

Colorado Legislative Council Staff Fiscal Note
NO FISCAL IMPACT

Drafting Number: LLS 11-0500**Date:** February 9, 2011**Prime Sponsor(s):** Rep. Williams A.**Bill Status:** House Local Government**Fiscal Analyst:** Harry Zeid (303-866-4753)

TITLE: CONCERNING CONFLICTS OF INTEREST OF MEMBERS OF THE EXECUTIVE BOARD OF A UNIT OWNERS' ASSOCIATION, AND, IN CONNECTION THEREWITH, REQUIRING SUCH MEMBERS TO RECUSE THEMSELVES FROM VOTING WHEN A CONFLICT OF INTEREST EXISTS AND PROHIBITING SUCH MEMBERS FROM SERVING CONCURRENTLY ON THE BOARD OF DIRECTORS FOR A METROPOLITAN DISTRICT.

Summary of Legislation

The bill requires the members of an executive board of a unit owners' association to recuse themselves from voting on a contract, decision, or other action when a conflict of interest exists. A conflict of interest shall exist if a board member or his or her relative would benefit financially from a contract, decision, or other action taken by the board. The member may still participate in the discussion but may not vote on the issue. Any contract entered into or action taken in violation of the conflict of interest clause would be considered void and unenforceable. Finally, with certain exceptions, the bill prohibits a person from serving concurrently on the board of directors for a metropolitan district and the executive board of an association location within that district.

The bill becomes effective upon signature of the Governor, or becoming law without his signature, and applies to members elected or appointed to the executive board of a unit owners' association on or after that date.

Assessment

The bill is assessed at no fiscal impact since state and local revenue and expenditures are not affected. Board members of a unit owners' association will be required to recuse themselves from voting on issues where a conflict of interest exists.

Departments Contacted

Local Affairs

Regulatory Agencies