

SENATE COMMITTEE OF REFERENCE REPORT

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Chair of Committee

April 23, 2024  
Date

Committee on Local Government & Housing.

After consideration on the merits, the Committee recommends the following:

HB24-1337 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend reengrossed bill, page 6, line 13, strike "portion; and **add** (10.5)  
2 and (10.7)" and substitute "portion, and (12); and **add** (10.5), (10.7), and  
3 (13)".

4 Page 7, after line 24, insert:

5 "(12) (a) If a unit has been foreclosed PURSUANT TO A LIEN  
6 SUBJECT TO THIS SECTION, THE FOLLOWING PERSONS SHALL NOT PURCHASE  
7 THE FORECLOSED UNIT:

8 (I) A member of the executive board;

9 (II) An employee of a community association management  
10 company representing the association;

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

12 (IV) An immediate family member, as defined in section 2-4-401  
13 (3.7), of ~~any such~~ AN executive board member, community association  
14 management company employee, or law firm employee; ~~shall not~~  
15 ~~purchase the foreclosed unit~~ OR

16 (V) A COMMUNITY ASSOCIATION MANAGEMENT COMPANY  
17 REPRESENTING THE ASSOCIATION.

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

1 OR AFFILIATED WITH AN INDIVIDUAL OR COMMUNITY ASSOCIATION  
2 MANAGEMENT COMPANY DESCRIBED IN SUBSECTION (12)(a) OF THIS  
3 SECTION.

4 (13) A PERSON THAT PURCHASES A UNIT THROUGH THE  
5 FORECLOSURE OF A LIEN UNDER THIS SECTION ACQUIRES THE UNIT SUBJECT  
6 TO ANY COVENANTS OR LIMITATIONS ON THE USE OR SALE OF THE UNIT TO  
7 WHICH THE PREVIOUS UNIT OWNER WAS SUBJECT."

8 Page 10, line 4, strike "REDEEMER." and substitute "LIENOR."

9 Page 10, strike lines 23 through 25 and substitute:

10 "(C) IF THE HIGHEST PRIORITY ALTERNATE LIENOR HAS NOT  
11 REDEEMED THE PROPERTY, EACH SUBSEQUENT ALTERNATE LIENOR THAT  
12 IS ENTITLED TO REDEEM, IN SUCCESSION BASED ON THE PRIORITY OF THE  
13 ALTERNATE LIENOR, HAS AN ADDITIONAL FIVE BUSINESS DAYS TO REDEEM  
14 THE PROPERTY. THE PRIORITY OF THE ALTERNATE LIENORS IS SET FORTH  
15 IN SECTION 38-38-305.5 (1)(a). THE ALTERNATE LIENOR MUST REDEEM BY  
16 PAYING THE REDEMPTION AMOUNT DETERMINED PURSUANT TO  
17 SUBSECTION (4)(a)(II)(B) OF THIS SECTION WITHIN THE FIVE-DAY PERIOD,  
18 OR, IF NO PRIOR LIENOR HAS REDEEMED, THE REDEMPTION AMOUNT  
19 DETERMINED PURSUANT TO SUBSECTION (4)(a)(I) OF THIS SECTION, TO THE  
20 OFFICER ON OR BEFORE 12 NOON OF THE LAST DAY OF THE ALTERNATE  
21 LIENOR'S REDEMPTION PERIOD."

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