

**STATE
FISCAL IMPACT**

Drafting Number: LLS 15-1082
Prime Sponsor(s): Rep. Ryden

Date: April 23, 2015
Bill Status: House Business, Affairs and Labor
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BILL TOPIC: IMPLEMENT HOA INFORMATION OFFICE STUDY RECOMMENDATIONS

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016	FY 2016-2017
State Revenue	No net change.		
State Expenditures	Minimal workload increase.		
FTE Position Change			
Appropriation Required: None.			

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

The bill implements certain recommendations from the "2013 Study of Comparable HOA Information and Resource Centers" conducted pursuant to House Bill 13-1134, which examined the functions, duties, structure, costs, funding, and successes of other states' homeowners' association (HOA) offices. Specifically, the bill:

- removes the statutory cap on annual fees and allows the Division of Real Estate in the Department of Regulatory Agencies (DORA) to modify by rule the annual fee paid by HOAs to fund the HOA Information Office and Resource Center (HOA center) to one of three fee structures—single per-unit, tiered per-unit, or single per-association; and
- requires the HOA center information officer to develop, maintain, and publish referral lists consisting of independent contractors who can monitor HOA elections and provide mediation services on HOA matters.

Background

The state's HOA center provides information on the rights and duties of unit owners and HOAs under the Colorado Common Interest Ownership Act (CCIOA). HOAs must register with the HOA center annually. Their fees, capped at \$50 under current law, support the HOA center's operating costs of about \$220,000 and 2.0 FTE. The HOA center keeps a database of all HOAs, prepares educational and reference materials, monitors changes in law related to common interest communities, and maintains a website.

State Revenue

The bill is expected to have minimal impact on state fee revenue collected by DORA. However, because the bill removes the statutory fee cap on the HOA center program, it may increase fee revenue in the future. While the bill allows the division to change the way fees are assessed, the same overall amount of fees is expected to be collected initially. Fees are currently

\$27, collected per HOA, and are assessed to about 8,600 HOAs in the state. If the division adopts a single or tiered per-unit fee schedule, fees for larger HOAs will go up, while fees for smaller HOAs will go down.

State Expenditures

The bill requires that the HOA center develop, maintain, and publish on its website referral lists for independent contractors who can monitor HOA elections and provide mediation services on HOA matters. This effort is consistent with current duties of the HOA center and can be completed with existing resources; therefore, no additional appropriation is required.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Judicial

Law

Regulatory Agencies

State