

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0490.01 Richard Sweetman x4333

SENATE BILL 24-021

SENATE SPONSORSHIP

Rich,

HOUSE SPONSORSHIP

Soper,

Senate Committees
Local Government & Housing

House Committees

A BILL FOR AN ACT

101 CONCERNING EXEMPTING CERTAIN SMALL COMMUNITIES FROM
102 CERTAIN REQUIREMENTS OF THE "COLORADO COMMON
103 INTEREST OWNERSHIP ACT".

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Current law exempts certain small cooperatives and limited-expense planned communities from most of the requirements of the "Colorado Common Interest Ownership Act", which governs the conduct of homeowners' associations (associations). A cooperative or planned community may avail itself of the exemption if:

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

- A cooperative was created on or after July 1, 1992, but before July 1, 1998, and either contains only units restricted to nonresidential use or contains no more than 10 units and is not subject to any development rights;
- A planned community was created on or after July 1, 1992, but before July 1, 1998, and contains no more than 10 units and is not subject to any development rights, or if a planned community provides in its declaration that the annual average common expense liability of each unit restricted to residential purposes may not exceed \$400, as adjusted for changes in the consumer price index (CPI);
- A cooperative or planned community was created on or after July 1, 1998, and contains only units restricted to nonresidential use or contains no more than 20 units and is not subject to any development rights; or
- A planned community was created after July 1, 1998, and provides in its declaration that the annual average common expense liability of each unit restricted to residential purposes may not exceed \$400, as adjusted for changes in the CPI.

The bill combines these exemptions, with amendments, to state that a cooperative or planned community may avail itself of the exemption if:

- A cooperative or planned community was created on or after July 1, 1992, and either contains only units restricted to nonresidential use or contains no more than 20 units and is not subject to any development rights; or
- A planned community provides in its declaration that the annual average common expense liability of each unit restricted to residential purposes must not exceed \$400, as adjusted annually since July 1, 1999, for changes in the CPI.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 38-33.3-116
 3 as follows:

4 **38-33.3-116. Exception for new small cooperatives and small**
 5 **and limited-expense planned communities.** (1) (a) If a cooperative OR
 6 PLANNED COMMUNITY WAS created in this state on or after July 1, 1992,
 7 ~~but prior to July 1, 1998,~~ AND EITHER contains only units restricted to

1 nonresidential use or contains no more than ~~ten~~ TWENTY units and is not
2 subject to any development rights, it is subject only to sections
3 38-33.3-105 to 38-33.3-107, unless the declaration provides that this
4 entire ~~article~~ ARTICLE 33.3 is applicable.

5 (b) ~~If a planned community created in this state on or after July 1,~~
6 ~~1992, but prior to July 1, 1998, contains no more than ten units and is not~~
7 ~~subject to any development rights or~~ If a planned community provides in
8 its declaration that the annual average common expense liability of each
9 unit restricted to residential purposes, exclusive of optional user fees and
10 any insurance premiums paid by the association, ~~may~~ MUST not exceed
11 four hundred dollars, as adjusted pursuant to subsection (3) of this
12 section, it is subject only to sections 38-33.3-105 to 38-33.3-107, unless
13 the declaration provides that this entire ~~article~~ ARTICLE 33.3 is applicable.

14 (2) ~~If a cooperative or planned community created in this state on~~
15 ~~or after July 1, 1998, contains only units restricted to nonresidential use,~~
16 ~~or contains no more than twenty units and is not subject to any~~
17 ~~development rights, it is subject only to sections 38-33.3-105 to~~
18 ~~38-33.3-107, unless the declaration provides that this entire article is~~
19 ~~applicable. If a planned community created in this state after July 1, 1998,~~
20 ~~provides, in its declaration, that the annual average common expense~~
21 ~~liability of each unit restricted to residential purposes, exclusive of~~
22 ~~optional user fees and any insurance premiums paid by the association,~~
23 ~~may not exceed four hundred dollars, as adjusted pursuant to subsection~~
24 ~~(3) of this section, it is subject only to sections 38-33.3-105 to~~
25 ~~38-33.3-107, unless the declaration provides that this entire article is~~
26 ~~applicable.~~

27 (3) (a) The AMOUNT OF THE dollar limitation set forth in

1 ~~subsections (1) and (2)~~ SUBSECTION (1)(b) of this section ~~shall~~ MUST be
2 increased annually on July 1, 1999, and on July 1 of each succeeding year
3 in accordance with any increase in the United States department of labor
4 bureau of labor statistics final consumer price index for the
5 Denver-Boulder consolidated metropolitan statistical area for the
6 preceding calendar year. The AMOUNT OF THE limitation ~~shall~~ MUST not
7 be increased if the final consumer price index for the preceding calendar
8 year did not increase and ~~shall~~ MUST not be decreased if the final
9 consumer price index for the preceding calendar year decreased.

10 (b) THE AMOUNT OF THE DOLLAR LIMITATION SET FORTH IN
11 SUBSECTION (1)(b) OF THIS SECTION, AS ADJUSTED AS DESCRIBED IN
12 SUBSECTION (3)(a) OF THIS SECTION, APPLIES TO EACH PLANNED
13 COMMUNITY DESCRIBED IN SUBSECTION (1)(b) OF THIS SECTION,
14 REGARDLESS OF WHEN THE PLANNED COMMUNITY WAS CREATED.

15 **SECTION 2. Act subject to petition - effective date.** This act
16 takes effect at 12:01 a.m. on the day following the expiration of the
17 ninety-day period after final adjournment of the general assembly; except
18 that, if a referendum petition is filed pursuant to section 1 (3) of article V
19 of the state constitution against this act or an item, section, or part of this
20 act within such period, then the act, item, section, or part will not take
21 effect unless approved by the people at the general election to be held in
22 November 2024 and, in such case, will take effect on the date of the
23 official declaration of the vote thereon by the governor.