



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 26-1099: PROTECT FINANCIAL CONDITION OF HOAS

---

**Prime Sponsors:**

Rep. Titone; Nguyen  
Sen. Kolker; Marchman

**Fiscal Analyst:**

Julia Group, 303-866-4720  
julia.group@coleg.gov

**Published for:** House Trans., Hous. & Local Gov**Drafting number:** LLS 26-0288**Version:** Initial Fiscal Note**Date:** February 12, 2026**Fiscal note status:** This fiscal note reflects the introduced bill.

---

### Summary Information

**Overview.** This bill sets new financial requirements for common interest communities by requiring reserve studies and developer reserve contributions.

**Types of impacts.** The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Workload
- State Revenue

**Appropriations.** No appropriation is required.

---

**Table 1**  
**State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

## **Summary of Legislation**

---

This bill requires that the declarant in a common interest community, typically the developer or builder, pay for an independent reserve study to estimate the projected costs of maintaining, repairing, or replacing the common elements of the common interest community over a 30-year period. The study must be completed before selling the first unit, and updated as the building phases are completed. Before transferring control to a unit owner's association (e.g., a home owners association or HOA), the declarant must pay 1.5% of the fully funded reserve requirements into the association's reserve account. The most recent reserve study must be disclosed to prospective buyers and made available to unit owners.

When a unit owner's association changes management companies, the former company must provide to the new company all association property, records, money, accounts, and other information specified in the bill. Should the former company not comply with this, they are liable for all interest, late fees, as well as a daily penalty. If a court finds that the former association's management company willfully failed to timely provide property or records, the company is liable in a civil action for three times the association's damages, plus attorney fees and court costs.

## **State Revenue**

---

The bill may increase in civil litigation resulting from violations of its provisions, which would increase revenue from filings fees to the Judicial Department. It is assumed most of the impacted entities will follow the requirements; therefore, any resulting revenue is assumed to be minimal.

## **State Expenditures**

---

### **Department of Regulatory Agencies**

The HOA Information and Resource Center in the Division of Real Estate in the Department of Regulatory Agencies will have a minimal workload increase to respond to questions concerning the changes, and to update FAQs and other public information sources. No change in appropriations is required.

### **Judicial Department**

The bill authorizes civil litigation for violations which could increase civil cases and associated court workload. The increase is absorbable within existing resources and no change in appropriations is required.

## **Effective Date**

---

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## **State and Local Government Contacts**

---

Judicial

Regulatory Agencies

---

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).