



Legislative Council Staff

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Fiscal Note

Drafting Number:	LLS 24-0718	Date:	February 13, 2024
Prime Sponsors:	Sen. Smallwood Rep. Willford	Bill Status:	Senate Local Govt. & Housing
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Bill Topic: **OPERATION OF HOME-BASED BUSINESSES**

Summary of Fiscal Impact:	<input type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input type="checkbox"/> Statutory Public Entity

The bill prohibits the restriction of a home-based business in a common interest community. It minimally increases state expenditures starting in FY 2024-25.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Summary of Legislation

The bill prohibits a homeowner association (HOA) from restricting the operation of a home-based business in an HOA unit. HOAs may enforce reasonable rules on home-based businesses regarding architectural control, parking, landscaping, noise, nuisance, or other applicable matters. Additionally, home-based businesses must comply with local noise and nuisance ordinances.

State Expenditures

The HOA Information and Resource Center in the Department of Regulatory Agencies serves as a resource for consumers to understand rights and responsibilities under current law. The center also registers common interest communities like HOAs and other housing cooperatives, and tracks complaints. Workload may increase for the center to respond to questions from HOAs and residents. This workload is expected to be minimal and no change in appropriations is required.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Counties

Local Affairs

Regulatory Agencies

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).