, THE UNIT OWNER MAY  
10 NOTIFY THE ASSOCIATION OF THE CURE AND, IF THE UNIT OWNER SENDS  
11 WITH THE NOTICE VISUAL EVIDENCE THAT THE VIOLATION HAS BEEN  
12 CURED, THE VIOLATION IS DEEMED CURED ON THE DATE THAT THE UNIT  
13 OWNER SENDS THE NOTICE. IF THE UNIT OWNER'S NOTICE DOES NOT  
14 INCLUDE VISUAL EVIDENCE THAT THE VIOLATION HAS BEEN CURED, THE  
15 ASSOCIATION SHALL INSPECT THE UNIT AS SOON AS PRACTICABLE TO  
16 DETERMINE IF THE VIOLATION HAS BEEN CURED.

17 (V) ONCE THE UNIT OWNER CURES A VIOLATION, THE ASSOCIATION  
18 SHALL NOTIFY THE UNIT OWNER, IN A MANNER THAT IS CULTURALLY  
19 COMPETENT AND LINGUISTICALLY APPROPRIATE:

20 (A) THAT THE UNIT OWNER WILL NOT BE FURTHER FINED WITH  
21 REGARD TO THE VIOLATION; AND

22 (B) OF ANY OUTSTANDING FINE BALANCE THAT THE UNIT OWNER  
23 STILL OWES THE ASSOCIATION.

24 (c) ON A QUARTERLY BASIS, AN ASSOCIATION SHALL SEND TO EACH  
25 UNIT OWNER WHO HAS ANY OUTSTANDING BALANCE OWED THE  
26 ASSOCIATION AN ITEMIZED LIST OF ALL ASSESSMENTS, FINES, FEES, AND  
27 CHARGES THAT THE UNIT OWNER OWES TO THE ASSOCIATION.

28 (2) Notwithstanding any provision of the declaration, bylaws,  
29 articles, or rules and regulations to the contrary, the association may not  
30 fine any unit owner for an alleged violation unless:

31 (a) The association has adopted, and follows, a written policy  
32 governing the imposition of fines; and

33 (c) THE POLICY:

34 (I) REQUIRES NOTICE REGARDING THE NATURE OF THE ALLEGED  
35 VIOLATION, THE ACTION OR ACTIONS REQUIRED TO CURE THE ALLEGED  
36 VIOLATION, AND THE TIMELINE FOR THE FAIR AND IMPARTIAL  
37 FACT-FINDING PROCESS REQUIRED UNDER SUBSECTION (2)(b) OF THIS  
38 SECTION. THE ASSOCIATION MAY SEND THE UNIT OWNER THE NOTICE  
39 REQUIRED UNDER THIS SUBSECTION (2)(c)(I) IN ACCORDANCE WITH  
40 SUBSECTION (1.7)(a) OF THIS SECTION.

41 (II) SPECIFIES THE INTERVAL UPON WHICH FINES MAY BE LEVIED  
42 IN ACCORDANCE WITH SUBSECTION (1.7)(b) OF THIS SECTION FOR  
43 VIOLATIONS THAT ARE CONTINUING IN NATURE.

44 (5) (a) Notwithstanding any provision of the declaration, bylaws,  
45 articles, or rules and regulations to the contrary or the absence of a

1 relevant provision in the declaration, bylaws, articles, or rules or  
2 regulations, the association or a holder or assignee of the association's  
3 debt, whether the holder or assignee of the association's debt is an entity  
4 or a natural person, may not use a collection agency or take legal action  
5 to collect unpaid assessments unless the association or a holder or  
6 assignee of the association's debt has adopted, and follows, a written  
7 policy governing the collection of unpaid assessments AND UNLESS THE  
8 ASSOCIATION COMPLIES WITH SUBSECTION (7) OF THIS SECTION. The policy  
9 must, at a minimum, specify:

10 (V) That, before the entity turns over a delinquent account of a  
11 unit owner to a collection agency or refers it to an attorney for legal  
12 action, the entity must send the unit owner a notice of delinquency, BY  
13 CERTIFIED MAIL FOR WHICH THE ASSOCIATION RECEIVES CONFIRMATION  
14 OF ITS RECEIPT, specifying:

15 (6) A NOTICE OF DELINQUENCY THAT AN ASSOCIATION SENDS TO  
16 A UNIT OWNER FOR UNPAID ASSESSMENTS, FINES, FEES, OR CHARGES MUST:

17 (a) BE WRITTEN IN A MANNER THAT IS CULTURALLY COMPETENT  
18 AND LINGUISTICALLY APPROPRIATE;

19 (b) SPECIFY WHETHER THE DELINQUENCY CONCERNS UNPAID  
20 ASSESSMENTS; UNPAID FINES, FEES, OR CHARGES; OR BOTH UNPAID  
21 ASSESSMENTS AND UNPAID FINES, FEES, OR CHARGES, AND, IF THE NOTICE  
22 OF DELINQUENCY CONCERNS UNPAID ASSESSMENTS, THE NOTICE OF  
23 DELINQUENCY MUST NOTIFY THE UNIT OWNER THAT UNPAID ASSESSMENTS  
24 MAY LEAD TO FORECLOSURE; AND

25 (c) INCLUDE:

26 (I) A DESCRIPTION OF THE STEPS THE ASSOCIATION MUST TAKE  
27 BEFORE THE ASSOCIATION MAY TAKE LEGAL ACTION AGAINST THE UNIT  
28 OWNER, INCLUDING A DESCRIPTION OF THE ASSOCIATION'S CURE PROCESS  
29 ESTABLISHED IN ACCORDANCE WITH SUBSECTION (1.7)(b) OF THIS  
30 SECTION; AND

31 (II) A DESCRIPTION OF WHAT LEGAL ACTION THE ASSOCIATION  
32 MAY TAKE AGAINST THE UNIT OWNER, INCLUDING:

33 (A) A DESCRIPTION OF THE TYPES OF MATTERS THAT THE  
34 ASSOCIATION MAY TAKE TO SMALL CLAIMS COURT, INCLUDING INJUNCTIVE  
35 MATTERS FOR WHICH THE ASSOCIATION SEEKS AN ORDER REQUIRING THE  
36 UNIT OWNER TO COMPLY WITH THE DECLARATION, BYLAWS, COVENANTS,  
37 OR OTHER GOVERNING DOCUMENTS OF THE ASSOCIATION; AND

38 (B) A DESCRIPTION OF THE SMALL CLAIMS PROCESS AND THE UNIT  
39 OWNER'S RIGHTS AND RESPONSIBILITIES IF THE MATTER IS TAKEN TO  
40 SMALL CLAIMS COURT.

41 (7) (a) AN ASSOCIATION SHALL NOT COMMENCE A LEGAL ACTION  
42 TO INITIATE A FORECLOSURE PROCEEDING BASED ON A UNIT OWNER'S  
43 DELINQUENCY IN PAYING ASSESSMENTS UNLESS:

44 (I) THE ASSOCIATION HAS COMPLIED WITH EACH OF THE  
45 REQUIREMENTS IN THIS SECTION AND IN SECTION 38-33.3-316.3 RELATED

1 TO A UNIT OWNER'S DELINQUENCY IN PAYING ASSESSMENTS;

2 (II) THE ASSOCIATION HAS PROVIDED THE UNIT OWNER WITH A

3 WRITTEN OFFER TO ENTER INTO A REPAYMENT PLAN PURSUANT TO

4 SECTION 38-33.3-316.3 (2) THAT AUTHORIZES THE UNIT OWNER TO REPAY

5 THE DEBT IN MONTHLY INSTALLMENTS, EACH OF WHICH MUST BE IN AN

6 AMOUNT OF AT LEAST TWENTY-FIVE DOLLARS UNTIL THE BALANCE OF THE

7 AMOUNT OWED IS LESS THAN TWENTY-FIVE DOLLARS; AND

8 (III) WITHIN THIRTY DAYS AFTER THE ASSOCIATION HAS PROVIDED

9 THE OWNER WITH A WRITTEN OFFER TO ENTER INTO A REPAYMENT PLAN,

10 THE UNIT OWNER HAS EITHER:

11 (A) DECLINED THE REPAYMENT PLAN; OR

12 (B) AFTER ACCEPTING THE REPAYMENT PLAN, FAILED TO PAY AT

13 LEAST THREE OF THE MONTHLY INSTALLMENTS WITHIN FIFTEEN DAYS

14 AFTER THE MONTHLY INSTALLMENTS WERE DUE.

15 (b) A UNIT OWNER WHO HAS ENTERED INTO A REPAYMENT PLAN

16 PURSUANT TO SUBSECTION (7)(a) OF THIS SECTION MAY ELECT TO PAY THE

17 REMAINING BALANCE OWED UNDER THE REPAYMENT PLAN AT ANY TIME

18 DURING THE DURATION OF THE REPAYMENT PLAN.

19 (8) AN ASSOCIATION SHALL NOT:

20 (a) CHARGE A RATE OF INTEREST ON UNPAID ASSESSMENTS, FINES,

21 OR FEES IN AN AMOUNT GREATER THAN EIGHT PERCENT PER YEAR;

22 (b) ASSESS A FEE OR OTHER CHARGE TO RECOVER COSTS INCURRED

23 FOR PROVIDING THE UNIT OWNER A STATEMENT OF THE TOTAL AMOUNT

24 THAT THE UNIT OWNER OWES;

25 (c) FORECLOSE ON AN ASSESSMENT LIEN IF THE DEBT SECURING

26 THE LIEN CONSISTS ONLY OF ONE OR BOTH OF THE FOLLOWING:

27 (I) FINES THAT THE ASSOCIATION HAS ASSESSED AGAINST THE UNIT

28 OWNER; OR

29 (II) COLLECTION COSTS OR ATTORNEY FEES THAT THE

30 ASSOCIATION HAS INCURRED AND THAT ARE ONLY ASSOCIATED WITH

31 ASSESSED FINES.

32 (9) A PARTY SEEKING TO ENFORCE RIGHTS AND RESPONSIBILITIES

33 ARISING UNDER THE DECLARATION, BYLAWS, COVENANTS, OR OTHER

34 GOVERNING DOCUMENTS OF AN ASSOCIATION IN RELATION TO DISPUTES

35 ARISING FROM ASSESSMENTS, FINES, OR FEES OWED TO THE ASSOCIATION

36 AND FOR WHICH THE AMOUNT AT ISSUE DOES NOT EXCEED SEVEN

37 THOUSAND FIVE HUNDRED DOLLARS, EXCLUSIVE OF INTEREST AND COSTS,

38 MAY FILE A CLAIM IN SMALL CLAIMS COURT PURSUANT TO SECTION

39 13-6-403 (1)(b)(I).

40 (10) AS USED IN THIS SECTION, "NOTICE OF DELINQUENCY" MEANS

41 A WRITTEN NOTICE THAT AN ASSOCIATION SENDS TO A UNIT OWNER TO

42 NOTIFY THE UNIT OWNER OF ANY UNPAID ASSESSMENTS, FINES, FEES, OR

43 CHARGES THAT THE UNIT OWNER OWES THE ASSOCIATION.

44 **SECTION 2.** In Colorado Revised Statutes, 38-33.3-308, **amend**

45 (4)(e) as follows:

1           **38-33.3-308. Meetings.** (4) Matters for discussion by an  
2 executive or closed session are limited to:

3           (e) Any matter, the disclosure of which would constitute an  
4 unwarranted invasion of individual privacy, INCLUDING A DISCIPLINARY  
5 HEARING REGARDING A UNIT OWNER AND ANY REFERRAL OF  
6 DELINQUENCY; EXCEPT THAT A UNIT OWNER WHO IS THE SUBJECT OF A  
7 DISCIPLINARY HEARING OR A REFERRAL OF DELINQUENCY MAY REQUEST  
8 AND RECEIVE THE RESULTS OF ANY VOTE TAKEN AT THE RELEVANT  
9 MEETING;

10           **SECTION 3.** In Colorado Revised Statutes, 38-33.3-315, **amend**  
11 (2) as follows:

12           **38-33.3-315. Assessments for common expenses.** (2) Except for  
13 assessments under subsections (3) and (4) of this section and section  
14 38-33.3-207 (4)(a)(IV), all common expenses shall be assessed against all  
15 the units in accordance with the allocations set forth in the declaration  
16 pursuant to section 38-33.3-207 (1) and (2). Any past-due common  
17 expense assessment or installment ~~thereof shall bear~~ OF A COMMON  
18 EXPENSE ASSESSMENT BEARS interest at the rate established by the  
19 association ~~not exceeding twenty-one~~ IN AN AMOUNT NOT TO EXCEED  
20 EIGHT percent per year.

21           **SECTION 4.** In Colorado Revised Statutes, 38-33.3-316, **amend**  
22 (1), (2)(d), and (7); and **add** (12) as follows:

23           **38-33.3-316. Lien for assessments - liens for fines, fees,**  
24 **charges, costs, and attorney fees - limitations.** (1) (a) The association,  
25 if such association is incorporated or organized as a limited liability  
26 company, has a statutory lien on a unit for any assessment levied against  
27 that unit or fines imposed against its unit owner. Unless the declaration  
28 otherwise provides, fees, charges, late charges, attorney fees UP TO THE  
29 MAXIMUM AMOUNT AUTHORIZED UNDER SUBSECTION (7) OF THIS SECTION,  
30 fines, and interest charged pursuant to section 38-33.3-302 (1)(j), (1)(k),  
31 and (1)(l), section 38-33.3-313 (6), and section 38-33.3-315 (2) **are**  
32 **enforceable as assessments under this article. The amount of the lien shall**  
33 **include all those items set forth in this section from the time such items**  
34 **become due** MAY BE SUBJECT TO A STATUTORY LIEN BUT ARE NOT SUBJECT  
35 TO A FORECLOSURE ACTION UNDER THIS ARTICLE 33.3.

36           (b) If an assessment is payable in installments, each installment  
37 ~~is a lien from the time it becomes due, including the due date set by any~~  
38 ~~valid association's acceleration of installment obligations~~ MAY BE SUBJECT  
39 TO A STATUTORY LIEN IF THE UNIT OWNER FAILS TO PAY THE INSTALLMENT  
40 WITHIN FIFTEEN DAYS AFTER THE INSTALLMENT BECOMES DUE, BUT THE  
41 ASSOCIATION MAY NOT PURSUE LEGAL ACTION FOR UNPAID MONTHLY  
42 INSTALLMENTS UNTIL THE UNIT OWNER HAS FAILED TO PAY AT LEAST  
43 THREE MONTHLY INSTALLMENTS PURSUANT TO SECTION 38-33.3-209.5  
44 (7)(a)(III)(B).

45           (2) (d) ~~The association shall have the statutory lien described in~~

1 ~~subsection (1) of this section for any assessment levied or fine imposed~~  
2 ~~after June 30, 1992. Such A lien shall have~~ DESCRIBED IN SUBSECTION (1)  
3 OF THIS SECTION HAS the priority described in this subsection (2) if the  
4 other lien or encumbrance is created after June 30, 1992.

5 (7) (a) (I) The association ~~shall be~~ IS entitled to costs and  
6 reasonable attorney fees ~~incurred by~~ THAT the association ~~in a judgment~~  
7 ~~or decree~~ INCURS in any action or suit FOR A JUDGMENT OR DECREE  
8 brought by the association under this section.

9 (II) A COURT SHALL DETERMINE REASONABLE ATTORNEY FEES IN  
10 ACCORDANCE WITH RULE 121 SEC. 1-22 OF THE COLORADO RULES OF CIVIL  
11 PROCEDURE.

12 (b) AN ASSOCIATION IS NOT ENTITLED TO RECOVER ATTORNEY  
13 FEES UNDER SUBSECTION (7)(a) OF THIS SECTION FOR ATTORNEY FEES  
14 INCURRED BEFORE THE ASSOCIATION HAS COMPLIED WITH THE NOTICE  
15 REQUIREMENTS OF SECTION 38-33.3-209.5 (1.7)(a) WITH REGARD TO ANY  
16 MATTER FOR WHICH THE ASSOCIATION IS REQUIRED TO COMPLY WITH THE  
17 NOTICE REQUIREMENTS OF SECTION 38-33.3-209.5 (1.7)(a).

18 (12) IF A UNIT HAS BEEN FORECLOSED:

19 (a) AND THE UNIT IS BEING SOLD AT A FORECLOSURE AUCTION, THE  
20 UNIT SHALL NOT BE SOLD AT AUCTION FOR LESS THAN EIGHTY PERCENT OF  
21 ITS MARKET VALUE IF THE UNIT OWNER OBTAINS AN APPRAISAL OF THE  
22 UNIT AT THE UNIT OWNER'S EXPENSE; AND

23 (b) A MEMBER OF THE EXECUTIVE BOARD, AN EMPLOYEE OF A  
24 COMMUNITY ASSOCIATION MANAGEMENT COMPANY REPRESENTING THE  
25 ASSOCIATION, AN EMPLOYEE OF A LAW FIRM REPRESENTING THE  
26 ASSOCIATION, OR AN IMMEDIATE FAMILY MEMBER, AS DEFINED IN SECTION  
27 2-4-401 (3.7), OF ANY SUCH EXECUTIVE BOARD MEMBER, COMMUNITY  
28 ASSOCIATION MANAGEMENT COMPANY EMPLOYEE, OR LAW FIRM  
29 EMPLOYEE SHALL NOT PURCHASE THE FORECLOSED UNIT.

30 **SECTION 5.** In Colorado Revised Statutes, 38-33.3-316.3,  
31 **amend (2); repeal (3); and add (4) and (5) as follows:**

32 **38-33.3-316.3. Collections - limitations - violations.** (2) A  
33 payment plan negotiated between the association or a holder or assignee  
34 of the association's debt, whether the holder or assignee of the  
35 association's debt is an entity or a natural person, and the unit owner  
36 pursuant to this section must permit the unit owner to pay off the  
37 deficiency in equal installments over a period of at least ~~six~~ EIGHTEEN  
38 months. Nothing in this section prohibits an association or a holder or  
39 assignee of the association's debt from pursuing legal action against a unit  
40 owner if the unit owner fails to comply with the terms of ~~his or her~~ THE  
41 UNIT OWNER'S payment plan. A unit owner's failure to remit payment of  
42 ~~an~~ THREE OR MORE agreed-upon ~~installment~~ INSTALLMENTS PURSUANT TO  
43 SECTION 38-33.3-209.5 (7)(a)(III)(B), or to remain current with regular  
44 assessments as they come due during the ~~six-month~~ EIGHTEEN-MONTH  
45 period, constitutes a failure to comply with the terms of ~~his or her~~ THE

1 UNIT OWNER'S payment plan.

2 (3) ~~For purposes of this section, "assessments" includes regular~~  
3 ~~and special assessments and any associated fees, charges, late charges,~~  
4 ~~attorney fees, fines, and interest charged pursuant to section 38-33.3-315~~  
5 ~~(2).~~

6 (4) IF A UNIT OWNER WHO HAS BOTH UNPAID ASSESSMENTS AND  
7 UNPAID FINES, FEES, OR OTHER CHARGES MAKES A PAYMENT TO THE  
8 ASSOCIATION, THE ASSOCIATION SHALL APPLY THE PAYMENT FIRST TO THE  
9 ASSESSMENTS OWED AND ANY REMAINING AMOUNT OF THE PAYMENT TO  
10 THE FINES, FEES, OR OTHER CHARGES OWED.

11 (5) IF AN ASSOCIATION HAS VIOLATED ANY FORECLOSURE LAWS,  
12 THE UNIT OWNER IN RELATION TO WHOM THE VIOLATION OCCURRED MAY,  
13 WITHIN FIVE YEARS AFTER THE VIOLATION OCCURRED, FILE CIVIL SUIT IN  
14 A COURT OF COMPETENT JURISDICTION AGAINST THE ASSOCIATION TO SEEK  
15 DAMAGES. THE COURT MAY AWARD THE UNIT OWNER DAMAGES IN AN  
16 AMOUNT OF UP TO TWENTY-FIVE THOUSAND DOLLARS, PLUS COSTS AND  
17 REASONABLE ATTORNEY FEES, IF THE UNIT OWNER PROVES THE VIOLATION  
18 BY A PREPONDERANCE OF THE EVIDENCE.

19 **SECTION 6.** In Colorado Revised Statutes, 13-6-403, **amend** (1),  
20 (2) introductory portion, and (2)(h) as follows:

21 **13-6-403. Jurisdiction of small claims court - limitations.**

22 (1) (a) ~~On and after January 1, 1996,~~ The small claims court ~~shall have~~  
23 HAS concurrent original jurisdiction with the county and district courts in  
24 all civil actions in which the debt, damage, or value of the personal  
25 property claimed by either the plaintiff or the defendant, exclusive of  
26 interest and ~~cost~~ COSTS, does not exceed seven thousand five hundred  
27 dollars, including such civil penalties as may be provided by law. By way  
28 of further example, and not limitation, the small claims court ~~shall have~~  
29 HAS jurisdiction to hear and determine actions in tort and assess damages  
30 ~~therein~~ IN TORT ACTIONS not to exceed seven thousand five hundred  
31 dollars.

32 (b) The small claims court division ~~shall also have~~ ALSO HAS  
33 concurrent original jurisdiction with the county and district courts in  
34 actions where a party seeks:

35 (I) TO ENFORCE RIGHTS AND RESPONSIBILITIES ARISING UNDER THE  
36 DECLARATION, BYLAWS, COVENANTS, OR OTHER GOVERNING DOCUMENTS  
37 OF A UNIT OWNERS' ASSOCIATION, AS DEFINED IN SECTION 38-33.3-103 (3),  
38 IN RELATION TO DISPUTES ARISING FROM ASSESSMENTS, FINES, OR FEES  
39 OWED TO THE UNIT OWNERS' ASSOCIATION AND FOR WHICH THE AMOUNT  
40 AT ISSUE DOES NOT EXCEED SEVEN THOUSAND FIVE HUNDRED DOLLARS,  
41 EXCLUSIVE OF INTEREST AND COSTS.

42 (II) To enforce a restrictive covenant on residential property and  
43 the amount required to comply with the covenant does not exceed seven  
44 thousand five hundred dollars, exclusive of interest and costs; ~~in actions~~

45 (III) ~~Where a party seeks~~ Replevin if the value of the property



1 sought does not exceed seven thousand five hundred dollars; and in  
2 actions  
3 (IV) ~~Where a party seeks~~ To enforce a contract by specific  
4 performance or to disaffirm, avoid, or rescind a contract and the amount  
5 at issue does not exceed seven thousand five hundred dollars.  
6 (2) The small claims court ~~shall have no~~ HAS ONLY THAT  
7 jurisdiction ~~except that~~ specifically conferred upon it by law, AS  
8 PROVIDED IN SUBSECTION (1) OF THIS SECTION. In particular, it ~~shall have~~  
9 ~~no~~ DOES NOT HAVE jurisdiction over the following matters:  
10 (h) Actions involving injunctive relief, except as required to:  
11 (I) ENFORCE RIGHTS OR RESPONSIBILITIES ARISING UNDER THE  
12 DECLARATION, BYLAWS, COVENANTS, OR OTHER GOVERNING DOCUMENTS  
13 OF A UNIT OWNERS' ASSOCIATION, AS DEFINED IN SECTION 38-33.3-103 (3),  
14 AND INCLUDING ACTIONS SEEKING DECLARATORY RELIEF;  
15 (⊕) (II) Enforce restrictive covenants on residential property;  
16 (⊕) (III) Enforce the provisions of section 6-1-702.5; ~~C.R.S.;~~  
17 (⊕) (IV) Accomplish replevin; and  
18 (⊕) (V) Enter judgments in actions where a party seeks to enforce  
19 a contract by specific performance or to disaffirm, avoid, or rescind a  
20 contract;  
21 **SECTION 7. Act subject to petition - effective date -**  
22 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
23 the expiration of the ninety-day period after final adjournment of the  
24 general assembly; except that, if a referendum petition is filed pursuant  
25 to section 1 (3) of article V of the state constitution against this act or an  
26 item, section, or part of this act within such period, then the act, item,  
27 section, or part will not take effect unless approved by the people at the  
28 general election to be held in November 2022 and, in such case, will take  
29 effect on the date of the official declaration of the vote thereon by the  
30 governor.  
31 (2) This act applies to conduct occurring on or after the applicable  
32 effective date of this act."

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