First Regular Session Sixty-eighth General Assembly STATE OF COLORADO

REENGROSSED

This Version Includes All Amendments Adopted in the House of Introduction SENATE BILL 11-253

LLS NO. 11-0898.01 Duane Gall

SENATE SPONSORSHIP

Carroll, Newell

Williams A.,

HOUSE SPONSORSHIP

Senate Committees Judiciary **House Committees**

A BILL FOR AN ACT

101	CONCERNING	CLARIFICATION	OF	THE	REQUIREMENTS	FOR
102	REGISTR	ATION OF A UNIT	OWNI	ERS' AS	SOCIATION UNDER	R THE
103	"COLOR	ADO COMMON INT	ERES	T Own	JERSHIP 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://www.leg.state.co.us/billsummaries.)

Legislation adopted in 2010 requires unit owners' associations (a/k/a homeowners' associations or HOAs) to register annually with the director of the division of real estate and pay a fee to support the creation and operation of an HOA information and resource center. The bill

SENATE 3rd Reading Unam ended M ay 2, 2011



amends the registration provisions by:

- Removing a citation to a specific statute under which most, but not all, HOAs are organized, effectively closing a potential loophole;
- Limiting the information that an HOA must provide to a specific list of items, including the official name of the HOA and the name and contact information for the HOA's managing agent;
- ! Clarifying that an HOA that fails to register will have its right to pursue legal remedies suspended, without prejudice, and that upon valid registration it will not have permanently lost its rights or otherwise been penalized for the gap in registration;
- ! Clarifying the means by which an HOA can prove that it is registered;
- ! Specifying that a registration may not be invalidated solely as a result of a technical or typographical error; and
- ! Codifying the effective date of the registration requirement.
- 1 Be it enacted by the General Assembly of the State of Colorado:
- 2 **SECTION 1.** 38-33.3-401, Colorado Revised Statutes, is 3 amended to read:
- 38-33.3-401. Registration annual fees. (1) EFFECTIVE
 JANUARY 1, 2011, every unit owners' association organized under section
 38-33.3-301 shall register annually with the director of the division of real
 estate, in the form and manner specified by the director.

8 (2) (a) Except as otherwise provided in paragraph (b) of this 9 subsection (2), the annual registration shall be accompanied by a fee in 10 the amount set by the director in accordance with section 12-61-111.5, 11 C.R.S., and shall include the FOLLOWING information, required to be 12 disclosed under section 38-33.3-209.4 (1). The information shall be 13 updated within ninety days of AFTER any change: in accordance with 14 section 38-33.3-209.4 (1).

- 15
- (I) THE NAME OF THE ASSOCIATION, AS SHOWN IN THE RECORDS OF

1 THE COLORADO SECRETARY OF STATE;

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(II) THE NAME OF THE ASSOCIATION'S MANAGEMENT COMPANY,
MANAGING AGENT, OR DESIGNATED AGENT, WHICH MAY BE THE
ASSOCIATION'S REGISTERED AGENT, AS SHOWN IN THE RECORDS OF THE
COLORADO SECRETARY OF STATE, OR ANY OTHER AGENT DESIGNATED BY
THE EXECUTIVE BOARD FOR PURPOSES OF REGISTRATION UNDER THIS
SECTION; AND

8 (III) A VALID ADDRESS AND TELEPHONE NUMBER FOR THE 9 ASSOCIATION OR ITS MANAGEMENT COMPANY, MANAGING AGENT, OR 10 DESIGNATED AGENT.

(b) A unit owners' association shall be IS exempt from the fee, but
not FROM the registration requirement, if the association:

(I) Has annual revenues of five thousand dollars or less; or

(II) Is not authorized to make assessments and does not have anyrevenue.

16 (3) A registration shall be IS valid for one year. THE RIGHT OF an 17 association that fails to register, or whose annual registration has expired, 18 is ineligible to impose or enforce a lien for assessments under section 19 38-33.3-316 or to pursue any action or employ any enforcement 20 mechanism otherwise available to it under section 38-33.3-123 IS 21 SUSPENDED until it THE ASSOCIATION is again validly registered pursuant 22 to this section. A lien for assessments previously filed during a period in 23 which the association was validly registered or before registration was 24 required pursuant to this section shall IS not be extinguished by a lapse in 25 the association's registration, but any pending enforcement proceedings 26 related to such lien shall be suspended, and any applicable time limits 27 tolled, until the association is again validly registered pursuant to this

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section. AN ASSOCIATION'S REGISTRATION IN COMPLIANCE WITH THIS
 SECTION REVIVES ANY PREVIOUSLY SUSPENDED RIGHTS WITHOUT PENALTY
 TO THE ASSOCIATION.

4 (4) (a) A REGISTRATION IS VALID UPON ACCEPTANCE BY THE
5 DIVISION OF REAL ESTATE OF THE INFORMATION REQUIRED BY PARAGRAPH
6 (a) OF SUBSECTION (2) OF THIS SECTION AND THE PAYMENT OF ANY
7 APPLICABLE FEES.

8 (b) AN ASSOCIATION'S REGISTRATION NUMBER, AND AN
9 ELECTRONIC OR PAPER CONFIRMATION ISSUED BY THE DIVISION OF REAL
10 ESTATE, ARE PRIMA FACIE PROOF OF VALID REGISTRATION.

(c) Administratively final determinations by the director of the
division of real estate concerning the validity or timeliness of registrations
under this section are subject to judicial review pursuant to section
24-4-106 (11), C.R.S.; EXCEPT THAT THE COURT SHALL NOT FIND A
REGISTRATION INVALID DUE SOLELY TO TECHNICAL OR TYPOGRAPHICAL
ERRORS.

SECTION 2. 38-33.3-117 (1.5) (1) and (1.5) (m), Colorado
Revised Statutes, are amended, and the said 38-33.3-117 (1.5) is further
amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

20 **38-33.3-117.** Applicability to preexisting common interest 21 communities. (1.5) Except as provided in section 38-33.3-119, the 22 following sections shall apply to all common interest communities created 23 within this state before July 1, 1992, with respect to events and 24 circumstances occurring on or after January 1, 2006:

- 25 (l) 38-33.3-315 (7); and
- 26 (m) 38-33.3-317; AND
- 27 (n) 38-33.3-401.

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SECTION 3. Safety clause. The general assembly hereby finds,
 determines, and declares that this act is necessary for the immediate
 preservation of the public peace, health, and safety.