

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

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 24-0170.03 Jery Payne x2157

HOUSE BILL 24-1337

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A BILL FOR AN ACT

101 **CONCERNING THE RIGHTS OF A UNIT OWNER IN A COMMON INTEREST**
102 **COMMUNITY IN RELATION TO THE COLLECTION OF AMOUNTS**
103 **OWED BY THE UNIT OWNER TO THE COMMON INTEREST**
104 **COMMUNITY.**

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>.)

In common interest communities for real property, current law allows a unit owners' association (association) to require, without starting a legal proceeding, a unit owner to reimburse the association for

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.

SENATE
3rd Reading Unamended
April 29, 2024

SENATE
Amended 2nd Reading
April 26, 2024

HOUSE
3rd Reading Unamended
April 8, 2024

HOUSE
Amended 2nd Reading
April 4, 2024

collection costs, attorney fees, or other costs resulting from the owner failing to timely pay assessments or other money owed. The bill limits the reimbursement amount to 50% of the original money owed.

Current law allows the association to require, without starting a legal proceeding, a unit owner to reimburse the association for collection costs and attorney fees resulting from the owner failing to obey the bylaws or rules of the association. The bill limits the reimbursement amount to 50% of the actual cost the association incurred for the failure to obey.

Current law requires a court to award an association reasonable attorney fees, costs, and collection costs in an action in which the association seeks to collect unpaid assessments or enforce or defend the association's bylaws or rules and the association prevails in the matter. The bill limits the award to 50% of the balance owed to the association.

Current law grants an association a lien on the unit for amounts owed to the association by the unit owner. The bill prohibits foreclosing on the lien until:

- The association has:
 - Obtained a personal judgment against the unit owner in a civil action;
 - Attempted to bring a civil action against the unit owner but was prevented by the death of or incapacity of the unit owner; or
 - Attempted to bring a civil action against the unit owner but the association was unable to serve the unit owner within 180 days; or
- The unit owner is in a bankruptcy civil action.

Current law requires the association to attempt to enter into a payment plan to collect amounts due from a unit owner. The bill prohibits foreclosure on the lien if the unit owner is in compliance with the payment plan.

The bill creates a right of redemption following certain involuntary transfers of a unit to the association or a foreclosure purchaser for 180 days following the transfer. During the 180 days, the foreclosure purchaser or association is prohibited from selling the unit. The following people have the right of redemption in order of priority:

- The unit owner;
- A tenant of the unit;
- A nonprofit entity whose primary purpose is the development or preservation of affordable housing;
- A community land trust;
- A cooperative housing corporation; and
- The state of Colorado or a political subdivision of the state of Colorado.

The redeemer may send a notice of intent to exercise the right of

redemption. Upon receiving the notice of intent, the foreclosure purchaser or association is prohibited for a specified time from transferring the property to an authorized redeemer that has lower priority than the authorized redeemer that sent the notice.

To redeem a unit, the redeemer must reimburse the foreclosure purchaser or association in accordance with the standards set by the bill. Failure to execute a deed after redemption subjects the owner to liability plus attorney fees. Procedures are set for exercising the right of redemption and for recording deeds, affidavits, or certificates of compliance concerning the right of redemption with the county clerk and recorder. Filing an affidavit or certificate of compliance with the county clerk and recorder without a reasonable basis subjects the person to liability and attorney fees.

If a redeemer makes partial payment, but fails to pay all amounts necessary to redeem the unit before the redemption period expires, the association or foreclosure purchaser shall refund the partial payment on or before 30 days after the expiration of the redemption period.

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

2 **SECTION 1.** In Colorado Revised Statutes, 38-33.3-123, **amend**
3 (1)(a), (1)(b), and (1)(c); and **add (1)(f) and (1)(g)** as follows:

4 **38-33.3-123. Enforcement - limitation.** (1) (a) ~~■~~ If ~~any~~ A unit
5 owner fails to timely pay assessments or any money ~~or sums due~~ OWED
6 to the association, the association may require, WITHOUT THE NECESSITY
7 OF COMMENCING A LEGAL PROCEEDING, reimbursement for THE
8 FOLLOWING, IN ADDITION TO THE ASSESSMENTS OR OWED MONEY:

9 (I) ACTUAL collection costs ~~and~~ OF THE UNPAID ASSESSMENTS;

10 (II) Reasonable attorney fees INCURRED AS A RESULT OF THE
11 FAILURE TO PAY; EXCEPT THAT THE ASSOCIATION IS NOT ENTITLED TO
12 REIMBURSEMENT FOR ATTORNEY FEES THAT EXCEED FIVE THOUSAND
13 DOLLARS OR FIFTY PERCENT OF THE ASSESSMENTS AND ANY MONEY OWED
14 TO THE ASSOCIATION AS DESCRIBED IN THE INTRODUCTORY PORTION OF
15 THIS SUBSECTION (1)(a), WHICHEVER IS LESS; and

16 (III) OTHER ACTUAL costs incurred as a result of ~~such~~ THE failure

1 ~~without the necessity of commencing a legal proceeding~~ TO PAY.

2

3 (b) ~~For any failure to comply with the provisions of this article~~
4 THIS ARTICLE 33.3 or ~~any provision of the declaration, bylaws, articles, or~~
5 rules and regulations, other than the payment of assessments ~~or any~~
6 ~~money or sums due~~ OWED to the association, the association, any unit
7 owner, or any class of unit owners adversely affected by the failure to
8 comply may seek, WITHOUT THE NECESSITY OF COMMENCING A LEGAL
9 PROCEEDING, reimbursement for:

10 (I) ACTUAL collection costs INCURRED AS A RESULT OF THE
11 FAILURE TO COMPLY; and

12 (II) Reasonable attorney fees and costs incurred as a result of ~~such~~
13 ~~THE failure to comply; without the necessity of commencing a legal~~
14 ~~proceeding.~~ EXCEPT THAT THE ASSOCIATION IS NOT ENTITLED TO
15 REIMBURSEMENT FOR ATTORNEY FEES THAT EXCEED FIVE THOUSAND
16 DOLLARS OR FIFTY PERCENT OF THE ACTUAL COSTS THE ASSOCIATION OR
17 UNIT OWNER INCURRED AS A RESULT OF THE FAILURE TO COMPLY,
18 WHICHEVER IS LESS.

19 (c) (I) In any civil action to enforce or defend ~~the provisions of~~
20 ~~this article or of~~ THIS ARTICLE 33.3 OR the declaration, bylaws, articles, or
21 rules and regulations, the court shall award reasonable attorney fees,
22 ACTUAL costs, and ACTUAL costs of collection to the prevailing party,
23 EXCEPT AS PROVIDED IN SUBSECTION (1)(c)(II) OF THIS SECTION.

24 (II) IN CONNECTION WITH ANY CIVIL ACTION DESCRIBED IN
25 SUBSECTION (1)(c)(I) OF THIS SECTION TO COLLECT MONEY OWED TO AN
26 ASSOCIATION FROM A UNIT OWNER, THE COURT SHALL NOT AWARD
27 ATTORNEY FEES TO THE ASSOCIATION IN AN AMOUNT IN EXCESS OF FIVE

1 THOUSAND DOLLARS OR FIFTY PERCENT OF THE ACTUAL COSTS THE
2 ASSOCIATION INCURRED AS A RESULT OF THE FAILURE TO COMPLY WITH
3 THIS ARTICLE 33.3 OR WITH THE DECLARATION, BYLAWS, ARTICLES, OR
4 RULES AND REGULATIONS, WHICHEVER IS LESS; EXCEPT THAT THE COURT
5 MAY AWARD ATTORNEY FEES IN EXCESS OF THE LIMITATIONS, BASED ON
6 THE COURT'S DISCRETION, IF THE COURT FINDS THAT THE UNIT OWNER WAS
7 FINANCIALLY, PHYSICALLY, AND REASONABLY ABLE TO COMPLY WITH THE
8 DECLARATION, BYLAWS, ARTICLES, OR RULES AND REGULATIONS BUT
9 WILLFULLY FAILED TO COMPLY.

10 (f) IN DETERMINING REASONABLE ATTORNEY FEES PURSUANT TO
11 THIS SUBSECTION (1) RELATING TO AN ASSOCIATION'S FORECLOSURE OF A
12 LIEN AGAINST A UNIT OWNER FOR UNPAID ASSESSMENTS, THE COURT
13 SHALL GIVE CONSIDERATION TO ALL RELEVANT FACTORS, INCLUDING:

14 (I) THE AMOUNT OF THE UNPAID ASSESSMENTS;

15 (II) WHETHER THE AMOUNT OF THE ATTORNEY FEES REQUESTED
16 EXCEEDS THE AMOUNT OF THE UNPAID ASSESSMENTS;

17 (III) WHETHER THE AMOUNT OF TIME SPENT OR FEES INCURRED BY
18 THE ATTORNEY ARE DISPROPORTIONATE TO THE NEEDS OF THE CASE,
19 CONSIDERING THE COMPLEXITY OF THE CASE OR THE EFFORTS REQUIRED
20 TO OBTAIN THE UNPAID ASSESSMENTS;

21 (IV) WHETHER THE FORECLOSURE ACTION WAS CONTESTED OR
22 REQUIRED THE ASSOCIATION TO RESPOND TO UNMERITORIOUS DEFENSES;

23 AND

24 (V) OTHER FACTORS TYPICALLY CONSIDERED IN DETERMINING AN
25 AWARD OF ATTORNEY FEES.

26 (g) THE LIMITATIONS ON ATTORNEY FEES IN SUBSECTIONS
27 (1)(a)(III), (1)(b)(II), AND (1)(c)(II) OF THIS SECTION ARE ADJUSTED FOR

1 INFLATION ON AUGUST 1, 2025, AND EACH YEAR THEREAFTER. INFLATION
2 IS MEASURED BY THE ANNUAL PERCENTAGE CHANGE IN THE UNITED
3 STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS
4 CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR
5 DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID BY URBAN
6 CONSUMERS.

7 **SECTION 2.** In Colorado Revised Statutes, 38-33.3-209.5,
8 **amend** (7)(a)(I), (7)(a)(III) introductory portion, and (7)(a)(III)(A) as
9 follows:

10 **38-33.3-209.5. Responsible governance policies - due process**
11 **for imposition of fines - procedure for collection of delinquent**
12 **accounts - enforcement through small claims court - definitions.**

13 (7) (a) An association shall not commence a legal action to initiate a
14 **JUDICIAL** foreclosure proceeding based on a unit owner's delinquency in
15 paying assessments unless:

16 (I) The association has complied with each of the requirements in
17 this section and in ~~section 38-33.3-316.3~~ SECTIONS 38-33.3-316 AND
18 38-33.3-316.3 related to a unit owner's delinquency in paying
19 assessments;

20 (III) ~~Within thirty days~~ After the association has provided the
21 owner with a written offer to enter into a repayment plan, the unit owner
22 has either:

23 (A) ~~Declined~~ FAILED TO ACCEPT the repayment plan WITHIN
24 THIRTY DAYS AFTER THE WRITTEN OFFER WAS MADE; or

25 **SECTION 3.** In Colorado Revised Statutes, 38-33.3-316, **amend**
26 (11) introductory portion, and (12); and add (10.5), (10.6), (10.7), and
27 (13) as follows:

1 **38-33.3-316. Lien for assessments - liens for fines, fees,**
2 **charges, costs, and attorney fees - limitations.** (10.5) TO FORECLOSE A
3 LIEN DESCRIBED IN THIS SECTION:

4 (a) THE ASSOCIATION MUST HAVE OBTAINED A PERSONAL
5 JUDGMENT AGAINST THE UNIT OWNER IN A CIVIL ACTION TO COLLECT THE
6 AMOUNTS DUE;

7 (b) THE ASSOCIATION MUST HAVE ATTEMPTED TO BRING A CIVIL
8 ACTION AGAINST THE UNIT OWNER BUT WAS PREVENTED BY THE DEATH OF
9 OR INCAPACITY OF THE UNIT OWNER;

10 (c) THE ASSOCIATION MUST HAVE ATTEMPTED TO BRING A CIVIL
11 ACTION AGAINST THE UNIT OWNER AND MADE A REASONABLE ATTEMPT TO
12 SERVE THE UNIT OWNER BUT THE ASSOCIATION WAS UNABLE TO SERVE THE
13 UNIT OWNER WITHIN ONE HUNDRED EIGHTY DAYS; OR

14 (d) THE UNIT OWNER MUST HAVE FILED A BANKRUPTCY PETITION
15 OR MUST HAVE AN INVOLUNTARY BANKRUPTCY PETITION FILED AGAINST
16 THE UNIT OWNER, AND THE AMOUNT DUE THE ASSOCIATION IS SUBJECT TO
17 THE BANKRUPTCY CIVIL ACTION.

18 (10.6) SUBSECTION (10.5) OF THIS SECTION:

19 (a) APPLIES EXCLUSIVELY TO A UNIT OWNED BY AN INDIVIDUAL
20 WHO OCCUPIES THE UNIT AS THE UNIT OWNER'S PRINCIPAL RESIDENCE,
21 UNLESS THE UNIT IS USED FOR WORKFORCE HOUSING;

22 (b) DOES NOT APPLY TO A UNIT OWNED BY AN ENTITY OTHER THAN
23 AN INDIVIDUAL OR A UNIT THAT IS NOT OCCUPIED AS THE UNIT OWNER'S
24 PRINCIPAL RESIDENCE, UNLESS THE UNIT IS USED FOR WORKFORCE
25 HOUSING; AND

26 (c) APPLIES TO A UNIT USED FOR WORKFORCE HOUSING.

27 (10.7) (a) AT LEAST THIRTY DAYS BEFORE INITIATING LEGAL

1 ACTION TO FORECLOSE A LIEN UNDER THIS SECTION, THE ASSOCIATION
2 SHALL PROVIDE WRITTEN AND ELECTRONIC NOTICE TO THE UNIT OWNER OR
3 THE UNIT OWNER'S DESIGNEE THAT THE UNIT OWNER HAS THE RIGHT TO
4 ENGAGE IN MEDIATION PRIOR TO LITIGATION. TO INITIATE MEDIATION, THE
5 UNIT OWNER MUST RESPOND WITHIN THIRTY DAYS AFTER THE DATE OF THE
6 NOTICE.

7 (b) TO PARTICIPATE IN MEDIATION, BOTH PARTIES MUST:

8 (I) SELECT A MUTUALLY AGREEABLE MEDIATOR KNOWLEDGEABLE
9 ABOUT THIS ARTICLE 33.3 AND COMMON INTEREST COMMUNITY DISPUTES;
10 AND

11 (II) SCHEDULE THE MEDIATION SESSION WITHIN THIRTY DAYS
12 AFTER THE NOTICE PROVIDED IN ACCORDANCE WITH SUBSECTION (10.7)(a)
13 OF THIS SECTION.

14 (c) IF A UNIT OWNER FAILS TO COMPLY WITH SUBSECTION (10.7)(b)
15 OF THIS SECTION WITHIN THIRTY DAYS AFTER THE NOTICE PROVIDED IN
16 ACCORDANCE WITH SUBSECTION (10.7)(a) OF THIS SECTION, THIS
17 SUBSECTION (10.7) DOES NOT BAR THE ASSOCIATION FROM FILING A CIVIL
18 ACTION, WHICH IS SUBJECT TO THE REST OF THIS SECTION.

19 (d) AT LEAST THIRTY DAYS BEFORE INITIATING LEGAL ACTION TO
20 FORECLOSE A LIEN UNDER THIS SECTION, THE ASSOCIATION SHALL PROVIDE
21 WRITTEN AND ELECTRONIC NOTICE TO ALL LIENHOLDERS IDENTIFIED ON
22 THE UNIT OWNER PROPERTY RECORDS OF THE PENDING LEGAL ACTION FOR
23 FORECLOSURE. THE NOTICE MUST INCLUDE THE AMOUNT OF ANY
24 OUTSTANDING ASSESSMENT AND OTHER MONEY OWED.

25 (11) SUBJECT TO SUBSECTION (10.5) OF THIS SECTION, the
26 association's lien may be foreclosed by any of the following means:

27 (12) (a) If a unit has been foreclosed PURSUANT TO A LIEN SUBJECT

1 TO THIS SECTION, THE FOLLOWING PERSONS SHALL NOT PURCHASE THE
2 FORECLOSED UNIT:

3 (I) A member of the executive board;

4 (II) An employee of a community association management
5 company representing the association;

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

7 (IV) An immediate family member, as defined in section 2-4-401
8 (3.7), of any such AN executive board member, community association
9 management company employee, or law firm employee; shall not
10 purchase the foreclosed unit OR

11 (V) A COMMUNITY ASSOCIATION MANAGEMENT COMPANY
12 REPRESENTING THE ASSOCIATION.

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

25 (13) A PERSON THAT PURCHASES A UNIT THROUGH THE
26 FORECLOSURE OF A LIEN UNDER THIS SECTION ACQUIRES THE UNIT SUBJECT
27 TO ANY COVENANTS OR LIMITATIONS ON THE USE OR SALE OF THE UNIT TO

1 WHICH THE PREVIOUS UNIT OWNER WAS SUBJECT.

2 **SECTION 4.** In Colorado Revised Statutes, 38-33.3-316.3, **add**
3 (3.5) as follows:

4 **38-33.3-316.3. Collections - limitations - violations.** (3.5) AN
5 ASSOCIATION OR THE HOLDER OR ASSIGNEE OF THE ASSOCIATION'S DEBTS
6 SHALL NOT FORECLOSE A LIEN CREATED UNDER SECTION 38-33.3-316 IF
7 THE UNIT OWNER IS IN COMPLIANCE WITH THE TERMS OF A PAYMENT PLAN
8 REQUIRED BY THIS SECTION.

9 **SECTION 5.** In Colorado Revised Statutes, 38-38-100.3, **add**
10 (1.3), (4.3), (25), and (26) as follows:

11 **38-38-100.3. Definitions.** As used in articles 37 to 39 of this title
12 38, unless the context otherwise requires:

13 (1.3) "ALTERNATE LIENOR" MEANS A PERSON DEEMED A LIENOR BY
14 SECTION 38-38-305.5 (1)(a).

15 (4.3) "COMMON INTEREST COMMUNITY" HAS THE MEANING SET
16 FORTH IN SECTION 38-33.3-103 (8).

17 (25) "UNIT" HAS THE MEANING SET FORTH IN SECTION 38-33.3-103
18 (30).

19 (26) "UNIT ASSOCIATION LIEN" MEANS A LIEN IN A UNIT IN A
20 COMMON INTEREST COMMUNITY THAT IS HELD BY AN ASSOCIATION AS
21 DEFINED IN SECTION 38-33.3-103 (3).

22 **SECTION 6.** In Colorado Revised Statutes, 38-38-302, **amend**
23 (1)(d) introductory portion and (4)(a) as follows:

24 **38-38-302. Redemption by lienor - procedure.**

25 (1) **Requirements for redemption.** A lienor or assignee of a lien is
26 entitled to redeem if the following requirements are met to the satisfaction
27 of the officer:

1 (d) The lienor has, within eight business days after the sale, filed
2 a notice with the officer of the lienor's intent to redeem; EXCEPT THAT, IF
3 THE PERSON IS DEEMED AN ALTERNATE LIENOR PURSUANT TO SECTION
4 38-38-305.5 AND THE LIEN BEING FORECLOSED IS A UNIT ASSOCIATION
5 LIEN, THE ALTERNATE LIENOR HAS THIRTY DAYS TO FILE THE NOTICE WITH
6 THE OFFICER OF THE ALTERNATE LIENOR'S INTENT TO REDEEM. A lienor
7 may file a notice of intent to redeem more than eight business days after
8 sale if:

9 (4) **Redemption period.** (a) (I) EXCEPT AS PROVIDED IN
10 SUBSECTION (4)(a)(II) OF THIS SECTION, no sooner than fifteen business
11 days nor later than nineteen business days after a sale under this ~~article~~
12 ARTICLE 38, the junior lienor having the most senior recorded lien on the
13 sold property or any portion ~~thereof~~ OF THE SOLD PROPERTY, according to
14 the records, having first complied with the requirements of subsection (1)
15 of this section, may redeem the property sold by paying to the officer, no
16 later than 12 noon on the last day of the lienor's redemption period, in the
17 form specified in section 38-37-108, the amount for which the property
18 was sold with interest from the date of sale, together with all sums
19 allowed under section 38-38-301. Interest on the amount for which the
20 property was sold ~~shall be~~ IS charged at the default rate specified in the
21 evidence of debt, deed of trust, or other lien being foreclosed or, if not so
22 specified, at the regular rate specified in the evidence of debt, deed of
23 trust, or other lien being foreclosed. If different interest rates are specified
24 in the evidence of debt, deed of trust, or other lien being foreclosed, the
25 interest rate specified in the evidence of debt ~~shall prevail~~ PREVAILS. If
26 the evidence of debt does not specify an interest rate, including a default
27 interest rate, THE applicable interest rate as specified in the deed of trust

1 or other lien being foreclosed ~~shall apply~~ APPLIES.

2 (II) (A) IF THE LIEN BEING FORECLOSED IS IN A UNIT ASSOCIATION
3 LIEN, AN ALTERNATE LIENOR'S REDEMPTION PERIOD COMMENCES UPON
4 THE EXPIRATION OF ALL REDEMPTION RIGHTS AS SET BY THE OFFICER IN
5 ACCORDANCE WITH SUBSECTION (4)(d) OF THIS SECTION AND IS NO
6 SOONER THAN THIRTY-FIVE DAYS AFTER THE SALE. THIS SUBSECTION
7 (4)(a)(II) DOES NOT OTHERWISE CHANGE THE REQUIREMENTS OF THIS
8 SECTION FOR AN ALTERNATE LIENOR.

9 (B) NO SOONER THAN THIRTY-FIVE DAYS AND NO LATER THAN ONE
10 HUNDRED EIGHTY DAYS AFTER A SALE OF A UNIT ASSOCIATION LIEN UNDER
11 THIS ARTICLE 38, THE ALTERNATE LIENOR THAT FILED THE NOTICE WITH
12 THE OFFICER OF THE ALTERNATE LIENOR'S INTENT TO REDEEM AND THAT
13 HAS THE HIGHEST PRIORITY IN THE SOLD PROPERTY MAY REDEEM THE
14 PROPERTY BY PAYING, IN THE FORM SPECIFIED IN SECTION 38-37-108, TO
15 THE OFFICER, NO LATER THAN 12 NOON ON THE LAST DAY OF THE
16 ALTERNATE LIENOR'S REDEMPTION PERIOD, THE AMOUNT FOR WHICH THE
17 PROPERTY WAS SOLD WITH INTEREST FROM THE DATE OF SALE, TOGETHER
18 WITH ALL SUMS ALLOWED UNDER SECTION 38-38-107 AND IF APPLICABLE,
19 THE REDEMPTION AMOUNT PAID BY THE IMMEDIATELY PRIOR REDEEMING
20 LIENOR, WITH INTEREST AT THE RATE SPECIFIED IN SUBSECTION (4)(a) OF
21 THIS SECTION, PLUS THE AMOUNT CLAIMED IN THE STATEMENT DELIVERED
22 BY THE IMMEDIATELY PRIOR REDEEMING LIENOR PURSUANT TO
23 SUBSECTION (6) OF THIS SECTION, INCLUDING THE PER DIEM AMOUNTS
24 THROUGH THE DATE WHEN THE PAYMENT IS MADE, OR IF NO PRIOR LIEN
25 HAS REDEEMED, THE REDEMPTION AMOUNT DETERMINED PURSUANT
26 SUBSECTION (4)(a)(I) OF THIS SECTION.

27 (C) IF THE HIGHEST PRIORITY ALTERNATE LIENOR HAS NOT

1 REDEEMED THE PROPERTY, EACH SUBSEQUENT ALTERNATE LIENOR THAT
2 IS ENTITLED TO REDEEM, IN SUCCESSION BASED ON THE PRIORITY OF THE
3 ALTERNATE LIENOR, HAS AN ADDITIONAL FIVE BUSINESS DAYS TO REDEEM
4 THE PROPERTY. THE PRIORITY OF THE ALTERNATE LIENORS IS SET FORTH
5 IN SECTION 38-38-305.5 (1)(a). THE ALTERNATE LIENOR MUST REDEEM BY
6 PAYING THE REDEMPTION AMOUNT DETERMINED PURSUANT TO
7 SUBSECTION (4)(a)(II)(B) OF THIS SECTION WITHIN THE FIVE-DAY PERIOD,
8 OR, IF NO PRIOR LIENOR HAS REDEEMED, THE REDEMPTION AMOUNT
9 DETERMINED PURSUANT TO SUBSECTION (4)(a)(I) OF THIS SECTION, TO THE
10 OFFICER ON OR BEFORE 12 NOON OF THE LAST DAY OF THE ALTERNATE
11 LIENOR'S REDEMPTION PERIOD.

12 (11) AS USED IN THIS SECTION, "UNIT ASSOCIATION LIEN" MEANS
13 A LIEN IN A UNIT IN A COMMON INTEREST COMMUNITY THAT IS HELD BY AN
14 ASSOCIATION AS DEFINED IN SECTION 38-33.3-103 (3).

15 **SECTION 7.** In Colorado Revised Statutes, **add** 38-38-305.5 as
16 follows:

17 **38-38-305.5. Persons considered as lienors - redemption of**
18 **property.** (1) (a) FOR THE PURPOSE OF THIS ARTICLE 38, THE FOLLOWING
19 PEOPLE ARE DEEMED ALTERNATE LIENORS WITHOUT A LIEN AMOUNT:

20 (I) THE UNIT OWNER THAT HAS AN INTEREST APPEARING BY AN
21 INSTRUMENT RECORDED IN THE OFFICE OF THE CLERK AND RECORDER OF
22 THE COUNTY PRIOR TO THE RECORDING OF THE LIS PENDENS IS THE FIRST
23 PRIORITY;

24 (II) A TENANT OF THE UNIT, IF THE TENANCY COMMENCED PRIOR
25 TO THE RECORDING OF THE LIS PENDENS AND IF THE LEASE IS NOT
26 RECORDED, IS THE SECOND PRIORITY;

27 (III) A NONPROFIT ENTITY THAT HAS A PRIMARY PURPOSE TO

1 DEVELOP OR PRESERVE AFFORDABLE HOUSING IS THE THIRD PRIORITY;

2 (IV) A COMMUNITY LAND TRUST IS THE FOURTH PRIORITY;

3 (V) A COOPERATIVE HOUSING CORPORATION FORMED PURSUANT

4 TO ARTICLE 33.5 OF THIS TITLE 38 IS THE FIFTH PRIORITY; AND

5 (VI) THE STATE OF COLORADO OR A POLITICAL SUBDIVISION OF

6 THE STATE OF COLORADO IS THE SIXTH PRIORITY.

7 (b) AN ALTERNATE LIENOR'S ABILITY TO REDEEM THE PROPERTY
8 IS SUBJECT TO:

9 (I) A LIENOR THAT HOLDS EVIDENCE OF DEBT SECURED BY THE
10 PROPERTY; OR

11 (II) A PERSON THAT IS DEEMED A LIENOR UNDER SECTION
12 38-38-305.

13 (c) IF AN ALTERNATE LIENOR REDEEMS AFTER THE REDEMPTION OF
14 A LESSEE OR EASEMENT HOLDER, THE ALTERNATE LIENOR, IN ACQUIRING
15 THE PROPERTY, TAKES THE PROPERTY SUBJECT TO THE LEASE OR
16 EASEMENT.

17 (2) THIS SECTION DOES NOT AFFECT THE RIGHTS UNDER THIS
18 ARTICLE 38 OF A LESSEE WHOSE RESIDENTIAL LEASE IS RECORDED.

19 (3) THIS SECTION APPLIES TO THE FORECLOSURE OF A LIEN IN A
20 UNIT IN A COMMON INTEREST COMMUNITY BY AN ASSOCIATION, AS
21 DEFINED IN SECTION 38-33.3-103 (3).

22 **SECTION 8.** In Colorado Revised Statutes, 38-38-501, **add** (3)
23 as follows:

24 **38-38-501. Title vests upon expiration of redemption periods**
25 **- confirmation deed - definition.** (3) AS USED IN THIS SECTION,
26 "REDEMPTION PERIODS" MEANS THE PERIODS OF TIME DURING WHICH A
27 PERSON MAY REDEEM PROPERTY AS DESCRIBED IN SECTION 38-38-302 (4);

1 EXCEPT THAT THE REDEMPTION PERIOD IS THIRTY DAYS IF THE PROPERTY
2 IS A UNIT IN A COMMON INTEREST COMMUNITY; THE LIEN BEING
3 FORECLOSED IS HELD BY AN ASSOCIATION, AS DEFINED IN 38-33.3-103 (3),
4 AND A LIENOR DOES NOT FILE A NOTICE WITH THE OFFICER OF THE LIENOR'S
5 INTENT TO REDEEM. ■ ■

6 **SECTION 9. 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 debts accrued on or after the applicable
17 effective date of this act.