



Legislative Council Staff Research Note

Version: Second Reading
Date: 2/26/2016

Bill Number

House Bill 16-1149

Sponsors

*Representative Melton
(None)*

Short Title

*Remove Budget Reporting
Exemption HOAs Predate Act*

Research Analyst

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Status

This bill is currently pending before the House on second reading. This research note reflects the introduced bill.

Summary

Under current law, common interest communities (referred to in the residential context as homeowners associations, or HOAs) established prior to the 1992 enactment of the Colorado Common Interest Ownership Act (CCIOA) are exempt from certain budget reporting provisions. The bill removes this exemption and requires that the executive boards of HOAs that predate CCOIA:

- provide a summary of a proposed budget to each unit owner;
- hold a meeting for unit owners to consider the proposed budget; and
- continue using the most recent approved budget if there is a veto of the proposed budget by a majority of unit owners.

Background

Colorado Common Interest Ownership Act. The Colorado General Assembly adopted the CCIOA in 1991 to govern the formation, management, and operation of common interest communities and HOAs. The act governs all HOAs created after July 1, 1992, with only some provisions applying to communities created prior to the effective date. HOAs created prior to the effective date may elect to be governed under the entire act, but are not required to do so.

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Executive board responsibilities. The act stipulates that a unit owner's association is to be established as soon as the first unit of the association is purchased. The HOA may be organized as a non-profit, for-profit, or a limited liability organization. The membership for the executive board of the HOA must consist of unit owners. The powers of the executive board include adopting and amending bylaws and budgets.

House Action

House Local Government Committee (February 24, 2016). At the hearing, members of local HOAs testified in support of the bill. The committee referred the bill, unamended, to the House Committee of the Whole.