

**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. 24-0783.01 Jennifer Berman x3286

HOUSE BILL 24-1233

HOUSE SPONSORSHIP

Wilson and Snyder,

SENATE SPONSORSHIP

Roberts and Gardner,

House Committees

Transportation, Housing & Local Government

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING MODIFICATIONS TO CERTAIN PROCEDURAL**
102 **REQUIREMENTS WITH WHICH A UNIT OWNERS' ASSOCIATION**
103 **MUST COMPLY WHEN SEEKING PAYMENT OF DELINQUENT**
104 **AMOUNTS OWED BY A UNIT OWNER.**

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>.)

House Bill 22-1137, enacted in 2022, imposed a number of procedural requirements on unit owners' associations (HOAs) with respect to collecting payments from unit owners with delinquent

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
March 8, 2024

accounts. The bill changes some of these procedural requirements by:

- Removing a requirement that an HOA physically post notice of a unit owner's delinquent account on the unit owner's unit;
- Reducing the minimum duration of a payment plan that an HOA may enter into with a unit owner for the payment of unpaid fees, fines, or surcharges from 18 months to 12 months;
- Removing the requirement that monthly installments of a payment plan be paid in amounts of at least \$25 until the balance owed is less than \$25; and
- Allowing an HOA to charge a unit owner for the cost of sending notices or documentation by certified mail.

The bill also exempts time share units that are not occupied on a full-time basis from some of the procedural requirements imposed by House Bill 22-1137.

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

2 **SECTION 1.** In Colorado Revised Statutes, 38-33.3-209.5,
3 **amend** (1.7)(a)(I) introductory portion; and **add** (11) and (12) as follows:

4 **38-33.3-209.5. Responsible governance policies - due process**
5 **for imposition of fines - procedure for collection of delinquent**
6 **accounts - enforcement through small claims court - definitions.**

7 (1.7) (a) With regard to a unit owner's delinquency in paying
8 assessments, fines, or fees, an association shall:

9 (I) First contact the unit owner to alert the unit owner of the
10 delinquency before taking action in relation to the delinquency pursuant
11 to subsection (1.7)(a)(II) of this section and shall maintain a record of any
12 ~~contacts~~ CONTACT, including information regarding the type of
13 communication used to contact the unit owner and the date and time that
14 the contact was made. Any ~~contacts~~ CONTACT that a community
15 association manager or a property management company makes on behalf
16 of an association pursuant to this subsection (1.7)(a) is deemed a contact

1 made by the association and not by a debt collector as defined in section
2 5-16-103 (9). A unit owner may identify another person to serve as a
3 designated contact for the unit owner to be contacted on the unit owner's
4 behalf for purposes of this subsection (1.7)(a)(I). A unit owner may also
5 notify the association if the unit owner prefers that correspondence and
6 notices from the association be made in a language other than English. If
7 a preference is not indicated, the association shall send the
8 correspondence and notices in English. The unit owner and the unit
9 owner's designated contact must receive the same correspondence and
10 notices anytime ANY TIME communications are sent out; except that the
11 unit owner must receive the correspondence and notices in the language
12 for which the unit owner has indicated a preference, if any. An
13 association may determine the manner in which a unit owner may identify
14 a designated contact. In contacting the unit owner or a designated contact,
15 an association shall send the same type of notice of delinquency required
16 to be sent pursuant to subsection (5)(a)(V) of this section, including
17 sending it by certified mail, return receipt requested. ~~and physically post~~
18 ~~a copy of the notice of delinquency at the unit owner's unit.~~ In addition,
19 the association shall contact the unit owner by one of the following
20 means:

21



22 (11) WITH RESPECT TO ANY NOTICES OR OTHER DOCUMENTATION
23 THAT AN ASSOCIATION SENDS A UNIT OWNER THROUGH CERTIFIED MAIL
24 PURSUANT TO THIS SECTION OR SECTION 38-33.3-316 (8), THE
25 ASSOCIATION MAY CHARGE THE UNIT OWNER AN AMOUNT NOT TO EXCEED
26 THE ACTUAL COST OF THE CERTIFIED MAIL.

27 (12) THIS SECTION, AS AMENDED BY HOUSE BILL 22-1137,

1 ENACTED IN 2022, DOES NOT APPLY TO THE COLLECTION OF DELINQUENT
2 PAYMENTS OF ASSESSMENTS, FINES, OR FEES FROM A UNIT OWNER WHO
3 OWNS A TIME SHARE UNIT, AS DEFINED IN SECTION 38-33-110 (7), THAT IS
4 NOT OCCUPIED BY RESIDENTS ON A FULL-TIME BASIS.

5



6 **SECTION 2. Act subject to petition - effective date -**
7 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
8 the expiration of the ninety-day period after final adjournment of the
9 general assembly; except that, if a referendum petition is filed pursuant
10 to section 1 (3) of article V of the state constitution against this act or an
11 item, section, or part of this act within such period, then the act, item,
12 section, or part will not take effect unless approved by the people at the
13 general election to be held in November 2024 and, in such case, will take
14 effect on the date of the official declaration of the vote thereon by the
15 governor.

16 (2) This act applies to notices of delinquency sent and payment
17 plans entered into on or after the applicable effective date of this act.