



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

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Published for: Senate Local Govt. & Housing**Drafting number:** LLS 26-0288**Version:** First Revised Note**Date:** March 4, 2026**Fiscal note status:** This revised fiscal note reflects the reengrossed bill.

Summary Information

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

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 the transfer of control from the declarant to the home owner's association.

When a unit owner's association changes management companies, the former company must provide all association property, records, money, accounts, and other specified information to the new company. The former management company is liable for all interest and late fees paid by the association as a result of not providing records, as well as a daily penalty of \$250. A court may find the company liable in a civil action for willful violation and award 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](#).