

Summary of HB26-1316 Amendments

In stakeholding we worked on these amendments with the Land Title Association of Colorado, the Colorado Association of Realtors, Colorado Association of Homebuilders and the National Golf Course Owners Association.

Amendment L.006: This amendment clarifies the bill's definition of a "private membership club" to explicitly include entities that force property owners to pay dues through a residential real estate covenant. - This was a clarifying amendment to make sure we are not touching any other types of documents.

Amendment L.007: This amendment refines the specific financial transparency disclosures clubs must provide, ensuring homeowners receive operational budget, past revenue and expense accounting, and detailed justifications for any planned fee increases. This amendment is the transparency sought for homeowners locked into these indefinite arrangements.

Amendment L.008: This amendment modernizes how clubs can share documents by allowing them to use secure online portals, shrinks the annual disclosure deadline from 90 to 60 days aligning with when the certificate of compliance is due to the county clerk, and requires clubs to formally record a certificate of compliance with the county clerk. The National Golf Course Owners Association requested the website specifications so as not to assume this information was on their public facing website. The Land Title Association of Colorado and the Colorado Association of Realtors had concerns over smooth transactions when houses are bought and sold, which led us to the Certificate of Compliance that would eliminate confusion at closings.

Amendment L.009: This amendment establishes new consumer protections requiring clubs to give a 30-day notice and hold a local, accessible meeting before raising any dues. It also requires clubs to conduct twice-yearly resident satisfaction surveys, share the results and create plans to address legitimate homeowner concerns. This was a negotiation with the National Golf Course Owners Association.

Amendment L.010: This amendment protects homeowners and future buyers from being held legally liable for dues that were withheld while a club was actively out of compliance with the law. It also strips super-priority status from club-imposed property liens and adds a standard severability clause to protect the rest of the bill if one part is challenged in court. This amendment was another change for clarification of what happens to the fees due if the club becomes noncompliant and protects the rest of the covenant from being unenforceable if the private club section of covenants is not in compliance with the bill.

Amendment L.012: We know we had some language concerns from stakeholders and the committee members on how to prevent these arrangements in the future, so we have removed the prohibition of these types of covenants in the future.