

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

LLS NO. 16-0875.01 Jennifer Berman x3286

HOUSE BILL 16-1149

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HOUSE SPONSORSHIP

Melton,

SENATE SPONSORSHIP

Newell,

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House Committees  
Local Government

Senate Committees  
Local Government

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A BILL FOR AN ACT

101 CONCERNING A REQUIREMENT THAT THE EXECUTIVE BOARD OF A  
102 COMMON INTEREST COMMUNITY CREATED IN COLORADO  
103 BEFORE JULY 1, 1992, COMPLY WITH THE BUDGET REPORTING  
104 PROVISION OF THE "COLORADO COMMON INTEREST  
105 OWNERSHIP ACT".

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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>.)*

Common interest communities created before the July 1, 1992, enactment of the "Colorado Common Interest Ownership Act" (Act) are

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

SENATE  
Amended 2nd Reading  
March 22, 2016

HOUSE  
3rd Reading Unamended  
March 4, 2016

HOUSE  
Amended 2nd Reading  
February 29, 2016

exempt from many of the Act's provisions, including a provision requiring a common interest community's executive board to give notice to all unit owners of, and hold a meeting about, the executive board's adoption of a new proposed budget. Commencing July 1, 2018, the bill requires common interest communities that predate the Act to comply with the budget reporting provision.

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

2 **SECTION 1.** In Colorado Revised Statutes, 38-33.3-117, **add**  
3 (1.8) as follows:

4 **38-33.3-117. Applicability to preexisting common interest**  
5 **communities.** (1.8) EXCEPT AS PROVIDED IN SECTION 38-33.3-119,  
6 SECTION 38-33.3-303 (4) (a) (I) APPLIES TO ALL COMMON INTEREST  
7 COMMUNITIES CREATED WITHIN THIS STATE BEFORE JULY 1, 1992, WITH  
8 RESPECT TO EVENTS AND CIRCUMSTANCES OCCURRING ON OR AFTER JULY  
9 1, 2017.

10 **SECTION 2.** In Colorado Revised Statutes, 38-33.3-116, **amend**  
11 (1) and (3) as follows:

12 **38-33.3-116. Exception for new small cooperatives and small**  
13 **and limited expense planned communities.** (1) If a cooperative created  
14 in this state on or after July 1, 1992, but prior to July 1, 1998, contains  
15 only units restricted to nonresidential use or contains no more than ten  
16 units and is not subject to any development rights, it is subject only to  
17 sections 38-33.3-105 to 38-33.3-107, unless the declaration provides that  
18 this entire article is applicable. If a planned community created in this  
19 state on or after July 1, 1992, but prior to July 1, 1998, contains no more  
20 than ten units and is not subject to any development rights or if a planned  
21 community provides, in its declaration, that the annual average common  
22 expense liability of each unit restricted to residential purposes, exclusive

1 of optional user fees and any insurance premiums paid by the association,  
2 may not exceed ~~three~~ FOUR hundred dollars, AS ADJUSTED PURSUANT TO  
3 SUBSECTION (3) OF THIS SECTION, it is subject only to sections  
4 38-33.3-105 to 38-33.3-107, unless the declaration provides that this  
5 entire article is applicable.

6 (3) ~~The four-hundred-dollar~~ DOLLAR limitation set forth in  
7 subsection SUBSECTIONS (1) AND (2) of this section shall be increased  
8 annually on July 1, 1999, and on July 1 of each succeeding year in  
9 accordance with any increase in the United States department of labor  
10 bureau of labor statistics final consumer price index for the  
11 Denver-Boulder consolidated metropolitan statistical area for the  
12 preceding calendar year. The limitation shall not be increased if the final  
13 consumer price index for the preceding calendar year did not increase and  
14 shall not be decreased if the final consumer price index for the preceding  
15 calendar year decreased.

16 **SECTION 3.** In Colorado Revised Statutes, 38-33.3-303, **amend**  
17 **(4) (a) as follows:**

18 **38-33.3-303. Executive board members and officers - powers**  
19 **and duties - reserve funds - reserve study - audit.** (4) (a) (I) Within  
20 ninety days after adoption of ~~any~~ A proposed budget for the common  
21 interest community, the executive board shall mail, by ~~ordinary~~ first-class  
22 mail, or otherwise deliver, INCLUDING POSTING THE PROPOSED BUDGET ON  
23 THE ASSOCIATION'S WEBSITE, a summary of the budget to all the unit  
24 owners and shall set a date for a meeting of the unit owners to consider  
25 the budget. ~~Such~~ THE meeting ~~shall~~ MUST occur within a reasonable time  
26 after mailing or other delivery of the summary, or as allowed for in the  
27 bylaws. The executive board shall give notice to the unit owners of the

1 meeting as allowed for in the bylaws.

2 (II) Unless the declaration requires otherwise, the budget proposed  
3 by the executive board does not require approval from the unit owners  
4 and it will be deemed approved by the unit owners in the absence of a  
5 veto at the noticed meeting by a majority of all unit owners, or if  
6 permitted in the declaration, a majority of a class of unit owners, or any  
7 larger percentage specified in the declaration, whether or not a quorum is  
8 present. ~~In the event that~~ IF the proposed budget is vetoed, the periodic  
9 budget last proposed by the executive board and not vetoed by the unit  
10 owners must be continued until a subsequent budget proposed by the  
11 executive board is not vetoed by the unit owners.

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13 **SECTION 4. Act subject to petition - effective date -**  
14 **applicability.** (1) This act takes effect July 1, 2018; except that, if a  
15 referendum petition is filed pursuant to section 1 (3) of article V of the  
16 state constitution against this act or an item, section, or part of this act  
17 within the ninety-day period after final adjournment of the general  
18 assembly, then the act, item, section, or part will not take effect unless  
19 approved by the people at the general election to be held in November  
20 2016 and, in such case, will take effect on July 1, 2018, or on the date of  
21 the official declaration of the vote thereon by the governor, whichever is  
22 later.

23 (2) This act applies to budgets adopted by a common interest  
24 community's executive board on or after the applicable effective date of  
25 this act.