



HB22-1137 Highlights

The following highlights certain sections of [HB22-1137](#), which became effective on August 9, 2022. HB22-1137 provides new requirements for the collection of delinquent assessments, the enforcement of covenants and rules, and the conducting of meetings. This document is not intended to be a complete statement of the new law; it is simply a guideline on certain noteworthy sections. Please contact us directly for clarification of the requirements of HB22-1137 and, more importantly, to draft or update your collections, enforcement and conduct of meetings policies to comply with the new law.

COLLECTIONS

1. Associations are now required to offer an 18-month payment plan instead of the previously required 6-month payment plan. The specifics of the payment plan will differ depending on the situation, so we recommend contacting the association's attorney for additional information.
2. At least one collection notice (we recommend the one that includes the 18-month payment plan) must be sent to the owner by the following three methods: (1) certified mail, return receipt requested AND (2) post at the unit AND (3) one of the following methods: (a) regular mail (recommended) OR (b) email, OR (c) text.
4. Document all communications with owners, including notes from phone calls, emails, letters, essentially any attempt to communicate with homeowners (even if you don't get a response back).
5. You need to update your collection policy to comply with the new law. This needs to be done before you take any legal action.
6. Boards need to vote on each collection file they wish to turn over to collections. This should be done in executive session.
6. Interest is now limited to 8% per annum.
7. Payments from owners on any delinquent account must be applied first to unpaid assessments, then everything else (i.e., collections costs, late fees, interest, attorneys' fees, etc.)
9. Owners have the right to identify a designated contact for purposes of communication on their delinquent accounts.
10. Owners have the right to identify their preferred language for purposes of communication on their delinquent accounts. If they do so, the association must send delinquency notices to them in their preferred language.
10. Monthly invoices must be sent to all homeowners with a delinquent balance.

ENFORCEMENT

1. Violations are now split into two categories: (1) violations that threaten public safety or health, and (2) all other violations.
2. If the violation threatens public safety or health, you must provide, via regular mail, notice of the violation and a 72-hour cure period. If the violation is not cured after 72 hours, you can fine \$50 every other day until the violation is cured, and you can also turn it over to the attorney.
3. If the violation does not threaten public safety or health, you must provide two consecutive notices of the violation, each with a 30-day cure period.
 - a. The first violation notice must be sent via certified mail, return receipt requested.
 - b. After the 1st 30-day cure expires, you must inspect for whether the violation is cured within 7 days.
 - c. After the 1st 30-day cure period you can levy the first fine.
 - d. After the 2nd 30-day cure period you can levy the second fine, and you can also turn it over to the attorney.
 - e. You can levy additional fines after the two 30-day cure periods expire, as long as the fines do not exceed \$500 total for any individual violation.
4. All violation notices that are intended to notify the owner of a potential fine (i.e. the 1st and 2nd violation notices above and any other subsequent notices of potential fines) must include: (i) notice of the violation, (ii) notice of the potential fine, and (iii) an opportunity for a hearing.
5. Owners have the right to identify their preferred language. If they do so, the association must send violation notices to them in their preferred language.
6. If the owner cures the violation during any of the offered cure periods, the owner may notify the association and provide visual evidence of the cure. If the Owner provides visual evidence, then the violation is deemed cured the day of receipt. If the owner does not provide visual evidence of the cure, the association must inspect for whether it is cured.
7. Once a violation is cured, the association must notify the owner: (i) that the owner will not be further fined for the violation, and (ii) of any outstanding fine balance owed.

CONDUCT OF MEETINGS

1. Colorado law now places a cap on length of proxies. They are valid for 11 months or any shorter term specified on the proxy.
2. The executive session (i.e., closed session) categories have now been clarified to include: (i) turning over any collection files to the attorney or collection agency, and (ii) holding a violation hearing.