

Buck Bailey at
House Transportation & Local Government Committee
9 March 2022

Good afternoon Honorable Representative Exum and Transportation Local Government Committee,

Thank you for allowing me time to speak my thoughts about these Bills. My name is Buck Bailey, I live in Sargents Colorado and also own a 2-bedroom unit at Plaza de Monaco Towers Condominiums here in Denver.

In 2011 I was elected to Plaza's Board of Directors and took on the Treasurer duties. In late 2012, the Board decided to take full control of the management and in early 2013, hired a full-time general manager. The GM did a great job shifting Plaza from a management company to entirely self-managed. He was talented enough that others took notice and he moved on to his next challenge. Needless to say, 2 weeks was not a lot of time to find a suitable replacement. I resigned from the Board and temporarily took on the GM position until we could fill the position. I'm hoping that the temporary is nearing its end as our current on-site manager is done an outstanding job!

I believe each of you remain open to considering input to the Bills brought up for consideration. Since time for speaking at these hearings is always limited, Below are some of my notes on today's Bills for your consideration as part of the written testimony. I will add what I can at the hearing to further clarify my thoughts on the matters.

In my humble opinion, there really is no reason for any of these 3 Bills. However, as currently proposed, I could accept them, should they pass as is. I understand that there are amendments in the works that aren't yet available for public review and probably won't be publicly available until after the hearing.

Here's some of my specific thoughts on each of the Bills:

HB22-1139 Prohibiting CIC from regulating use of a public ROW. I would think that it was already clear in Colorado and Federal law that private regulation of public ROW's is forbidden. I'm not too sure that the deletions in lines 11-26 on page 2 of the Bill make sense. I believe those are meant for the private property parking areas as opposed to public ROWs. The existing language there

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is not causing any problems at Plaza de Monaco. HB22-1139 is not really needed but would make it more clear that CIC's must respect governmental authority to control public ROWs.

HB22-1239 Regulate Community Association Managers. This is in response to the 2021 Sunrise Report recommendation to "regulate." (I don't believe that "regulate" necessarily means the highest type of regulation embodied in "licensing.") The introduced Bill intends to License Community Association Management Companies only and specifically not license individuals. This would essentially implement the 2012 Sunrise Report Recommendation to regulate management companies. As I have before indicated, I am philosophically opposed to virtually all mandatory licensing by governmental levels. Licensing is mostly about putting barriers to entry in place for the licensed activity. I also believe that legislation that has embedded exemptions to the legislation in it is flawed. The list of exemptions on pg 5 of HB22-1239(introduced) is troubling. Since lines 5-8 on pg 5 seem to specifically allow me to avoid the requirements of the Bill, I find myself as a practical matter in more of a neutral, accepting point of view.

The annual report from the HOA Information and Resource Center came out a couple of weeks ago. Attached is my compilation of the data from the 11 reports issued since 2011. The data seems to me to pretty well show that the previous licensing experiment drove many more complaints and once the licensing requirement was removed, the frequency of the complaints has significantly dropped off.

HB22-1137 HOA Board Accountability & Transparency. I believe that Small Claims Court is already an option for settling some disputes, so I'm not sure why that is in the Bill? The stuff in section 2 of the Bill closely parallels how we currently operate at Plaza de Monaco. It seems like simple common sense good management practices. I don't like the idea that specific best practices get locked into law. Section 3 change of max interest from 21% to 8% is reasonable to me. Section 4 and 5 limits on the amount of legal and other costs that may be recovered seems arbitrary to me, The amount of the recovery amounts should be determined by the judge as I have seen in the past when the judge told the attorney that some of what was charged was unrecoverable. Putting 3x in the law will simply ensure that 3x is what happens.

So, Bottom line in all of this is that were I to be the one voting on these three Bills, I would just say no.

HOA Information and Resource Center Annual Report Complaint Data - Compiled by Buck Bailey in Mar 2022

Complaint Type	2011-2021(11 reports)		Ranking	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
	Total	Avg		Figure 6.6	Figure 6.6	Figure 6.4	Figure 6.5	Figure 5.3	Figure 5.3	Figure 6.4	Figure 5.4	Figure 5.4	pg 12	pg 9
Improper or selective enforcement	1556	141.45	1	32	83	272	256	139	205	177	170	154	30	38
Not performing maintenance	1565	142.27	2	72	98	200	185	153	187	237	183	140	57	53
Not following governing documents	1486	135.09	3	61	102	185	175	120	193	177	191	168	50	64
Communication with Owners	1444	131.27	4	137	146	108	105	129	184	193	165	175	45	57
Failure to produce records	1166	106.00	5	29	52	132	129	101	141	131	91	99	107	154
Excessive Assessment, fees, fines	857	77.91	6	41	66	122	84	84	127	108	87	44	44	50
Accounting issues	835	75.91	7	51	80	0	0	90	178	165	100	117	27	27
Regulatory compliance	714	64.91	8	83	77	49	41	74	159	130	61	13	6	21
Intimidation, harrassment, retaliation	642	58.36	9	21	51	52	0	71	121	101	78	56	41	50
Meetings	627	57.00	10	27	45	72	58	68	104	88	51	66	24	24
Elections, voting	551	50.09	11	18	34	95	0	59	98	78	55	57	24	33
Diversion, fraud, theft	383	34.82	12	18	22	30	25	45	77	53	39	26	23	25
Conflicts of interest	353	32.09	13	7	7	20	25	20	48	63	66	54	17	26
Insurance	200	18.18	14	14	22	19	12	13	33	22	25	13	11	16
Discrimination	188	17.09	15	12	29	32	13	15	31	19	22	15		
Reserves	177	16.09	16	6	4	45	19	16	30	19	18	8	4	8
Parking	172	15.64	17	9	12	22	17	16	24	17	14	22	10	9
Miscellaneous (pools, pets, etc.)	108	9.82	18	7	6	20	7	13	13	12	14	8	2	6
Declarant Control Issues	78	7.09	19	1	1	3	0	6		16	7	3	8	33
Landscaping	74	6.73	20	37	16		4	3					11	3
Nuisance	62	5.64	21	5	2	15	4						8	28
Manager exerting excess control of Board	28	2.55	22							1	3	10	3	11
Liens	27	2.45	23	5	5	15	2							
Total Complaints--HOA Info Center	13293	1208.45		693	960	1508	1161	1235	1953	1807	1440	1248	552	736
CAM Alleged Issues							FY17-Mar2019	FY16-17		(FY15-16)/2				
CAM Alleged Issues	1460			Included in Resource Center Reportin			624	261	144	144	Included in Resource Center Reportin		130	157
Total complaints for period	14753	1341.18		693	960	1508	1785	1496	2097	1951	1440	1248	682	893

Questions not answerable from reports:

- 1) How many of the complaints received were immediately determined to be without merit?
- 2) How many of the complaints received were repeat complaints throughout a year and from year to year?
- 3) How many CICs were subject of of complaints?
- 4) Were the complaint issues properly categorized consistently each year of documentation?

The current and past registration data indicates that the HOA Information and Resource Center is aware of well over 10,000 Common Interest Communities in the state of Colorado. There are also a number (possibly large?) of CIC properties that have never registered with the Resource Center.