



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1043: OWNER EQUITY PROTECTION HOA FORECLOSURE SALES

Prime Sponsors:

Rep. Ricks

Sen. Exum

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Fiscal note status: This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill modifies HOA enforcement, foreclosure, and reporting requirements.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Workload
- State Revenue

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill makes several changes to a homeowner association's (HOA) enforcement procedures and foreclosure actions, and modifies reporting requirements for both HOAs and the Department of Regulatory Agencies (DORA).

Enforcement

The bill requires an HOA to comply with its own bylaws and all applicable state laws prior to recovering money through enforcement actions.

When collecting unpaid assessments, current law requires an HOA to provide unit owners with a notice of delinquency prior to taking legal action or transferring the account to a collection agency. The bill adds certain timelines and instructions for unit owners to the notice.

Foreclosure

The bill requires an HOA to provide unit owners with a notice regarding credit counseling services at least thirty days prior to initiating a foreclosure. Upon foreclosure, the HOA must provide a notice to the unit owner determining the fair market value of the unit. Additionally, if the property is placed for auction, the HOA or its representative must submit the fair market value to the court handling the action and make an initial bid that is no less than 80 percent of the submitted value.

Reporting

When registering annually with DORA, an HOA must submit totals for the previous twelve-month period on the following:

- unit owners that were delinquent in paying assessments;
- judgments obtained by the HOA against unit owners;
- payment plans entered into between an HOA and a unit owner;
- foreclosure actions filed against unit owners; and
- any other information DORA specifies regarding assessment collections and foreclosures.

Starting in January 2026 and annually thereafter, the Division of Real Estate in DORA must present data to the General Assembly on the number of individuals who contacted the HOA Information and Resource Center concerning credit counseling, the collection of assessments, and foreclosure actions.

State Revenue

Starting in FY 2025-26, the bill may impact revenue to the Judicial Department from filing fees. If fewer civil cases are initiated by HOAs to foreclose a lien or take other legal action against a unit owner as a result of the bill, revenue will decrease. At the same time, to the extent other requirements under the bill lead to additional filings (such as a dispute about fair market value amount or an HOA's auction bid), revenue could increase. Overall, it is assumed that impacts to revenue will be minimal. Revenue from filing fees is subject to TABOR.

State Expenditures

The bill minimally impacts workload in DORA and the Judicial Department beginning in FY 2025-26, as described below.

Department of Regulatory Agencies

The HOA Information and Resource Center in DORA 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 will increase for the center to generate information for HOA unit owners facing collections, legal action, or foreclosure. Workload will also increase for DORA to report data to the General Assembly on the number of people who contacted the HOA Information and Resource Center for credit counseling, collections, and foreclosure actions. This workload is expected to be minimal and no change in appropriations is required.

Judicial Department

The trial courts in the Judicial Department may experience an increase in workload to hear additional cases and make findings during civil cases regarding HOA compliance. This workload may be offset to the extent the bill reduces foreclosure and other legal actions by HOAs. The fiscal note assumes that any workload impact will be minimal and change in appropriations are required.

Effective Date

The bill takes effect October 1, 2025, assuming no referendum petition is filed, and applies to enforcement actions instituted on or after this date.

State and Local Government Contacts

Judicial

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](#).