

**NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.**

# An Act

HOUSE BILL 25-1043

BY REPRESENTATIVE(S) Ricks and Bacon, Clifford, Mabrey, English, Lindsay, Rutinel, Woodrow, Jackson, Joseph;  
also SENATOR(S) Exum, Amabile, Cutter, Hinrichsen, Jodeh, Kipp, Kolker, Snyder, Weissman, Coleman.

CONCERNING THE PROTECTION OF UNIT OWNERS IN RELATION TO  
ENFORCEMENT ACTIONS BY UNIT OWNERS' ASSOCIATIONS.

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

**SECTION 1.** In Colorado Revised Statutes, 12-10-801, **amend** (3)(c) as follows:

**12-10-801. HOA information and resource center - creation - duties - rules - subject to review - repeal.** (3) (c) (I) The HOA information officer shall track inquiries and complaints and report annually to the director regarding the number and types of inquiries and complaints received.

(II) IN ADDITION TO THE INFORMATION DESCRIBED IN SUBSECTION (3)(c)(I) OF THIS SECTION, THE HOA INFORMATION OFFICER SHALL REPORT IN THE ANNUAL HOA REPORT AGGREGATED INFORMATION PROVIDED BY

*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

ASSOCIATIONS PURSUANT TO SECTION 38-33.3-401 (3.2) AS PART OF THE ASSOCIATIONS' ANNUAL REGISTRATION WITH THE DIRECTOR OF THE DIVISION.

**SECTION 2.** In Colorado Revised Statutes, 38-33.3-123, **add** (1)(f)(III.5) and (3) as follows:

**38-33.3-123. Enforcement - limitation.** (1) (f) In determining reasonable attorney fees pursuant to this subsection (1) relating to an association's foreclosure of a lien against a unit owner for unpaid assessments, the court shall give consideration to all relevant factors, including:

(III.5) WHETHER THE ASSOCIATION INCURRED INFLATED OR DUPLICATIVE ATTORNEY FEES DUE TO A STAY IN COURT PROCEEDINGS PURSUANT TO SUBSECTION (3) OF THIS SECTION FOR THE ASSOCIATION TO COME INTO STRICT COMPLIANCE WITH APPLICABLE LIEN OR FORECLOSURE PROVISIONS OF THIS TITLE 38;

(3) NOTWITHSTANDING ANY LAW TO THE CONTRARY, AS A CONDITION PRECEDENT TO RECOVERING MONEY OWED TO AN ASSOCIATION, COLLECTION COSTS, OR REASONABLE ATTORNEY FEES OR COSTS THROUGH THE FORECLOSURE OF AN ASSOCIATION LIEN, THE ASSOCIATION SHALL STRICTLY COMPLY WITH ANY APPLICABLE ASSOCIATION LIEN OR FORECLOSURE PROVISIONS OF THIS TITLE 38 AND ANY APPLICABLE LIEN OR FORECLOSURE PROVISIONS OF THE ASSOCIATION'S DECLARATION, BYLAWS, ARTICLES, AND RULES AND REGULATIONS. IN ADDITION, IF A COURT DETERMINES THAT A COMMON INTEREST COMMUNITY IS NOT IN STRICT COMPLIANCE WITH THE LIEN OR FORECLOSURE PROVISIONS OF THIS TITLE 38, THE COURT MAY STAY THE PROCEEDINGS TO GRANT THE ASSOCIATION A REASONABLE PERIOD OF TIME TO COME INTO STRICT COMPLIANCE WITH THE LAW. DURING THE STAY IN PROCEEDINGS, THE ASSOCIATION SHALL NOT ASSESS OR ACCRUE LATE FEES, INTEREST, OR OTHER DELINQUENCY CHARGES AGAINST THE UNIT OWNER.

**SECTION 3.** In Colorado Revised Statutes, 38-33.3-209.5, **amend** (5)(a) introductory portion, (5)(a)(V)(C), and (5)(a)(V)(D); and **add** (1)(a.5), (1.7)(a)(I)(D), and (5)(a)(V)(E) as follows:

**38-33.3-209.5. Responsible governance policies - due process for**

**imposition of fines - procedure for collection of delinquent accounts - enforcement through small claims court - definitions.** (1) To promote responsible governance, associations shall:

(a.5) REQUEST PERIODICALLY FROM A UNIT OWNER OR DESIGNATED CONTACT, AND MAINTAIN IN THE ASSOCIATION'S RECORDS FOR PURPOSES OF PROVIDING NOTICE TO THE UNIT OWNER AS REQUIRED PURSUANT TO THIS SECTION AND THIS TITLE 38, A TELEPHONE NUMBER FOR PHONE CALLS, A CELLULAR NUMBER FOR TEXTS, AND AN EMAIL ADDRESS FOR EMAILS;

(1.7) (a) With regard to a unit owner's delinquency in paying assessments, fines, or fees, an association shall:

(I) First contact the unit owner to alert the unit owner of the delinquency before taking action in relation to the delinquency pursuant to subsection (1.7)(a)(II) of this section and shall maintain a record of any contact, including information regarding the type of communication used to contact the unit owner and the date and time that the contact was made. Any contact that a community association manager or a property management company makes on behalf of an association pursuant to this subsection (1.7)(a) is deemed a contact made by the association and not by a debt collector as defined in section 5-16-103 (9). A unit owner may identify another person to serve as a designated contact for the unit owner to be contacted on the unit owner's behalf for purposes of this subsection (1.7)(a)(I). A unit owner may also notify the association if the unit owner prefers that correspondence and notices from the association be made in a language other than English. If a preference is not indicated, the association shall send the correspondence and notices in English. The unit owner and the unit owner's designated contact must receive the same correspondence and notices any time communications are sent out; except that the unit owner must receive the correspondence and notices in the language for which the unit owner has indicated a preference, if any. An association may determine the manner in which a unit owner may identify a designated contact. In contacting the unit owner or a designated contact, an association shall send the same type of notice of delinquency required to be sent pursuant to subsection (5)(a)(V) of this section, including sending it by certified mail, return receipt requested. In addition, the association shall contact the unit owner or designated contact by two of the following means:

(D) BY REGULAR MAIL, IF THE UNIT OWNER OR DESIGNATED

CONTACT HAS NOT PROVIDED A TELEPHONE NUMBER, CELLULAR NUMBER, OR EMAIL ADDRESS AS ADDITIONAL MEANS BY WHICH TO RECEIVE NOTICES.

(5) (a) Notwithstanding any provision of the declaration, bylaws, articles, or rules and regulations to the contrary or the absence of a relevant provision in the declaration, bylaws, articles, or rules or regulations, the association or a holder or assignee of the association's debt, whether the holder or assignee of the association's debt is an entity or a natural person, ~~may~~ SHALL not use a collection agency or take legal action to collect unpaid assessments unless the association or a holder or assignee of the association's debt has adopted and follows a written policy governing the collection of unpaid assessments and unless the association complies with subsection (7) of this section. The policy must, at a minimum, specify:

(V) That, before the entity turns over a delinquent account of a unit owner to a collection agency or refers it to an attorney for legal action, the entity must send the unit owner a notice of delinquency, by certified mail, return receipt requested, specifying:

(C) The name and contact information for the individual the unit owner may contact to request a copy of the unit owner's ledger in order to verify the amount of the debt, ~~and~~ WHICH COPY OF THE LEDGER MUST BE PROVIDED TO THE UNIT OWNER NO LATER THAN SEVEN BUSINESS DAYS AFTER RECEIPT OF THE UNIT OWNER'S REQUEST;

(D) That action is required to cure the delinquency and that failure to do so within thirty days may result in the unit owner's delinquent account being turned over to a collection agency, a lawsuit being filed against the owner, the filing and foreclosure of a lien against the unit owner's property, THE SALE OF THE UNIT OWNER'S UNIT AT AUCTION TO PAY DELINQUENT ASSESSMENTS, WHICH COULD RESULT IN THE UNIT OWNER LOSING SOME OR ALL OF THE UNIT OWNER'S EQUITY IN THE UNIT, or other remedies available under Colorado law; AND

(E) THE AVAILABILITY OF, AND INSTRUCTIONS ON HOW TO ACCESS, FREE ONLINE INFORMATION THROUGH THE HOA INFORMATION AND RESOURCE CENTER CREATED IN SECTION 12-10-801 (1) RELATING TO THE COLLECTION OF ASSESSMENTS BY AN ASSOCIATION, INCLUDING THE ASSOCIATION'S ABILITY TO FORECLOSE AN ASSOCIATION LIEN FOR UNPAID ASSESSMENTS AND FORCE THE SALE OF THE UNIT OWNER'S HOME, AND THE

AVAILABILITY OF ONLINE INFORMATION FROM THE FEDERAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT CONCERNING CREDIT COUNSELING BEFORE FORECLOSURE THAT MAY BE ACCESSED THROUGH A LINK ON THE DEPARTMENT OF LOCAL AFFAIRS' WEBSITE.

**SECTION 4.** In Colorado Revised Statutes, 38-33.3-316, **add** (10.3), (10.8), (11.2), and (14) as follows:

**38-33.3-316. Lien for assessments - liens for fines, fees, charges, costs, and attorney fees - limitations - definitions.** (10.3) AT LEAST THIRTY DAYS BEFORE INITIATING A LEGAL ACTION TO FORECLOSE AN ASSOCIATION LIEN, THE ASSOCIATION SHALL PROVIDE WRITTEN AND ELECTRONIC NOTICE TO THE UNIT OWNER OR THE UNIT OWNER'S DESIGNEE THAT:

(a) THE UNIT OWNER HAS THE RIGHT TO PARTICIPATE IN CREDIT COUNSELING AT THE UNIT OWNER'S EXPENSE AND THAT INFORMATION RELATING TO OBTAINING CREDIT COUNSELING AND THE CONSEQUENCES OF FORECLOSURE BY AN ASSOCIATION IS AVAILABLE THROUGH THE HOA INFORMATION AND RESOURCE CENTER CREATED IN SECTION 12-10-801 (1) OR THROUGH A LINK TO THE FEDERAL DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT ON THE DEPARTMENT OF LOCAL AFFAIRS' WEBSITE; AND

(b) CREDIT COUNSELING MAY INCLUDE:

(I) DISCUSSION OF AMOUNTS OWED TO THE ASSOCIATION IN UNPAID ASSESSMENTS AND RELATED COSTS;

(II) THE IMPACT OF FORECLOSURE ON THE UNIT OWNER'S CREDIT;

(III) ADDITIONAL DEBT THAT MAY BE INCURRED BY THE UNIT OWNER IF FORECLOSURE BY THE ASSOCIATION IS COMPLETED;

(IV) OPTIONS AVAILABLE TO THE UNIT OWNER TO RETAIN TITLE TO THE UNIT OR TO REMAIN IN THE UNIT; AND

(V) ANY OTHER OPTIONS THAT MAY BE AVAILABLE TO THE UNIT OWNER TO AVOID FORECLOSURE.

(10.8) (a) IN ADDITION TO THE NOTIFICATIONS OR INFORMATION

THAT THE ASSOCIATION IS REQUIRED PURSUANT TO SECTION 38-33.3-209.5 TO PROVIDE TO A UNIT OWNER PRIOR TO INITIATING A LEGAL ACTION, AT LEAST THIRTY DAYS BEFORE INITIATING A LEGAL ACTION TO FORECLOSE AN ASSOCIATION LIEN UNDER THIS SECTION, THE ASSOCIATION SHALL PROVIDE NOTICE TO THE UNIT OWNER OF THE ASSOCIATION'S INTENT TO FORECLOSE THE LIEN UNDER THIS SECTION.

(b) (I) THE ASSOCIATION SHALL SEND THE NOTICE OF INTENT TO FORECLOSE THE ASSOCIATION LIEN TO THE UNIT OWNER OR THE UNIT OWNER'S DESIGNATED CONTACT, IF THE UNIT OWNER HAS IDENTIFIED ANOTHER INDIVIDUAL TO SERVE AS A DESIGNATED CONTACT PURSUANT TO SECTION 38-33.3-209.5 (1.7). IF THE UNIT OWNER OR THE UNIT OWNER'S DESIGNATED CONTACT HAS NOTIFIED THE ASSOCIATION OF A PREFERENCE TO RECEIVE NOTICES IN A LANGUAGE OTHER THAN ENGLISH PURSUANT TO SECTION 38-33.3-209.5 (1.7)(a)(I), THE NOTICE MUST BE SENT IN THE PREFERRED LANGUAGE.

(II) FOR PURPOSES OF PROVIDING THE ASSOCIATION'S NOTICE OF INTENT TO FORECLOSE TO THE UNIT OWNER, IF THE ASSOCIATION DOES NOT ALREADY HAVE THE INFORMATION, PRIOR TO SENDING THE NOTICE, THE ASSOCIATION SHALL REQUEST FROM THE UNIT OWNER OR THE UNIT OWNER'S DESIGNATED CONTACT, A TELEPHONE NUMBER FOR PHONE CALLS, A CELLULAR NUMBER FOR TEXTS, AND AN EMAIL ADDRESS FOR EMAILS.

(III) THE ASSOCIATION SHALL SEND THE NOTICE OF INTENT TO FORECLOSE BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, AND BY AT LEAST TWO OF THE FOLLOWING MEANS:

(A) TELEPHONE CALL TO A TELEPHONE NUMBER THAT THE ASSOCIATION HAS ON FILE BECAUSE THE UNIT OWNER OR DESIGNATED CONTACT HAS PROVIDED THE NUMBER TO THE ASSOCIATION. IF THE ASSOCIATION ATTEMPTS TO CONTACT THE UNIT OWNER OR DESIGNATED CONTACT BY TELEPHONE BUT IS UNABLE TO CONTACT THE UNIT OWNER OR DESIGNATED CONTACT, THE ASSOCIATION SHALL, IF POSSIBLE, LEAVE A VOICE MESSAGE FOR THE UNIT OWNER OR DESIGNATED CONTACT.

(B) TEXT MESSAGE TO A CELLULAR NUMBER THAT THE ASSOCIATION HAS ON FILE BECAUSE THE UNIT OWNER OR DESIGNATED CONTACT HAS PROVIDED THE CELLULAR NUMBER TO THE ASSOCIATION;

(C) EMAIL TO AN EMAIL ADDRESS THAT THE ASSOCIATION HAS ON FILE BECAUSE THE UNIT OWNER OR DESIGNATED CONTACT HAS PROVIDED THE EMAIL ADDRESS TO THE ASSOCIATION; OR

(D) REGULAR MAIL, IF THE UNIT OWNER OR DESIGNATED CONTACT HAS NOT PROVIDED A TELEPHONE NUMBER, CELLULAR NUMBER, OR EMAIL ADDRESS AS ADDITIONAL MEANS BY WHICH TO RECEIVE NOTICES.

(c) THE NOTICE OF INTENT TO FORECLOSE THE ASSOCIATION LIEN MUST INFORM THE UNIT OWNER THAT:

(I) THE ASSOCIATION INTENDS TO FILE A LAWSUIT AGAINST THE UNIT OWNER'S PROPERTY AND THAT, IF THE COURT FORECLOSES ON THE LIEN, THE COURT WILL ORDER THE SALE OF THE UNIT AT AUCTION TO PAY THE DELINQUENT ASSESSMENTS DUE TO THE ASSOCIATION;

(II) BASED ON THE SALE PRICE OF THE UNIT AT AUCTION, THE UNIT OWNER COULD LOSE SOME OR ALL OF THE UNIT OWNER'S EQUITY IN THE UNIT;

(III) PURSUANT TO SUBSECTION (10.3) OF THIS SECTION, THE UNIT OWNER HAS A RIGHT TO PARTICIPATE IN CREDIT COUNSELING PRIOR TO FORECLOSURE;

(IV) PURSUANT TO SUBSECTION (10.7) OF THIS SECTION, THE UNIT OWNER HAS A RIGHT TO PARTICIPATE IN MEDIATION WITH THE ASSOCIATION PRIOR TO FORECLOSURE; AND

(V) PURSUANT TO SECTION 38-33.3-209.5 (5)(a)(V)(E), THE OWNER HAS ACCESS TO, AND INSTRUCTIONS ON HOW TO ACCESS, FREE ONLINE INFORMATION THROUGH THE HOA INFORMATION AND RESOURCES CENTER CREATED IN SECTION 12-10-801 (1) RELATING TO FORECLOSURE BY AN ASSOCIATION.

(d) UNLESS REQUIRED UNDER ANOTHER PROVISION OF LAW, THIS SUBSECTION (10.8) DOES NOT APPLY TO A TIME SHARE UNIT, AS DEFINED IN SECTION 38-33-110 (7).

(11.2) NO LATER THAN FIVE BUSINESS DAYS AFTER AN ASSOCIATION INITIATES LEGAL ACTION TO FORECLOSE A LIEN DESCRIBED IN THIS SECTION,

THE ASSOCIATION SHALL PROVIDE WRITTEN AND ELECTRONIC NOTICE TO ALL LIENHOLDERS IDENTIFIED IN THE UNIT OWNER PROPERTY RECORDS OF:

(a) THE RIGHT TO CURE THE NONPAYMENT PURSUANT TO SECTION 38-38-104; AND

(b) THE RIGHT OF THE UNIT OWNER TO FILE A MOTION TO STAY THE SALE OF THE PROPERTY AT AUCTION PURSUANT TO SECTION 38-38-109.5.

(14) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "ASSESSMENT" MEANS A PAYMENT FOR COMMON EXPENSE OBLIGATIONS OF UNIT OWNERS BASED ON A PERIODIC BUDGET ADOPTED BY THE ASSOCIATION UNDER SECTION 38-33.3-315 (1), OR A PAYMENT FOR LIMITED COMMON ELEMENTS OF UNIT OWNERS, AND INCLUDES FEES SPECIFIC TO DELINQUENT PAYMENTS AND REASONABLE COLLECTION COSTS FOR COLLECTING DELINQUENT PAYMENTS.

**SECTION 5.** In Colorado Revised Statutes, 38-33.3-401, **add** (3.2) as follows:

**38-33.3-401. Registration - annual fees - data collection of enforcement actions.** (3.2) AS PART OF AN ASSOCIATION'S ANNUAL REGISTRATION, THE ASSOCIATION SHALL SUBMIT THE FOLLOWING INFORMATION TO THE DIRECTOR OF THE DIVISION OF REAL ESTATE, IN THE FORM AND MANNER DETERMINED BY THE DIRECTOR OF THE DIVISION OF REAL ESTATE:

(a) FOR THE TWELVE-MONTH PERIOD IMMEDIATELY PRECEDING THE ASSOCIATION'S ANNUAL REGISTRATION, THE NUMBER OF UNIT OWNERS THAT WERE, AT ANY TIME DURING THE TWELVE-MONTH PERIOD, SIX OR MORE CALENDAR MONTHS DELINQUENT IN THE PAYMENT OF AN ANNUAL ASSESSMENT OR SPECIAL ASSESSMENT;

(b) FOR THE TWELVE-MONTH PERIOD IMMEDIATELY PRECEDING THE ASSOCIATION'S ANNUAL REGISTRATION, FOR UNPAID ANNUAL ASSESSMENTS OR SPECIAL ASSESSMENTS OR RELATED FEES OR ATTORNEY FEES:

(I) THE NUMBER OF UNIT OWNERS AGAINST WHICH THE ASSOCIATION OR ITS DESIGNEE OBTAINED A JUDGMENT;



(II) THE NUMBER OF PAYMENT PLANS ENTERED INTO BETWEEN THE ASSOCIATION AND A UNIT OWNER PURSUANT TO SECTION 38-33.3-316.3; AND

(III) THE NUMBER OF FORECLOSURE ACTIONS FILED AGAINST UNIT OWNERS PURSUANT TO SECTION 38-33.3-316; AND

(c) ANY OTHER INFORMATION SPECIFIED BY THE DIRECTOR OF THE DIVISION OF REAL ESTATE RELATING TO THE COLLECTION OF ASSESSMENTS AND THE FORECLOSURE OF THE ASSOCIATION'S LIENS.

**SECTION 6.** In Colorado Revised Statutes, **add** 38-38-109.5 as follows:

**38-38-109.5 Continuance of sale - unit association lien - unit owner's motion to stay - escrow of proceeds - purchaser title.**

(1) NOTWITHSTANDING ANY PROVISION OF THIS TITLE 38 TO THE CONTRARY, AT ANY TIME AFTER A UNIT OWNERS' ASSOCIATION FILES AN ACTION FOR FORECLOSURE OF THE UNIT ASSOCIATION LIEN ON A UNIT, BUT PRIOR TO THE SALE DATE AT AUCTION, THE UNIT OWNER OR THE UNIT OWNER'S DESIGNATED REPRESENTATIVE MAY FILE A MOTION WITH THE COURT TO STAY THE SALE OF THE UNIT WITH NOTICE OF THE UNIT OWNER'S INTENT TO LIST THE UNIT FOR SALE FOR THE FAIR MARKET VALUE OF THE UNIT OR AN ALTERNATE AMOUNT AS SPECIFIED IN SUBSECTION (2) OF THIS SECTION. THE UNIT OWNER OR THE UNIT OWNER'S DESIGNATED REPRESENTATIVE SHALL PROVIDE NOTICE OF THE MOTION TO STAY THE SALE TO THE ASSOCIATION AND TO THE OFFICER.

(2) (a) THE UNIT OWNER SHALL STATE IN THE MOTION TO STAY:

(I) THE FAIR MARKET VALUE OF THE UNIT, AS DETERMINED BY:

(A) AN APPRAISAL OF THE UNIT;

(B) A MARKET ANALYSIS CONDUCTED BY A LICENSED REAL ESTATE AGENT;

(C) AN ESTIMATE FROM AN ONLINE REAL ESTATE MARKETPLACE COMPANY; OR

(D) THE ASSESSED VALUE OF THE UNIT RECORDED IN THE COUNTY

ASSESSOR'S PROPERTY TAX RECORDS ON THE DATE OF THE COURT'S ORDER TO SELL THE UNIT;

(II) AN ALTERNATE VALUE FOR THE UNIT THAT, IF LESS THAN THE FAIR MARKET VALUE OF THE UNIT, EXCEEDS THE SUM OF ALL LIENS AND ANY FEES OR COSTS ADVANCED BY THE HOLDER OF THE EVIDENCE OF DEBT.

(b) THE COURT MAY ALLOW THE UNIT OWNER ADDITIONAL TIME TO SUBMIT THE FAIR MARKET VALUE OR ALTERNATE VALUE TO THE COURT.

(c) THE UNIT OWNER SHALL LIST THE UNIT AT THE SALE PRICE SPECIFIED IN THE MOTION TO STAY, UNLESS THE ASSOCIATION OBJECTS TO THE UNIT OWNER'S DECLARED FAIR MARKET VALUE OR ALTERNATE VALUE OF THE UNIT. THE ASSOCIATION MAY SUBMIT EVIDENCE OF THE UNIT'S VALUE TO THE COURT. BASED ON THE EVIDENCE, THE COURT SHALL SET THE INITIAL LIST PRICE OF THE UNIT AND MAY FURTHER ORDER A CHANGE TO THE LIST PRICE IF SUPPORTED BY SUFFICIENT EVIDENCE.

(3) THE COURT'S ORDER STAYING THE SALE OF THE UNIT AT AUCTION IS IN EFFECT FOR NINE MONTHS AFTER THE DATE OF THE ORDER. THE COURT MAY EXTEND THE STAY OF THE SALE OF THE UNIT AT AUCTION BEYOND NINE MONTHS UPON EVIDENCE THAT THE SALE OF THE UNIT IS IMMINENT OR FOR GOOD CAUSE, AS DETERMINED BY THE COURT.

(4) IF A SALE DATE WAS SCHEDULED, THE OFFICER SHALL POST OR PROVIDE NOTICE OF THE CONTINUANCE OF THE SALE WHILE THE STAY IS IN EFFECT.

(5) THE COURT SHALL ENTER ANY ORDERS NECESSARY TO ENSURE THAT THE PROCEEDS OF THE SALE OF THE UNIT ARE HELD IN ESCROW AND DISTRIBUTED BY THE COURT IN ACCORDANCE WITH LIEN PRIORITY AND OTHER APPLICABLE LAW.

(6) A PURCHASER OF A UNIT LISTED FOR SALE PURSUANT TO THIS SECTION SHALL TAKE TITLE TO THE UNIT FREE AND CLEAR OF ANY ENCUMBRANCES RELATING TO FILING OF THE FORECLOSURE ACTION.

(7) THIS SECTION DOES NOT APPLY TO AN ACTION FOR FORECLOSURE OF A TIME SHARE UNIT, AS DEFINED IN SECTION 38-33-110 (7).

**SECTION 7. Act subject to petition - effective date - applicability.** (1) This act takes effect October 1, 2025; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within the ninety-day period after final adjournment of the general assembly, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to enforcement actions instituted on or after the applicable effective date of this act.

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Julie McCluskie  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES

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James Rashad Coleman, Sr.  
PRESIDENT OF  
THE SENATE

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Vanessa Reilly  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

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Esther van Mourik  
SECRETARY OF  
THE SENATE

APPROVED \_\_\_\_\_  
(Date and Time)

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Jared S. Polis  
GOVERNOR OF THE STATE OF COLORADO