

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 24-0101.02 Brita Darling x2241

HOUSE BILL 24-1158

HOUSE SPONSORSHIP

Ricks and Parenti,

SENATE SPONSORSHIP

Exum and Buckner,

House Committees

Transportation, Housing & Local Government

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE PROTECTION OF UNIT OWNERS IN RELATION TO**
102 **FORECLOSURES BY UNIT OWNERS' ASSOCIATIONS.**

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>.)

The bill makes changes to the law relating to the foreclosure of a unit owners' association's (HOA) lien on a homeowner's (unit owner's) home (unit) for unpaid HOA assessments.

Prior to the HOA turning over a delinquent account to collections or to an attorney for legal action, the bill requires the HOA to send notice to the unit owner that free information about collections and foreclosures

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.

HOUSE
Amended 2nd Reading
April 5, 2024

may be obtained through the department of regulatory agencies' HOA information and resource center. Further, before foreclosing on an HOA lien, the HOA shall provide notice to the unit owner that credit counseling is available at the unit owner's expense relating to the impact of foreclosure and options to avoid foreclosure.

The bill limits a court's award of reasonable attorney fees that an HOA incurs when foreclosing on an HOA lien to \$2,500. Further, currently, an executive board member, employee of the HOA's community association management company, and employees of the law firm representing the HOA, and such individuals' immediate family members, are prohibited from purchasing a foreclosed unit. The bill extends the individuals or entities prohibited from purchasing a foreclosed unit to include a community association management company representing the HOA and an individual who was a board member, employee of the HOA's community association management company, or employee of the law firm representing the HOA, or such individuals' immediate family members, during any of the 5-year period preceding the foreclosure sale, as well as a business entity owned by or affiliated with a community association management company or such individuals.

The bill establishes a minimum initial bid amount for the HOA's sale at auction of a unit after foreclosure of the HOA's priority lien for assessments. The amount of the HOA's initial bid at auction must be at least the amount necessary to satisfy the HOA lien foreclosed, the liens for unpaid real estate taxes or other government taxes, and the first mortgage secured by the unit, as well as an amount equal to 60% of the unit owner's equity in the unit, as determined in accordance with the bill, unless the percentage of equity included in the bid amount is decreased by agreement of the unit owner and the HOA. The bill authorizes a different minimum bid amount if the unit owner does not have equity in the unit at the time of the foreclosure sale. Further, the HOA is required to include the minimum bid amount and the information necessary to calculate the minimum bid in the lis pendens filed with the county clerk and recorder in the county where the unit is located.

For purposes of notice of the sale of a unit at auction, the bill amends the mailing list to include the unit owner's address listed in the county assessor's records for the unit, if that address is different from the property address, as well as the address of the unit owner's property manager employed by the unit owner, if that person is known to the HOA.

The bill applies to HOA liens foreclosed on or after October 1, 2024.

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

2 **SECTION 1.** In Colorado Revised Statutes, 38-33.3-123, **add** (3)

1 as follows:

2 **38-33.3-123. Enforcement - limitation.** (3) NOTWITHSTANDING
3 ANY LAW TO THE CONTRARY, AS A CONDITION PRECEDENT TO RECOVERING
4 MONEY OR SUMS DUE TO THE ASSOCIATION, COLLECTION COSTS, OR
5 REASONABLE ATTORNEY FEES OR COSTS PURSUANT TO THIS SECTION, THE
6 ASSOCIATION SHALL STRICTLY COMPLY WITH THIS SECTION AND ANY
7 APPLICABLE PROVISIONS OF THIS TITLE 38 OR OTHER APPLICABLE LAW, THE
8 DECLARATION, BYLAWS, ARTICLES, AND RULES AND REGULATIONS.

9 **SECTION 2.** In Colorado Revised Statutes, 38-33.3-209.5,
10 **amend** (5)(a) introductory portion, (5)(a)(V)(C), and (5)(a)(V)(D); and
11 **add** (5)(a)(V)(E) and (5)(a.5) as follows:

12 **38-33.3-209.5. Responsible governance policies - due process**
13 **for imposition of fines - procedure for collection of delinquent**
14 **accounts - enforcement through small claims court - definitions.**

15 (5)(a) Notwithstanding any provision of the declaration, bylaws, articles,
16 or rules and regulations to the contrary or the absence of a relevant
17 provision in the declaration, bylaws, articles, or rules or regulations, the
18 association or a holder or assignee of the association's debt, whether the
19 holder or assignee of the association's debt is an entity or a natural person,
20 ~~may~~ SHALL not use a collection agency or take legal action to collect
21 unpaid assessments unless the association or a holder or assignee of the
22 association's debt has adopted and follows a written policy governing the
23 collection of unpaid assessments and unless the association complies with
24 subsection (7) of this section. The policy must, at a minimum, specify:

25 (V) That, before the entity turns over a delinquent account of a
26 unit owner to a collection agency or refers it to an attorney for legal
27 action, the entity must send the unit owner a notice of delinquency, by

1 certified mail, return receipt requested, specifying:

2 (C) The name and contact information for the individual the unit
3 owner may contact to request a copy of the unit owner's ledger in order
4 to verify the amount of the debt, and WHICH COPY OF THE LEDGER MUST
5 BE PROVIDED TO THE UNIT OWNER NO LATER THAN SEVEN BUSINESS DAYS
6 AFTER RECEIPT OF THE UNIT OWNER'S REQUEST;

7 (D) That action is required to cure the delinquency and that failure
8 to do so within thirty days may result in the unit owner's delinquent
9 account being turned over to a collection agency, a lawsuit being filed
10 against the owner, the filing and foreclosure of a lien against the unit
11 owner's property, or other remedies available under Colorado law; AND

12 (E) THAT FREE INFORMATION RELATING TO THE COLLECTION OF
13 ASSESSMENTS BY AN ASSOCIATION, INCLUDING THE ASSOCIATION'S
14 ABILITY TO FORECLOSE AN ASSOCIATION LIEN FOR UNPAID ASSESSMENTS
15 AND FORCE THE SALE OF THE UNIT OWNER'S HOME AND HOW TO OBTAIN
16 CREDIT COUNSELING PRIOR TO FORECLOSURE, IS AVAILABLE TO THE UNIT
17 OWNER AT [HTTPS://DRE.COLORADO.GOV/HOA-CENTER](https://dre.colorado.gov/hoa-center) THROUGH THE HOA
18 INFORMATION AND RESOURCE CENTER CREATED IN SECTION 12-10-801 (1);

19 (a.5) BEGINNING IN JANUARY 2025, AND EACH JANUARY
20 THEREAFTER, THE DIVISION OF REAL ESTATE IN THE DEPARTMENT OF
21 REGULATORY AGENCIES SHALL PRESENT TO THE HOUSE OF
22 REPRESENTATIVES TRANSPORTATION, HOUSING, AND LOCAL GOVERNMENT
23 COMMITTEE AND THE SENATE LOCAL GOVERNMENT AND HOUSING
24 COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, DATA RELATING TO THE
25 NUMBER OF PERSONS WHO HAVE CONTACTED THE HOA INFORMATION AND
26 RESOURCE CENTER CREATED IN SECTION 12-10-801 (1) FOR INFORMATION
27 CONCERNING;

1 (I) CREDIT COUNSELING; OR

2 (II) THE COLLECTION OF ASSESSMENTS.

3 **SECTION 3.** In Colorado Revised Statutes, 38-33.3-316, **amend**

4 (1)(a) and (12); and **add** (7)(c), (8.5), and (13) as follows:

5 **38-33.3-316. Lien for assessments - liens for fines, fees,**
6 **charges, costs, and attorney fees - limitations - definition.**

7 (1) (a) (I) The association, if such association is incorporated or
8 organized as a limited liability company, has a statutory lien on a unit for
9 any assessment levied against that unit or fines imposed against its unit
10 owner. Fees, charges, late charges, attorney fees up to the maximum
11 amount authorized under subsection (7) of this section, fines, and interest
12 charged pursuant to section 38-33.3-302 (1)(j), (1)(k), and (1)(l), section
13 38-33.3-313 (6), and section 38-33.3-315 (2) may be subject to a statutory
14 lien but are not subject to a foreclosure action under this article 33.3.

15 (II) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
16 REQUIRES, "ASSESSMENT" MEANS A PAYMENT FOR COMMON EXPENSE
17 OBLIGATIONS OF UNIT OWNERS BASED ON A PERIODIC BUDGET ADOPTED BY
18 THE ASSOCIATION UNDER SECTION 38-33.3-315 (1), OR A PAYMENT FOR
19 LIMITED COMMON ELEMENTS OF UNIT OWNERS, AND SPECIFICALLY
20 EXCLUDES FINES, FEES, AND ANY COSTS ASSOCIATED WITH COLLECTING
21 DELINQUENT ASSESSMENTS, DISPUTE RESOLUTION, OR ENFORCEMENT OF
22 COVENANTS.

23 (7) (c) (I) IN DETERMINING REASONABLE ATTORNEY FEES
24 PURSUANT TO THIS SUBSECTION (7) RELATING TO AN ASSOCIATION'S
25 FORECLOSURE OF A LIEN AGAINST A UNIT OWNER FOR UNPAID
26 ASSESSMENTS, THE COURT SHALL GIVE CONSIDERATION TO ALL RELEVANT
27 FACTORS, INCLUDING:

1 (A) THE AMOUNT OF THE UNPAID ASSESSMENTS;

2 (B) WHETHER THE AMOUNT OF THE ATTORNEY FEES REQUESTED
3 EXCEEDS THE AMOUNT OF THE UNPAID ASSESSMENTS;

4 (C) WHETHER THE AMOUNT OF TIME SPENT OR FEES INCURRED BY
5 THE ATTORNEY ARE DISPROPORTIONATE TO THE NEEDS OF THE CASE,
6 CONSIDERING THE COMPLEXITY OF THE CASE OR THE EFFORTS REQUIRED
7 TO OBTAIN THE UNPAID ASSESSMENTS;

8 (D) WHETHER THE FORECLOSURE ACTION WAS CONTESTED OR
9 REQUIRED THE ASSOCIATION TO RESPOND TO UNMERITORIOUS DEFENSES;
10 AND

11 (E) OTHER FACTORS TYPICALLY CONSIDERED IN DETERMINING AN
12 AWARD OF ATTORNEY FEES.

13 (II) AFTER CONSIDERATION OF THE FACTORS SET FORTH IN
14 SUBSECTION (7)(c)(I) OF THIS SECTION, THE COURT MAY AWARD
15 ATTORNEYS FEES PURSUANT TO THIS SUBSECTION (7) IN AN AMOUNT NOT
16 TO EXCEED FIVE THOUSAND DOLLARS OR FIFTY PERCENT OF THE AMOUNT
17 OF LIEN BEING FORECLOSED, WHICHEVER IS LESS.

18 (8.5) AT LEAST THIRTY DAYS PRIOR TO INITIATING A LEGAL ACTION
19 TO FORECLOSE AN ASSOCIATION LIEN, THE ASSOCIATION SHALL PROVIDE
20 WRITTEN AND ELECTRONIC NOTICE TO THE UNIT OWNER OR THE UNIT
21 OWNER'S DESIGNEE THAT:

22 (a) THE UNIT OWNER HAS THE RIGHT TO PARTICIPATE IN CREDIT
23 COUNSELING AT THE UNIT OWNER'S EXPENSE AND THAT CONTACT
24 INFORMATION FOR INDIVIDUALS OR ENTITIES THAT MAY PROVIDE CREDIT
25 COUNSELING TO THE UNIT OWNER RELATING TO FORECLOSURE BY AN
26 ASSOCIATION MAY BE FOUND AT
27 [HTTPS://DRE.COLORADO.GOV/HOA-CENTER](https://dre.colorado.gov/hoa-center) THROUGH THE HOA

1 INFORMATION AND RESOURCE CENTER CREATED IN SECTION 12-10-801 (1);
2 AND

3 (b) CREDIT COUNSELING MAY INCLUDE:

4 (I) DISCUSSION OF AMOUNTS OWED TO THE ASSOCIATION IN
5 UNPAID ASSESSMENTS AND RELATED COSTS;

6 (II) THE IMPACT OF FORECLOSURE ON THE UNIT OWNER'S CREDIT;

7 (III) ADDITIONAL DEBT THAT MAY BE INCURRED BY THE UNIT
8 OWNER IF FORECLOSURE BY THE ASSOCIATION IS COMPLETED;

9 (IV) OPTIONS AVAILABLE TO THE UNIT OWNER TO RETAIN TITLE TO
10 THE UNIT OR TO REMAIN IN THE UNIT; AND

11 (V) ANY OTHER OPTIONS THAT MAY BE AVAILABLE TO THE UNIT
12 OWNER TO AVOID FORECLOSURE.

13 (12) (a) If a unit has been foreclosed PURSUANT TO A LIEN UNDER
14 THIS SECTION, THE FOLLOWING INDIVIDUALS OR BUSINESS ENTITIES SHALL
15 NOT PURCHASE THE FORECLOSED UNIT:

16 (I) A member of the executive board;

17 (II) An employee of a community association management
18 company representing the association;

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

20 (IV) An immediate family member, as defined in section 2-4-401
21 (3.7), of ~~any such~~ AN executive board member, community association
22 management company employee, or law firm employee; ~~shall not~~
23 ~~purchase the foreclosed unit~~ OR

24 (V) A COMMUNITY ASSOCIATION MANAGEMENT COMPANY
25 REPRESENTING THE ASSOCIATION.

26 (b) THE PROHIBITION ON THE PURCHASE OF A FORECLOSED UNIT
27 PURSUANT TO SUBSECTION (12)(a) OF THIS SECTION INCLUDES AN

1 INDIVIDUAL OR A COMMUNITY ASSOCIATION MANAGEMENT COMPANY
2 THAT WAS, AT ANY TIME DURING THE FIVE-YEAR PERIOD IMMEDIATELY
3 PRECEDING THE SALE OF THE FORECLOSED UNIT, AN INDIVIDUAL OR A
4 COMMUNITY ASSOCIATION MANAGEMENT COMPANY DESCRIBED IN
5 SUBSECTION (12)(a) OF THIS SECTION. THE PROHIBITION IN THIS SECTION
6 ALSO INCLUDES A BUSINESS ENTITY THAT WAS, AT ANY TIME DURING THE
7 FIVE-YEAR PERIOD IMMEDIATELY PRECEDING THE SALE OF THE
8 FORECLOSED UNIT, OWNED BY OR AFFILIATED WITH AN INDIVIDUAL OR
9 COMMUNITY ASSOCIATION MANAGEMENT COMPANY DESCRIBED IN
10 SUBSECTION (12)(a) OF THIS SECTION.

11 (13) A PURCHASER THAT PURCHASES A UNIT THROUGH THE
12 FORECLOSURE OF A LIEN UNDER THIS SECTION ACQUIRES THE UNIT SUBJECT
13 TO ANY COVENANTS OR LIMITATIONS ON THE USE OR SALE OF THE UNIT TO
14 WHICH THE PREVIOUS UNIT OWNER WAS SUBJECT.

15 **SECTION 4.** In Colorado Revised Statutes, **add 38-33.3-316.4**
16 as follows:

17 **38-33.3-316.4. Foreclosure of an association lien - sale at**
18 **auction - bid requirements - definitions.** (1) NOTWITHSTANDING ANY
19 PROVISION OF THIS TITLE 38 TO THE CONTRARY, EXCEPT AS PROVIDED IN
20 SUBSECTION (2) OF THIS SECTION, AFTER FORECLOSING AN ASSOCIATION
21 LIEN ON A UNIT, THE ASSOCIATION OR THE ATTORNEY REPRESENTING THE
22 ASSOCIATION SHALL MAKE AN INITIAL BID AT AUCTION THAT IS NOT LESS
23 THAN THE SUM OF:

24 (a) THE AMOUNT OF THE ASSOCIATION'S LIEN DESCRIBED IN
25 SECTION 38-33.3-316 (2)(b);

26 (b) THE AMOUNT, IF ANY, OF ALL LIENS FOR REAL ESTATE TAXES
27 AND OTHER GOVERNMENTAL ASSESSMENTS OR CHARGES, AS DESCRIBED

1 IN SECTION 38-33.3-316 (2)(a)(III);

2 (c) THE AMOUNT, IF ANY, OF THE FIRST MORTGAGE SECURED BY
3 THE UNIT; AND

4 (d) SIXTY PERCENT OF THE UNIT OWNER'S EQUITY IN THE UNIT.

5 (2) (a) THE AMOUNT OF THE ASSOCIATION'S OR ATTORNEY'S
6 INITIAL BID AT AUCTION PURSUANT TO SUBSECTION (1) OF THIS SECTION
7 MAY BE DECREASED BY AGREEMENT OF THE ASSOCIATION AND THE UNIT
8 OWNER PRIOR TO PLACING THE INITIAL BID OR AT ANY TIME, AS PERMITTED
9 UNDER THE LAWS GOVERNING THE FORECLOSURE SALE, TO REDUCE THE
10 PERCENTAGE OF THE UNIT OWNER'S EQUITY IN THE UNIT INCLUDED IN THE
11 BID AMOUNT PURSUANT TO SUBSECTION (1)(d) OF THIS SECTION.

12 (b) THE AMOUNT OF THE ASSOCIATION'S OR ATTORNEY'S MINIMUM
13 BID AT AUCTION SHALL NOT BE LESS THAN SIXTY PERCENT OF THE FAIR
14 MARKET VALUE OF THE UNIT IF:

15 (I) THE FAIR MARKET VALUE OF THE UNIT DOES NOT EXCEED THE
16 SUM OF THE AMOUNTS SPECIFIED IN SUBSECTIONS (1)(a) TO (1)(c) OF THIS
17 SECTION; OR

18 (II) THE ASSOCIATION OR ATTORNEY CANNOT CALCULATE THE
19 MINIMUM BID AMOUNT PURSUANT TO SUBSECTION (1) OF THIS SECTION
20 BECAUSE THE AMOUNT OF THE MORTGAGE SECURED BY THE UNIT, AS
21 DESCRIBED IN SUBSECTION (1)(c) OF THIS SECTION, IS NOT KNOWN TO OR
22 DISCOVERABLE BY THE ASSOCIATION OR ATTORNEY.

23 (3) IN ADDITION TO ANY OTHER INFORMATION REQUIRED
24 PURSUANT TO SECTION 38-35-110, THE ASSOCIATION OR THE ATTORNEY
25 REPRESENTING THE ASSOCIATION SHALL INCLUDE IN A LIS PENDENS FILED
26 WITH THE CLERK AND RECORDER OF THE COUNTY IN WHICH THE UNIT IS
27 LOCATED:

1 (a) THE AMOUNT OF THE REQUIRED MINIMUM INITIAL BID AT
2 AUCTION, AS CALCULATED PURSUANT TO SUBSECTION (1) OR (2) OF THIS
3 SECTION; AND

4 (b) INFORMATION SUPPORTING THE CALCULATION OF THE MINIMUM
5 INITIAL BID AT AUCTION, INCLUDING:

6 (I) THE FAIR MARKET VALUE OF THE UNIT AND THE METHOD USED
7 TO DETERMINE THE FAIR MARKET VALUE OF THE UNIT, AS DESCRIBED IN
8 SUBSECTION (6)(a)(I) OF THIS SECTION;

9 (II) THE AMOUNT OF EACH LIEN OR ENCUMBRANCE ON THE UNIT
10 DESCRIBED IN SUBSECTIONS (1)(a) TO (1)(c) OF THIS SECTION; AND

11 (III) THE AMOUNT OF THE UNIT OWNER'S EQUITY IN THE UNIT.

12 (4) (a) IN ANY ACTION TO FORECLOSE AN ASSOCIATION LIEN
13 PURSUANT TO SECTION 38-33.3-316, THE AWARD OF COSTS TO AN
14 ASSOCIATION FOR AN APPRAISAL CONDUCTED PURSUANT TO THIS SECTION
15 IS LIMITED TO THE MARKET RATE AT THE TIME THE APPRAISAL WAS
16 CONDUCTED, NOT TO EXCEED SEVEN HUNDRED FIFTY DOLLARS.

17 (b) AN INDEPENDENT APPRAISER CONDUCTING AN APPRAISAL OF
18 THE UNIT PURSUANT TO SUBSECTION (6)(a)(I) OF THIS SECTION MUST NOT
19 BE OR HAVE BEEN AFFILIATED OR ASSOCIATED WITH:

20 (I) A MEMBER OF THE EXECUTIVE BOARD, AN EMPLOYEE OF THE
21 ASSOCIATION, AN EMPLOYEE OF A COMMUNITY ASSOCIATION
22 MANAGEMENT COMPANY REPRESENTING THE ASSOCIATION, A PERSON
23 PROVIDING SERVICES TO THE COMMON INTEREST COMMUNITY, AN
24 ATTORNEY OR LAW FIRM REPRESENTING THE ASSOCIATION, OR A UNIT
25 OWNER; OR

26 (II) AN IMMEDIATE FAMILY MEMBER, AS DEFINED IN SECTION
27 2-4-401 (3.7), OF AN INDIVIDUAL DESCRIBED IN SUBSECTION (4)(b)(I) OF

1 THIS SECTION.

2 (c) THE ASSOCIATION SHALL PROVIDE TO THE UNIT OWNER, AT NO
3 CHARGE TO THE UNIT OWNER, A COPY OF THE ASSOCIATION'S INDEPENDENT
4 APPRAISAL CONDUCTED PURSUANT TO SUBSECTION (6)(a)(I) OF THIS
5 SECTION, ALONG WITH NOTICE TO THE UNIT OWNER THAT THE UNIT OWNER
6 MAY OBTAIN AN APPRAISAL BY AN INDEPENDENT APPRAISER AT THE UNIT
7 OWNER'S EXPENSE AND, IF AN APPRAISAL IS OBTAINED BY THE UNIT
8 OWNER, THAT THE APPRAISED VALUE OF THE UNIT WILL BE EITHER THE
9 AVERAGE OF THE TWO APPRAISALS OR THE FAIR MARKET VALUE OF THE
10 UNIT AS STIPULATED BY THE ASSOCIATION AND THE UNIT OWNER.

11 (5) NOTHING IN THIS SECTION LIMITS ANY PROTECTIONS OR
12 DEFENSES AVAILABLE TO A UNIT OWNER PURSUANT TO SECTION 38-38-106
13 IF THE UNIT OWNER IS SUED FOR A DEFICIENCY OR ANY OTHER
14 PROTECTIONS OR DEFENSES IN THIS ARTICLE 33.3 OR ARTICLE 38 OF THIS
15 TITLE 38 THAT ARE AFFORDED TO A UNIT OWNER OR BORROWER.

16 (6) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
17 REQUIRES:

18 (a) "FAIR MARKET VALUE" MEANS:

19 (I) THE FAIR MARKET VALUE OF THE UNIT, AS DETERMINED BY AN
20 INDEPENDENT APPRAISER AT THE ASSOCIATION'S EXPENSE; EXCEPT THAT,
21 IF THE UNIT OWNER DOES NOT AGREE WITH THE ASSOCIATION'S APPRAISAL,
22 THE UNIT OWNER MAY OBTAIN ANOTHER APPRAISAL OF THE UNIT BY AN
23 INDEPENDENT APPRAISER AT THE UNIT OWNER'S EXPENSE, AND, IF THE
24 UNIT OWNER OBTAINS AN APPRAISAL OF THE UNIT, THE FAIR MARKET
25 VALUE OF THE UNIT IS THE AVERAGE OF THE ASSOCIATION'S APPRAISED
26 VALUE AND THE UNIT OWNER'S APPRAISED VALUE; OR

27 (II) THE FAIR MARKET VALUE OF THE UNIT AS STIPULATED BY THE

1 ASSOCIATION AND THE UNIT OWNER.

2 (b) "UNIT OWNER'S EQUITY" MEANS THE FAIR MARKET VALUE OF
3 THE UNIT LESS THE SUM OF THE AMOUNTS SPECIFIED IN SUBSECTIONS
4 (1)(a) TO (1)(c) OF THIS SECTION.

5 **SECTION 5.** In Colorado Revised Statutes, 38-33.3-117, **amend**
6 (1)(k.5); and **add** (1)(k.6) as follows:

7 **38-33.3-117. Applicability to preexisting common interest**
8 **communities.** (1) Except as provided in section 38-33.3-119, the
9 following sections apply to all common interest communities created
10 within this state before July 1, 1992, with respect to events and
11 circumstances occurring on or after July 1, 1992:

12 (k.5) 38-33.3-316.3; and

13 (k.6) 38-33.3-316.4; AND

14 **SECTION 6.** In Colorado Revised Statutes, 38-33.3-401, **add**
15 (3.2) as follows:

16 **38-33.3-401. Registration - annual fees - data collection -**
17 **enforcement actions.** (3.2) AS PART OF AN ASSOCIATION'S ANNUAL
18 REGISTRATION, THE ASSOCIATION SHALL SUBMIT THE FOLLOWING
19 INFORMATION TO THE DIRECTOR OF THE DIVISION OF REAL ESTATE, IN THE
20 FORM AND MANNER DETERMINED BY THE DIRECTOR OF THE DIVISION OF
21 REAL ESTATE:

22 (a) FOR THE TWELVE-MONTH PERIOD IMMEDIATELY PRECEDING
23 THE ASSOCIATION'S ANNUAL REGISTRATION:

24 (I) THE NUMBER OF UNIT OWNERS THAT WERE, AT ANY TIME
25 DURING THE TWELVE-MONTH PERIOD, THREE OR MORE CALENDAR MONTHS
26 DELINQUENT IN THE PAYMENT OF AN ANNUAL ASSESSMENT OR SPECIAL
27 ASSESSMENT; AND

1 (II) OF THE UNIT OWNERS DESCRIBED IN SUBSECTION (3.2)(a)(I) OF
2 THIS SECTION, THE NUMBER OF UNIT OWNERS THAT WERE SIX OR MORE
3 CALENDAR MONTHS DELINQUENT IN THE PAYMENT OF AN ANNUAL
4 ASSESSMENT OR SPECIAL ASSESSMENT;

5 (b) FOR THE TWELVE-MONTH PERIOD IMMEDIATELY PRECEDING
6 THE ASSOCIATION'S ANNUAL REGISTRATION MONTH, FOR UNPAID ANNUAL
7 ASSESSMENTS OR SPECIAL ASSESSMENTS OR RELATED FEES OR ATTORNEY
8 FEES:

9 (I) THE NUMBER OF UNIT OWNERS AGAINST WHICH THE
10 ASSOCIATION OR ITS DESIGNEE OBTAINED A JUDGMENT;

11 (II) THE NUMBER OF PAYMENT PLANS ENTERED INTO BETWEEN THE
12 ASSOCIATION AND A UNIT OWNER PURSUANT TO SECTION 38-33.3-316.3;

13 AND

14 (III) THE NUMBER OF FORECLOSURE ACTIONS FILED AGAINST UNIT
15 OWNERS PURSUANT TO SECTION 38-33.3-316; AND

16 (c) ANY OTHER INFORMATION SPECIFIED BY THE DIRECTOR OF THE
17 DIVISION OF REAL ESTATE RELATING TO THE COLLECTION OF ASSESSMENTS
18 AND THE FORECLOSURE OF ASSOCIATIONS' LIENS.

19 **SECTION 7.** In Colorado Revised Statutes, 38-38-100.3, **amend**
20 (14)(c) and (14)(d); and **add** (14)(e) as follows:

21 **38-38-100.3. Definitions.** As used in articles 37 to 39 of this title
22 38, unless the context otherwise requires:

23 (14) "Mailing list" means the mailing list in accordance with
24 section 38-38-101 (1)(e) provided to the officer by the holder of the
25 evidence of debt or the attorney for the holder containing the names and
26 addresses of the following persons:

27 (c) The occupant of the property, addressed to "occupant" at the

1 address of the property; and

2 (d) With respect to a public trustee sale, a lessee with an
3 unrecorded possessory interest in the property at the address of the
4 premises of the lessee and, if different, the address of the property, to the
5 extent that the holder of the evidence of debt desires to terminate the
6 possessory interest with the foreclosure; AND

7 (e) (I) WITH RESPECT TO A SHERIFF'S SALE OF A PROPERTY IN A
8 COMMON INTEREST COMMUNITY AFTER FORECLOSURE OF A LIEN BY AN
9 ASSOCIATION:

10 (A) THE OWNER OF THE PROPERTY, AT THE OWNER ADDRESS
11 SHOWN IN THE COUNTY ASSESSOR RECORDS FOR THE COUNTY IN WHICH
12 THE PROPERTY IS LOCATED, IF DIFFERENT FROM THE ADDRESS OF THE
13 PROPERTY; AND

14 (B) A PROPERTY MANAGER EMPLOYED BY THE PROPERTY OWNER,
15 IF KNOWN TO THE ASSOCIATION, AT THE ADDRESS OF THE PROPERTY
16 MANAGER, IF DIFFERENT FROM THE ADDRESS OF THE PROPERTY.

17 (II) AS USED IN THIS SUBSECTION (14)(e):

18 (A) "ASSOCIATION" HAS THE MEANING SET FORTH IN SECTION
19 38-33.3-103 (3).

20 (B) "COMMON INTEREST COMMUNITY" HAS THE MEANING SET
21 FORTH IN SECTION 38-33.3-103 (8).

22 **SECTION 8.** In Colorado Revised Statutes, 38-38-106, **amend**
23 (6) as follows:

24 **38-38-106. Bid required - form of bid.** (6) (a) EXCEPT AS
25 PROVIDED IN SUBSECTION (6)(b) OF THIS SECTION, the holder of the
26 evidence of debt or the attorney for the holder shall bid at least the
27 holder's good faith estimate of the fair market value of the property being

1 sold, less the amount of unpaid real property taxes and all amounts
2 secured by liens against the property being sold that are senior to the deed
3 of trust or other lien being foreclosed and less the estimated reasonable
4 costs and expenses of holding, marketing, and selling the property, net of
5 income received; except that the holder or the attorney for the holder need
6 not bid more than the total amount due to the holder as specified in the
7 bid pursuant to subsection (2) of this section. The failure of the holder to
8 bid the amount required by this subsection (6) shall not affect the validity
9 of the sale but may be raised as a defense by any person sued on a
10 deficiency.

11 (b) A HOLDER OF THE EVIDENCE OF DEBT THAT IS AN ASSOCIATION,
12 AS DEFINED IN SECTION 38-33.3-103 (3), OR THE ATTORNEY REPRESENTING
13 THE ASSOCIATION, SHALL MAKE AN INITIAL BID THAT IS NOT LESS THAN
14 THE AMOUNT DETERMINED PURSUANT TO SECTION 38-33.3-316.4.

15 **SECTION 9. Effective date - applicability.** This act takes effect
16 October 1, 2024, and applies to a foreclosure of a common interest
17 community lien on or after said date.

18 **SECTION 10. Safety clause.** The general assembly finds,
19 determines, and declares that this act is necessary for the immediate
20 preservation of the public peace, health, or safety or for appropriations for
21 the support and maintenance of the departments of the state and state
22 institutions.