

# 2024 Legislative Session Report



## 2024 CAI Colorado Legislative Session Report

Community Associations Institute (CAI) Colorado Legislative Action Committee (CLAC) spent the 2024 legislative session advocating on behalf of the [approximately 2,403,000 Coloradans living in 893,000 homes in more than 9,900 community associations across the Centennial State](#). Colorado's legislative session began on January 10 and adjourned on May 8, 2024. The CLAC actively tracked 19 bills out of 471 bills introduced in the House and 233 bills introduced in the Senate. Below are highlights from the 2024 Colorado State Legislature:

### **HB 24-1158 Homeowners' Association Foreclosure Sales Requirements**

This bill would have made modifications to the already complicated foreclosure process in Colorado by:

- Creating new, additional notice requirements for associations to follow on top of existing notice requirements; and
- Arbitrarily limiting the amount of attorney's fees recoverable by an HOA to \$2,500, regardless of actual cost and legal fees incurred
- Mandating excessive minimum-bid requirements for HOA foreclosures
- Further limiting who can purchase foreclosed properties.

CLAC **opposed** this bill. The final vote in the House came down to the wire, when, shortly after midnight on April 17th, the bill was brought up for a vote during an all-night voting session, and failed to pass by a single vote. In total, 284 messages (136 of which contained a personal story) were sent by 264 volunteers across Colorado to 56 Representatives. Your voices reached an overwhelming majority of Representatives in the Colorado House of Representatives!

**Status: Successfully DIED in House.**

### **HB24-1233 – HOA Delinquency Payments Enforcement**

This bill cleans up several provisions of the previous HB22-1137 by: removing the posting on unit requirement, removing first class mail notification for delinquency – now includes Certified Mail, telephone call, text message, and email if provided by homeowner (associations must use two methods if available), and allowing associations to charge owner for costs of notices by certified mail.

CLAC **supported** this bill.

**Status: Successfully PASSED, awaiting Governor's signature.**

### **HB 24-1337 Real Property Owner Unit Association Collections**

This bill, as introduced, limits reimbursement for collection costs, fees, other costs resulting from unpaid assessments and violations to 50% or \$5,000. It was later amended to allow court discretion and an increase based on the consumer price index. The bill additionally prohibits foreclosure on a 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.

The bill also creates a right of redemption 180 days following foreclosure. A person wanting to redeem the unit under the bill must file a notice of intent to redeem within 30 days after the foreclosure sale.

CLAC was **opposed** to this bill.

**Status: Unsuccessfully PASSED, awaiting Governor's signature.**

### **SB 24-106 Right to Remedy Construction Defects**

Under this bill, if a developer or builder makes a repair, even if the repair isn't adequate, the owners and HOA relinquish their right to bring any claims against the builder or developer if the underlying problems are not fixed. This "right to remedy" would let a builder or developer fix only the cracks caused by foundation movement instead of actually fixing the defect that caused the foundation to move in the first place. Further, this "right to remedy" would allow a builder or developer to trespass onto homeowners' property and take a sledgehammer or whatever other construction equipment they choose to "fix" the defect, and the homeowner has no ability to refuse – or even to ask that the repair be scheduled at a time convenient for them.

Under current law, negligence claims for construction defects already must meet the high standard of causing property damage, loss of use, risk of injury, or a threat to occupants' lives, health, or safety. This bill increases these requirements, and allow developers and builders to get away with mistakes that cause threats to life, health or safety as long as those threats are not "imminent" and "unreasonable".

This bill additionally requires 60% of homeowners in a community association to provide written approval in order for a construction defect claim to move forward. SB 24-106 also requires each homeowner in an HOA to file their own notice of claim even if the community has secured the appropriate votes to move forward as a group.

CLAC **opposed** this bill, and sent out two calls to action to advocates- one directed at the enate Local Government and Housing Committee, which saw 33 messages sent by 32 advocates, and one to the full Senate, which saw 20 messages sent by 20 advocates.

**Status: Successfully DIED in House Committee.**

### **SB24-112 Construction Defect Action Procedures**

This bill requires a 67% vote of homeowners in the association to approve a construction defect claim and will require associations to seek unit owner approval for each addition to the claim. Under current Colorado case law, a homeowner enjoys the reasonable expectation that a home will be well-built, as well as the reasonable expectation that a home will be safe to live in. New homeowners automatically have these protections with the purchase of a new home in Colorado. This bill undoes those protections and states that construction professionals are not obligated to provide express or implied warranties. SB 24-112 would also shield builders from liability for improper work by the builders' own design professionals like engineers and architects.

CLAC **opposed** this bill.

**Status: Successfully DIED in Senate.**

### **HB24-1230 – Protections for Real Property Owners**

This bill requires that community association governing documents conform to current law regarding building inspections and construction defects. No other substantive changes are required under this bill.

CLAC **supported** this bill.

**Status: Unsuccessfully DIED in Senate.**

### **SB24-134 – Operation of Home-Based Businesses**

This bill prohibits community associations from prohibiting home-based businesses, however it preserves the right to enforce community association rules and regulations.

CLAC was able to get this bill amended to state that in order to be protected by the bill, a business must be a secondary use of a residential home.

**Status: PASSED, signed by Governor. Effective August 6, 2024.**

### **HB 24-1078 Regulation of Community Association Managers**

HB 24-1078 brings back a version of Colorado's previous manager licensure requirement, applying this time to community association management companies, despite the previous requirement being allowed to sunset back in 2019 by Governor Polis. It requires licensure for business entities, criminal history checks for controlling manager and any other managers. It also contains a points-based disciplinary system. Applicants for licensure must pay a fee and comply with other requirements, including having adequate insurance coverage and having no past, adverse credentialing actions. A controlling manager and any employees performing community association management must submit to a fingerprint-based background check. Licenses are valid for up to two years, with the fee amount and expiration schedule established by the Department of Regulatory Agencies. The licensure program established by this bill would expire September 1, 2029, following a sunset review.

CLAC was **opposed** to this bill, and sent out two call to action campaigns to advocates- one directed at the House Finance Committee, which saw 31 messages sent to legislators by 30 advocates, and one directed at the House Transportation, Housing, and Local Government Committee, which saw 24 messages sent by 24 advocates.

**Status: Successfully DIED in House.**

#### **HB24-1152 – Accessory Dwelling Units**

This bill broadly allows accessory dwelling units to be built in more lots in jurisdictions that are either a municipality that has a population of 1,000 or more and that is within the area of a metropolitan planning organization; or the portion of a county that is both within a census designated place with a population of ten thousand or more, as reported in the most recent decennial census, and within the area of a metropolitan planning organization.

CLAC was able to get the bill amended to preserve the right of community associations to impose reasonable rules and regulations on the construction of accessory dwelling units, however it does not allow for outright prohibitions by community associations.

**Status: PASSED, awaiting Governor’s signature.**

#### **HB24-1051 – Towing Carrier Regulation**

This bill as introduced required that property owners pay for the removal and storage of vehicles from their property for 30 days. During the bill’s progression through the House, it was amended to remove this provision, and focus the bill instead on creating new regulations for towing carriers, including clarifying that nonconsensual tows must be authorized by property owners or their employees, and replaces an existing requirement that vehicles must display parking authorization to vehicles having valid authorization. It also broadens the types of vehicles protected from towing to include invited guests.

CLAC was **opposed** to this bill as introduced.

**Status: PASSED, awaiting Governor’s signature.**

#### **HB24-1091 – Fire-Hardened Building Materials in Real Property**

This bill prohibits covenants and other restrictions that disallow the installation, use, or maintenance of fire-hardened building materials in residential real property, including in common interest communities.

CLAC was able to get this bill amended to preserve the right of associations to impose reasonable rules and regulations related to architectural standards and placement of fencing.

**Status: PASSED, signed by Governor. Effective immediately.**

#### **HB24-1108 - Insurance Commissioner Study Insurance Market**

This bill requires the Division of Insurance in the Department of Regulatory Agencies to conduct or commission a study of property and casualty insurance policies for homeowner associations (HOAs) and lodging facilities. The Commissioner of Insurance must submit a report to the General Assembly by January 1, 2026, that includes current market conditions; availability of insurance coverage; affordability of insurance coverage; areas of the state with insurance availability concerns; and recommendations to promote the long-term sustainability and availability of insurance.

CLAC **supported** this bill.

Status: **Successfully PASSED**, awaiting Governor's signature.

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### Track CO Legislation

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