

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0413.02 Christopher McMichael x4775

HOUSE BILL 26-1316

---

HOUSE SPONSORSHIP

Hamrick,

SENATE SPONSORSHIP

(None),

---

House Committees

Transportation, Housing & Local Government

Senate Committees

---

A BILL FOR AN ACT

101 CONCERNING PRIVATE MEMBERSHIP CLUB COVENANTS.

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>.)*

On and after January 1, 2027, the bill prohibits the recording of a new covenant or declaration that purports to encumber residential property by requiring the owner to acquire and pay for membership in a private membership club.

The bill requires a private membership club to provide a property owner with certain information related to the budget and operations of the private membership club by mailing information to property owners and posting the information on the private membership club's public website.

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.*

---

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

2           **SECTION 1.** In Colorado Revised Statutes, **add** 38-30-170.5 as  
3 follows:

4           **38-30-170.5. Private club membership covenants void and**  
5 **unenforceable - disclosure related to private club budget and**  
6 **operations required - compliance - definitions.**

7           (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
8 REQUIRES:

9           (a) "COVENANT" MEANS A RECORDED INSTRUMENT BETWEEN  
10 OWNERS OF REAL PROPERTY THAT IMPOSES MUTUAL RESTRICTIONS OR  
11 REQUIREMENTS ON THE OWNERS OF REAL PROPERTY FOR THE BENEFIT OF  
12 ALL OWNERS AND RESIDENTS WITHIN A COMMUNITY.

13           (b) "DECLARATION" HAS THE MEANING SET FORTH IN SECTION  
14 38-33.3-103 (13).

15           (c) (I) "PRIVATE MEMBERSHIP CLUB" OR "CLUB" MEANS AN  
16 ORGANIZATION, A BUSINESS ENTITY, A CORPORATION, A NONPROFIT  
17 ASSOCIATION, OR ANOTHER ENTITY THAT:

18                   (A) ADMITS MEMBERS AND REQUIRES MEMBERS TO PAY  
19 MONETARY DUES, ASSESSMENTS, OR FEES IN EXCHANGE FOR ACCESS TO  
20 CLUB FACILITIES, PROGRAMS, OR SERVICES; AND

21                   (B) IS PRIVATELY OWNED OR OPERATED.

22           (II) "PRIVATE MEMBERSHIP CLUB" INCLUDES A COUNTRY CLUB, A  
23 SPORTS AND RECREATION CLUB, A GOLF CLUB, A TENNIS CLUB, AND AN  
24 EQUESTRIAN CLUB.

25           (III) "PRIVATE MEMBERSHIP CLUB" DOES NOT INCLUDE:

26                   (A) A UNIT OWNERS' ASSOCIATION ORGANIZED PURSUANT TO

1 SECTION 38-33.3-301;

2 (B) A METROPOLITAN DISTRICT, AS DEFINED BY SECTION 32-1-103  
3 (10); OR

4 (C) A RECREATIONAL CLUB, AMENITY, OR FACILITY THAT IS  
5 OWNED OR OPERATED BY A METROPOLITAN DISTRICT, A UNIT OWNERS'  
6 ASSOCIATION, OR OTHER COMMON INTEREST COMMUNITY, AS DEFINED BY  
7 SECTION 38-33.3-103 (8).

8 (2) A COVENANT OR DECLARATION FOR A RESIDENTIAL PROPERTY  
9 THAT IS RECORDED ON OR AFTER JANUARY 1, 2027, AND THAT REQUIRES  
10 THE OWNER OF THE RESIDENTIAL PROPERTY TO JOIN A PRIVATE  
11 MEMBERSHIP CLUB IS VOID AND UNENFORCEABLE.

12 (3) A PRIVATE MEMBERSHIP CLUB THAT COLLECTS DUES OR FEES  
13 FROM AN OWNER OF A RESIDENTIAL PROPERTY, WHICH RESIDENTIAL  
14 PROPERTY IS SUBJECT TO A COVENANT OR DECLARATION THAT REQUIRES  
15 THE PROPERTY OWNER TO PAY DUES OR FEES TO THE CLUB, SHALL MAKE  
16 THE FOLLOWING INFORMATION AVAILABLE IN ACCORDANCE WITH  
17 SUBSECTION (4) OF THIS SECTION:

18 (a) THE AMOUNT OF DUES OR FEES THAT THE PRIVATE MEMBERSHIP  
19 CLUB ANTICIPATES COLLECTING FROM PROPERTY OWNERS IN THE CLUB'S  
20 CURRENT FISCAL YEAR, INCLUDING A TOTAL AMOUNT OF FEES AND A  
21 CALCULATION OF THE AMOUNT OF FEES COLLECTED PER PROPERTY OWNER;

22 (b) THE ACTUAL AMOUNT OF DUES OR FEES COLLECTED BY THE  
23 PRIVATE MEMBERSHIP CLUB FROM PROPERTY OWNERS IN THE CLUB'S PRIOR  
24 FISCAL YEAR;

25 (c) THE DATE ON WHICH THE CLUB'S FISCAL YEAR COMMENCES;

26 (d) THE CLUB'S OPERATING BUDGET FOR THE CURRENT FISCAL  
27 YEAR;

1 (e) A LIST, BY TYPE, OF THE CLUB'S CURRENT ASSESSMENTS,  
2 INCLUDING BOTH REGULAR AND SPECIAL ASSESSMENTS;

3 (f) THE CLUB'S ANNUAL FINANCIAL STATEMENTS, INCLUDING ANY  
4 AMOUNTS HELD IN RESERVE FROM THE PRIOR FISCAL YEAR;

5 (g) A LIST OF ALL CLUB INSURANCE POLICIES, INCLUDING, BUT NOT  
6 LIMITED TO, PROPERTY INSURANCE, GENERAL LIABILITY, PROFESSIONAL  
7 LIABILITY, AND FIDELITY POLICIES. THE LIST SHALL INCLUDE THE  
8 COMPANY NAMES, POLICY LIMITS, POLICY DEDUCTIBLES, ADDITIONAL  
9 NAMED INSUREDS, AND EXPIRATION DATES OF THE POLICIES LISTED.

10 (h) ANY RELEVANT BYLAWS, ARTICLES, AND RULES OF THE CLUB;  
11 AND

12 (i) THE MINUTES OF THE EXECUTIVE BOARD AND MEMBER  
13 MEETINGS FROM THE PRIOR FISCAL YEAR.

14 (4) (a) A PRIVATE MEMBERSHIP CLUB SHALL MAKE THE  
15 INFORMATION DESCRIBED IN SUBSECTION (3) OF THIS SECTION AVAILABLE  
16 BY:

17 (I) POSTING THE INFORMATION IN A CONSPICUOUS MANNER ON THE  
18 PRIVATE MEMBERSHIP CLUB'S PUBLIC WEBSITE AND SENDING AN  
19 ACCOMPANYING NOTICE OF THAT WEBSITE ADDRESS TO EACH PROPERTY  
20 OWNER THAT PAYS DUES OR FEES TO THE PRIVATE MEMBERSHIP CLUB VIA  
21 FIRST CLASS MAIL OR EMAIL; AND

22 (II) MAILING OR PERSONALLY DELIVERING THE INFORMATION TO  
23 EACH PROPERTY OWNER THAT PAYS DUES OR FEES TO THE PRIVATE  
24 MEMBERSHIP CLUB.

25 (b) A PRIVATE MEMBERSHIP CLUB SHALL MAKE THE INFORMATION  
26 DESCRIBED IN SUBSECTION (3) OF THIS SECTION AVAILABLE AT NO COST TO  
27 THE PROPERTY OWNERS.

1 (c) A PRIVATE MEMBERSHIP CLUB SHALL MAKE THE INFORMATION  
2 DESCRIBED IN SUBSECTION (3) OF THIS SECTION AVAILABLE TO PROPERTY  
3 OWNERS WITHIN NINETY DAYS AFTER THE END OF THE PRIVATE  
4 MEMBERSHIP CLUB'S FISCAL YEAR AND PROVIDE UPDATED INFORMATION  
5 EACH FISCAL YEAR THEREAFTER.

6 (5) (a) IF A PRIVATE MEMBERSHIP CLUB DOES NOT MAKE THE  
7 INFORMATION DESCRIBED IN SUBSECTION (3) OF THIS SECTION AVAILABLE  
8 OR OTHERWISE VIOLATES THIS SECTION, ANY COVENANT THAT REQUIRES  
9 A PROPERTY OWNER TO PAY DUES OR FEES TO THE PRIVATE MEMBERSHIP  
10 CLUB IS VOID AND UNENFORCEABLE UNTIL THE PRIVATE MEMBERSHIP  
11 CLUB MAKES THE INFORMATION DESCRIBED IN SUBSECTION (3) AVAILABLE  
12 IN ACCORDANCE WITH SUBSECTION (4) OF THIS SECTION.

13 (b) (I) IF A PRIVATE MEMBERSHIP CLUB IS NOT IN COMPLIANCE  
14 WITH THIS SECTION, A PROPERTY OWNER IS NOT REQUIRED TO PAY ANY  
15 DUES OR FEES TO THE PRIVATE MEMBERSHIP CLUB AND MAY BRING A CIVIL  
16 CLAIM FOR RELIEF AGAINST THE PRIVATE MEMBERSHIP CLUB.

17 (II) A PROPERTY OWNER THAT PREVAILS IN A CIVIL CLAIM AGAINST  
18 A PRIVATE MEMBERSHIP CLUB PURSUANT TO THIS SECTION MAY BE  
19 AWARDED ACTUAL DAMAGES, PUNITIVE DAMAGES, AND ATTORNEY FEES.

20 **SECTION 2. Act subject to petition - effective date.** This act  
21 takes effect at 12:01 a.m. on the day following the expiration of the  
22 ninety-day period after final adjournment of the general assembly (August  
23 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a  
24 referendum petition is filed pursuant to section 1 (3) of article V of the  
25 state constitution against this act or an item, section, or part of this act  
26 within such period, then the act, item, section, or part will not take effect  
27 unless approved by the people at the general election to be held in

1 November 2026 and, in such case, will take effect on the date of the  
2 official declaration of the vote thereon by the governor.