

# HB26-1099: Protect Financial Condition of HOAs



Sponsored by:  
Representatives Titone & Nguyen  
Senators Kolker & Marchman

## Summary

New communities need to start off on the right foot to success. This bill gives transparency to new home buyers to understand future financial liabilities through a reserve study. Affordable housing includes planning to keep it affordable for the future.

### What this bill does:

- Requires a developer of a new common interest community to provide a reserve study to show future liabilities to buyers prior to a sale
- Requires a developer to deposit 1.5% of the fully funded reserve account amount prior to transfer of control to the member controlled HOA
- Requires an HOA management company to relinquish all association property to the HOA/new management company.
- Imposes a \$250 fine and civil action for non-compliance of property transfer.

### Why you should vote YES:

#### Reduces Housing Costs

New owners will know of the initial assessment rate is appropriate to cover saving for future O&M costs

#### Reduces Cost of Ownership

Transparency forces developers to be careful with common elements. They may choose to not build expensive, unnecessary aesthetic elements which will lower initial and ongoing housing costs.

#### Preserves Resale Value

Healthy reserves helps get lower loan rates, FHA qualification, and ease of resale.

### Supporting

Colorado Abar Association  
Associa  
Colorado Coalition for Responsible Associations

### Monitoring

Highlands Ranch  
NAIOP  
League of Women Voters