

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 24-0170.03 Jery Payne x2157

HOUSE BILL 24-1337

HOUSE SPONSORSHIP

Jodeh and Bacon,

SENATE SPONSORSHIP

(None),

House Committees

Transportation, Housing & Local Government

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE RIGHTS OF A UNIT OWNER IN A COMMON INTEREST**
102 **COMMUNITY IN RELATION TO THE COLLECTION OF AMOUNTS**
103 **OWED BY THE UNIT OWNER TO THE COMMON INTEREST**
104 **COMMUNITY.**

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://leg.colorado.gov>.)

In common interest communities for real property, current law allows a unit owners' association (association) to require, without starting a legal proceeding, a unit owner to reimburse the association for

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

collection costs, attorney fees, or other costs resulting from the owner failing to timely pay assessments or other money owed. The bill limits the reimbursement amount to 50% of the original money owed.

Current law allows the association to require, without starting a legal proceeding, a unit owner to reimburse the association for collection costs and attorney fees resulting from the owner failing to obey the bylaws or rules of the association. The bill limits the reimbursement amount to 50% of the actual cost the association incurred for the failure to obey.

Current law requires a court to award an association reasonable attorney fees, costs, and collection costs in an action in which the association seeks to collect unpaid assessments or enforce or defend the association's bylaws or rules and the association prevails in the matter. The bill limits the award to 50% of the balance owed to the association.

Current law grants an association a lien on the unit for amounts owed to the association by the unit owner. The bill prohibits foreclosing on the lien until:

- The association has:
 - Obtained a personal judgment against the unit owner in a civil action;
 - Attempted to bring a civil action against the unit owner but was prevented by the death of or incapacity of the unit owner; or
 - Attempted to bring a civil action against the unit owner but the association was unable to serve the unit owner within 180 days; or
- The unit owner is in a bankruptcy civil action.

Current law requires the association to attempt to enter into a payment plan to collect amounts due from a unit owner. The bill prohibits foreclosure on the lien if the unit owner is in compliance with the payment plan.

The bill creates a right of redemption following certain involuntary transfers of a unit to the association or a foreclosure purchaser for 180 days following the transfer. During the 180 days, the foreclosure purchaser or association is prohibited from selling the unit. The following people have the right of redemption in order of priority:

- The unit owner;
- A tenant of the unit;
- A nonprofit entity whose primary purpose is the development or preservation of affordable housing;
- A community land trust;
- A cooperative housing corporation; and
- The state of Colorado or a political subdivision of the state of Colorado.

The redeemer may send a notice of intent to exercise the right of

redemption. Upon receiving the notice of intent, the foreclosure purchaser or association is prohibited for a specified time from transferring the property to an authorized redeemer that has lower priority than the authorized redeemer that sent the notice.

To redeem a unit, the redeemer must reimburse the foreclosure purchaser or association in accordance with the standards set by the bill. Failure to execute a deed after redemption subjects the owner to liability plus attorney fees. Procedures are set for exercising the right of redemption and for recording deeds, affidavits, or certificates of compliance concerning the right of redemption with the county clerk and recorder. Filing an affidavit or certificate of compliance with the county clerk and recorder without a reasonable basis subjects the person to liability and attorney fees.

If a redeemer makes partial payment, but fails to pay all amounts necessary to redeem the unit before the redemption period expires, the association or foreclosure purchaser shall refund the partial payment on or before 30 days after the expiration of the redemption period.

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

2 **SECTION 1.** In Colorado Revised Statutes, 38-33.3-123, **amend**
3 (1)(a), (1)(b), and (1)(c) as follows:

4 **38-33.3-123. Enforcement - limitation.** (1) (a) (I) If ~~any~~ A unit
5 owner fails to timely pay assessments or any money ~~or sums due~~ OWED
6 to the association, the association may require, WITHOUT THE NECESSITY
7 OF COMMENCING A LEGAL PROCEEDING, reimbursement for THE
8 FOLLOWING, IN ADDITION TO THE ASSESSMENTS OR OWED MONEY:

9 (A) ACTUAL collection costs ~~and~~ OF THE UNPAID ASSESSMENTS;

10 (B) Reasonable attorney fees INCURRED AS A RESULT OF THE
11 FAILURE TO PAY; and

12 (C) OTHER ACTUAL costs incurred as a result of ~~such~~ THE failure
13 ~~without the necessity of commencing a legal proceeding~~ TO PAY.

14 (II) THE ASSOCIATION IS NOT ENTITLED TO REIMBURSEMENT FOR
15 THE ACTUAL COSTS AND ATTORNEY FEES DESCRIBED IN SUBSECTIONS
16 (1)(a)(I)(A) TO (1)(a)(I)(C) OF THIS SECTION FOR ANY AMOUNT THAT IN

1 TOTAL EXCEEDS FIFTY PERCENT OF THE ASSESSMENTS AND ANY MONEY
2 OWED TO THE ASSOCIATION AS DESCRIBED IN THE INTRODUCTORY PORTION
3 TO SUBSECTION (1)(a)(I) OF THIS SECTION.

4 (b) (I) For any failure to comply with ~~the provisions of this article~~
5 THIS ARTICLE 33.3 or ~~any provision of the declaration, bylaws, articles, or~~
6 rules and regulations, other than the payment of assessments ~~or any~~
7 ~~money or sums due~~ OWED to the association, the association, any unit
8 owner, or any class of unit owners adversely affected by the failure to
9 comply may seek, WITHOUT THE NECESSITY OF COMMENCING A LEGAL
10 PROCEEDING, reimbursement for:

11 (A) ACTUAL collection costs INCURRED AS A RESULT OF THE
12 FAILURE TO COMPLY; and

13 (B) Reasonable attorney fees and costs incurred as a result of ~~such~~
14 THE failure to comply. ~~without the necessity of commencing a legal~~
15 ~~proceeding.~~

16 (II) THE ASSOCIATION IS NOT ENTITLED TO REIMBURSEMENT FOR
17 THE ACTUAL COSTS AND ATTORNEY FEES DESCRIBED IN SUBSECTIONS
18 (1)(b)(I)(A) AND (1)(b)(I)(B) OF THIS SECTION FOR ANY AMOUNT THAT IN
19 TOTAL EXCEEDS FIFTY PERCENT OF THE ACTUAL COSTS THE ASSOCIATION
20 INCURRED AS A RESULT OF THE FAILURE TO COMPLY.

21 (c) (I) In any civil action to enforce or defend ~~the provisions of~~
22 ~~this article or of~~ THIS ARTICLE 33.3 OR the declaration, bylaws, articles, or
23 rules and regulations, the court shall award reasonable attorney fees,
24 ACTUAL costs, and ACTUAL costs of collection to the prevailing party,
25 EXCEPT AS PROVIDED IN SUBSECTION (1)(c)(II) OF THIS SECTION.

26 (II) IN CONNECTION WITH ANY CIVIL ACTION DESCRIBED IN
27 SUBSECTION (1)(c)(I) OF THIS SECTION TO COLLECT MONEY OWED TO AN

1 ASSOCIATION FROM A UNIT OWNER, THE COURT SHALL NOT AWARD
2 ATTORNEY FEES, ACTUAL COSTS, OR ACTUAL COSTS OF COLLECTION TO
3 THE ASSOCIATION IN AN AMOUNT IN EXCESS OF FIFTY PERCENT OF THE
4 ACTUAL COSTS THE ASSOCIATION INCURRED AS A RESULT OF THE FAILURE
5 TO COMPLY WITH THIS ARTICLE 33.3 OR WITH THE DECLARATION, BYLAWS,
6 ARTICLES, OR RULES AND REGULATIONS.

7 **SECTION 2.** In Colorado Revised Statutes, 38-33.3-209.5,
8 **amend** (7)(a)(I), (7)(a)(III) introductory portion, and (7)(a)(III)(A) as
9 follows:

10 **38-33.3-209.5. Responsible governance policies - due process**
11 **for imposition of fines - procedure for collection of delinquent**
12 **accounts - enforcement through small claims court - definitions.**

13 (7) (a) An association shall not commence a legal action to initiate a
14 foreclosure proceeding based on a unit owner's delinquency in paying
15 assessments unless:

16 (I) The association has complied with each of the requirements in
17 this section and in ~~section 38-33.3-316.3~~ SECTIONS 38-33.3-316 AND
18 38-33.3-316.3 related to a unit owner's delinquency in paying
19 assessments;

20 (III) ~~Within thirty days~~ After the association has provided the
21 owner with a written offer to enter into a repayment plan, the unit owner
22 has either:

23 (A) ~~Declined~~ FAILED TO ACCEPT the repayment plan WITHIN
24 THIRTY DAYS AFTER THE WRITTEN OFFER WAS MADE; or

25 **SECTION 3.** In Colorado Revised Statutes, 38-33.3-316, **amend**
26 (11) introductory portion; and **add** (10.5) as follows:

27 **38-33.3-316. Lien for assessments - liens for fines, fees,**

1 **charges, costs, and attorney fees - limitations.** (10.5) TO FORECLOSE A
2 LIEN DESCRIBED IN THIS SECTION:

3 (a) THE ASSOCIATION MUST HAVE OBTAINED A PERSONAL
4 JUDGMENT AGAINST THE UNIT OWNER IN A CIVIL ACTION TO COLLECT THE
5 AMOUNTS DUE;

6 (b) THE ASSOCIATION MUST HAVE ATTEMPTED TO BRING A CIVIL
7 ACTION AGAINST THE UNIT OWNER BUT WAS PREVENTED BY THE DEATH OF
8 OR INCAPACITY OF THE UNIT OWNER;

9 (c) THE ASSOCIATION MUST HAVE ATTEMPTED TO BRING A CIVIL
10 ACTION AGAINST THE UNIT OWNER AND MADE A REASONABLE ATTEMPT TO
11 SERVE THE UNIT OWNER BUT THE ASSOCIATION WAS UNABLE TO SERVE THE
12 UNIT OWNER WITHIN ONE HUNDRED EIGHTY DAYS; OR

13 (d) THE UNIT OWNER MUST HAVE FILED A BANKRUPTCY PETITION
14 OR MUST HAVE AN INVOLUNTARY BANKRUPTCY PETITION FILED AGAINST
15 THE UNIT OWNER, AND THE AMOUNT DUE THE ASSOCIATION IS SUBJECT TO
16 THE BANKRUPTCY CIVIL ACTION.

17 (11) SUBJECT TO SUBSECTION (10.5) OF THIS SECTION, the
18 association's lien may be foreclosed by any of the following means:

19 **SECTION 4.** In Colorado Revised Statutes, 38-33.3-316.3, **add**
20 (3.5) as follows:

21 **38-33.3-316.3. Collections - limitations - violations.** (3.5) AN
22 ASSOCIATION OR THE HOLDER OR ASSIGNEE OF THE ASSOCIATION'S DEBTS
23 SHALL NOT FORECLOSE A LIEN CREATED UNDER SECTION 38-33.3-316 IF
24 THE UNIT OWNER IS IN COMPLIANCE WITH THE TERMS OF A PAYMENT PLAN
25 REQUIRED BY THIS SECTION.

26 **SECTION 5.** In Colorado Revised Statutes, **add** 38-33.3-316.7
27 as follows:

1 **38-33.3-316.7. Right of redemption in a unit owners'**
2 **association lien - definitions.** (1) AS USED IN THIS SECTION, UNLESS THE
3 CONTEXT OTHERWISE REQUIRES:

4 (a) "AUTHORIZED REDEEMER" MEANS A PERSON DESCRIBED IN
5 SUBSECTIONS (2)(a) TO (2)(f) OF THIS SECTION.

6 (b) "COMMUNITY LAND TRUST" HAS THE MEANING SET FORTH IN
7 SECTION 39-3-127.7 (2)(b).

8 (c) "CONTACT INFORMATION" MEANS A PERSON'S NAME, THE NAME
9 OF ANY AGENT OF THE PERSON WITH REGARDS TO THE MATTER, AND THE
10 FOLLOWING INFORMATION FOR EITHER THE PERSON OR, IF THE AGENT WILL
11 ACT ON THE PERSON'S BEHALF, THE AGENT:

12 (I) THE PERSON OR AGENT'S ADDRESS; AND

13 (II) (A) THE PERSON OR AGENT'S PHONE NUMBER; OR

14 (B) THE PERSON OR AGENT'S E-MAIL ADDRESS.

15 (d) "FORECLOSURE PURCHASER" MEANS THE PERSON THAT
16 PURCHASED THE UNIT AT A FORECLOSURE SALE DESCRIBED IN SUBSECTION
17 (3)(a)(I) OF THIS SECTION OR AT A JUDICIALLY ORDERED SALE DESCRIBED
18 IN SUBSECTION (3)(a)(III) OF THIS SECTION.

19 (e) "NONPROFIT ENTITY" MEANS A PERSON THAT IS INCORPORATED
20 UNDER ARTICLES 121 TO 137 OF TITLE 7 OR AN ORGANIZATION THAT IS A
21 TAX-EXEMPT NONPROFIT ORGANIZATION UNDER 26 U.S.C. SEC. 501 (c) OF
22 THE FEDERAL "INTERNAL REVENUE CODE OF 1986".

23 (f) "REDEMPTION PERIOD" MEANS ONE HUNDRED EIGHTY DAYS
24 AFTER THE DATE A UNIT IS TRANSFERRED AS DESCRIBED IN SUBSECTIONS
25 (3)(a)(I) TO (3)(a)(III) OF THIS SECTION.

26 (g) "RIGHT OF REDEMPTION" MEANS THE RIGHT TO REDEEM A UNIT
27 AS AUTHORIZED IN SUBSECTION (3) OF THIS SECTION.

1 (2) THE FOLLOWING PEOPLE HAVE THE RIGHT OF REDEMPTION IN
2 THE FOLLOWING ORDER OF PRIORITY:

3 (a) THE UNIT OWNER IS THE FIRST PRIORITY;

4 (b) A TENANT OF THE UNIT IS THE SECOND PRIORITY;

5 (c) A NONPROFIT ENTITY WHOSE PRIMARY PURPOSE IS THE
6 DEVELOPMENT OR PRESERVATION OF AFFORDABLE HOUSING IS THE THIRD
7 PRIORITY;

8 (d) A COMMUNITY LAND TRUST IS THE FOURTH PRIORITY;

9 (e) A COOPERATIVE HOUSING CORPORATION FORMED PURSUANT TO
10 ARTICLE 33.5 OF THIS TITLE 38 IS THE FIFTH PRIORITY; AND

11 (f) THE STATE OF COLORADO OR A POLITICAL SUBDIVISION OF THE
12 STATE OF COLORADO IS THE SIXTH PRIORITY.

13 (3) (a) DURING THE REDEMPTION PERIOD, THE AUTHORIZED
14 REDEEMER HAS THE RIGHT OF REDEMPTION OF A UNIT THAT HAS BEEN:

15 (I) PURCHASED AT A SALE FORECLOSING ON A LIEN CREATED
16 UNDER SECTION 38-33.3-316;

17 (II) TRANSFERRED BY DEED TO THE ASSOCIATION IN LIEU OF
18 FORECLOSURE ON A LIEN CREATED UNDER SECTION 38-33.3-316; OR

19 (III) SOLD IN ACCORDANCE WITH A JUDICIAL ORDER TO COLLECT
20 AMOUNTS OWED TO AN ASSOCIATION AND AUTHORIZED IN SECTIONS
21 38-33.3-123 AND 38-33.3-316.

22 (b) THE ABILITY OF A LIENHOLDER TO REDEEM A UNIT AS REAL
23 PROPERTY UNDER PART 3 OF ARTICLE 38 OF THIS TITLE 38 IS:

24 (I) HELD IN ABEYANCE UNTIL ONE HUNDRED EIGHTY DAYS AFTER
25 THE DATE OF THE UNIT SALE, BUT THE LIENHOLDER MAY REDEEM THE UNIT
26 AFTER ONE HUNDRED EIGHTY DAYS; AND

27 (II) SUPERCEDED BY THE REDEMPTION OF THE AUTHORIZED

1 REDEEMER, BUT THE LIEN IS STILL ATTACHED TO THE UNIT AND REMAINS
2 PERFECTED.

3 (4) AN ASSOCIATION OR FORECLOSURE PURCHASER SHALL NOT
4 TRANSFER OWNERSHIP OF THE PURCHASED UNIT TO A PERSON OTHER THAN
5 AN AUTHORIZED REDEEMER DURING THE REDEMPTION PERIOD.

6 (5) (a) AN AUTHORIZED REDEEMER MAY SEND A NOTICE OF INTENT
7 TO EXERCISE THE RIGHT OF REDEMPTION TO THE ASSOCIATION OR
8 FORECLOSURE PURCHASER OWNING A UNIT THAT IS SUBJECT TO THE RIGHT
9 OF REDEMPTION. THE NOTICE OF INTENT TO EXERCISE THE RIGHT OF
10 REDEMPTION MUST:

11 (I) BE IN WRITING AND SIGNED BY THE AUTHORIZED REDEEMER OR
12 AN AGENT OF THE AUTHORIZED REDEEMER;

13 (II) IDENTIFY THE NAME AND CONTACT INFORMATION OF THE
14 AUTHORIZED REDEEMER THAT INTENDS TO EXERCISE THE RIGHT OF
15 REDEMPTION;

16 (III) IDENTIFY ANY ATTORNEY THAT REPRESENTS THE AUTHORIZED
17 REDEEMER IN THE MATTER;

18 (IV) DESCRIBE THE FACTS THAT MAKE THE PERSON AN
19 AUTHORIZED REDEEMER UNDER SUBSECTION (2) OF THIS SECTION AND THE
20 PRIORITY OF THE AUTHORIZED REDEEMER;

21 (V) IDENTIFY THE ADDRESS AND ALPHANUMERIC DESIGNATION OF
22 THE UNIT THAT IS SUBJECT TO THE RIGHT OF REDEMPTION; AND

23 (VI) BE SENT TO THE ASSOCIATION OR FORECLOSURE PURCHASER
24 IN A MANNER THAT PROVIDES VERIFICATION THAT THE NOTICE WAS
25 DELIVERED.

26 (b) UPON RECEIVING A NOTICE OF INTENT TO REDEEM THAT MEETS
27 THE REQUIREMENTS OF SUBSECTION (5)(a) OF THIS SECTION, THE OWNER

1 SHALL NOT TRANSFER THE UNIT TO AN AUTHORIZED REDEEMER THAT HAS
2 LOWER PRIORITY THAN THE AUTHORIZED REDEEMER THAT SENT THE
3 NOTICE FOR THE EARLIER OF EITHER:

4 (I) ONE HUNDRED TWENTY DAYS IF THE REDEMPTION PERIOD HAS
5 MORE THAN ONE HUNDRED THIRTY-FIVE DAYS BEFORE EXPIRING; OR

6 (II) UNTIL FIFTEEN DAYS BEFORE THE REDEMPTION PERIOD
7 EXPIRES.

8 (c) AN AUTHORIZED REDEEMER MAY RETRACT A NOTICE OF INTENT
9 TO EXERCISE THE RIGHT OF REDEMPTION.

10 (d) IF AN ASSOCIATION OR FORECLOSURE PURCHASER RECEIVES
11 TWO OR MORE NOTICES OF INTENT TO EXERCISE THE RIGHT OF
12 REDEMPTION, THE ASSOCIATION OR FORECLOSURE PURCHASER SHALL
13 NOTIFY EACH APPROPRIATE AUTHORIZED REDEEMER OF THE OTHER
14 NOTICES.

15 (6) (a) TO REDEEM A UNIT OWNED BY THE ASSOCIATION, THE
16 AUTHORIZED REDEEMER MUST PAY TO THE ASSOCIATION:

17 (I) THE ASSESSMENTS AND AMOUNT DUE THE ASSOCIATION;

18 (II) COSTS THE ASSOCIATION IS AUTHORIZED TO COLLECT IN
19 SECTIONS 38-33.3-123 AND 38-33.3-316;

20 (III) ANY REASONABLE COST, INCLUDING TAXES, MORTGAGE
21 PAYMENTS, AND REPAIR AND MAINTENANCE COSTS, ACTUALLY INCURRED
22 BY THE ASSOCIATION AND CAUSED BY HAVING POSSESSION OF THE UNIT,
23 BUT THE ASSOCIATION MUST DEDUCT ANY PROFITS GENERATED BY THE
24 UNIT FROM ANY AMOUNTS INCLUDED UNDER THIS SUBSECTION (6)(a)(III);

25 (IV) ANY COSTS, INCLUDING FORECLOSURE COSTS, ASSOCIATED
26 WITH ACQUIRING THE UNIT, NOT INCLUDING THE AMOUNTS DESCRIBED IN
27 SUBSECTIONS (6)(a)(I) TO (6)(a)(III) OF THIS SECTION; AND

1 (V) INTEREST FROM THE DATE OF THE EXPENDITURE TO THE DATE
2 OF REDEMPTION ON THE AMOUNTS DESCRIBED IN SUBSECTIONS (6)(a)(I) TO
3 (6)(a)(IV) OF THIS SECTION AT THE RATE SET FORTH IN SECTION 5-12-105
4 OR, IF SECTION 5-12-105 DOES NOT APPLY, AT THE RATE SET FORTH IN
5 SECTION 5-12-101.

6 (b) TO REDEEM A UNIT FROM A FORECLOSURE PURCHASER THAT IS
7 NOT THE ASSOCIATION, THE AUTHORIZED REDEEMER MUST PAY TO THE
8 FORECLOSURE PURCHASER:

9 (I) THE PURCHASE PRICE PAID BY THE PURCHASER AT THE
10 FORECLOSURE SALE;

11 (II) ANY REASONABLE COST, INCLUDING ASSESSMENTS, TAXES,
12 MORTGAGE PAYMENTS, AND REPAIR OR MAINTENANCE COSTS, ACTUALLY
13 INCURRED BY THE FORECLOSURE PURCHASER AND CAUSED BY HAVING
14 POSSESSION OF THE UNIT, BUT THE FORECLOSURE PURCHASER MUST
15 DEDUCT ANY PROFITS GENERATED BY THE UNIT FROM ANY AMOUNTS
16 INCLUDED UNDER THIS SUBSECTION (6)(b)(II);

17 (III) ANY COSTS, INCLUDING FORECLOSURE COSTS, ASSOCIATED
18 WITH ACQUIRING THE UNIT, NOT INCLUDING THE AMOUNTS DESCRIBED IN
19 SUBSECTIONS (6)(b)(I) AND (6)(b)(II) OF THIS SECTION; AND

20 (IV) INTEREST FROM THE DATE OF THE EXPENDITURE TO THE DATE
21 OF REDEMPTION ON THE AMOUNTS DESCRIBED IN SUBSECTIONS (6)(b)(I)
22 TO (6)(b)(III) OF THIS SECTION AT THE RATE SET FORTH IN SECTION
23 5-12-105 OR, IF SECTION 5-12-105 DOES NOT APPLY, AT THE RATE SET
24 FORTH IN SECTION 5-12-101.

25 (7) IF A UNIT IS REDEEMED PURSUANT TO THIS SECTION, THE
26 ASSOCIATION OR FORECLOSURE PURCHASER SHALL IMMEDIATELY EXECUTE
27 AND DELIVER TO THE REDEEMING PARTY A DEED TRANSFERRING THE UNIT

1 TO THE AUTHORIZED REDEEMER. IF AN ASSOCIATION OR FORECLOSURE
2 PURCHASER FAILS TO EXECUTE AND DELIVER THE DEED, THE AUTHORIZED
3 REDEEMER MAY FILE AN ACTION AGAINST THE ASSOCIATION OR
4 FORECLOSURE PURCHASER AND RECORD AN AFFIDAVIT THAT COMPLIES
5 WITH SUBSECTION (8)(a)(II) OF THIS SECTION. IF THE AUTHORIZED
6 REDEEMER PREVAILS IN THE ACTION, THE COURT SHALL AWARD ACTUAL
7 COSTS AND REASONABLE ATTORNEY FEES TO THE AUTHORIZED REDEEMER.

8 (8) (a) NO LESS THAN THIRTY DAYS AFTER THE REDEMPTION
9 PERIOD, A PERSON MAY PRESUME CONCLUSIVELY THAT THE UNIT WAS NOT
10 REDEEMED UNLESS AN AUTHORIZED REDEEMER RECORDS WITH THE CLERK
11 AND RECORDER OF THE COUNTY WHERE THE UNIT IS LOCATED:

12 (I) THE DEED EXECUTED AND DELIVERED IN ACCORDANCE WITH
13 SUBSECTION (7) OF THIS SECTION; OR

14 (II) IF THE DEED WAS NOT EXECUTED AND DELIVERED IN
15 ACCORDANCE WITH SUBSECTION (7) OF THIS SECTION, AN AFFIDAVIT THAT:

16 (A) STATES THAT THE UNIT HAS BEEN REDEEMED;

17 (B) CONTAINS A LEGAL DESCRIPTION OF THE UNIT; AND

18 (C) INCLUDES THE NAME AND CONTACT INFORMATION OF THE
19 PERSON THAT REDEEMED THE UNIT.

20 (b) ON THE THIRD YEAR AFTER THE AFFIDAVIT IS FILED, THE
21 AFFIDAVIT EXPIRES AND A PERSON MAY MAKE THE CONCLUSIVE
22 PRESUMPTION DESCRIBED IN SUBSECTION (8)(a) OF THIS SECTION. IF A
23 CIVIL ACTION CONCERNING THE RIGHT OF REDEMPTION IS PENDING OR ANY
24 APPEAL HAS BEEN FILED BUT NOT EXHAUSTED, THE AUTHORIZED
25 REDEEMER MAY FILE ANOTHER AFFIDAVIT.

26 (c) AFTER THE REDEMPTION PERIOD EXPIRES WITHOUT RECEIVING
27 A NOTICE OF INTENT UNDER SUBSECTION (5)(a) OF THIS SECTION, THE

1 ASSOCIATION OR FORECLOSURE PURCHASER MAY EXECUTE AND RECORD
2 WITH THE COUNTY CLERK AND RECORDER OF THE COUNTY WHERE THE
3 APPLICABLE QUALIFYING PROPERTY IS LOCATED A CERTIFICATE OF
4 COMPLIANCE THAT INCLUDES THE NAME OF THE APPLICABLE ASSOCIATION
5 OR FORECLOSURE PURCHASER, A LEGAL DESCRIPTION OF THE PROPERTY,
6 AND A STATEMENT THAT THE APPLICABLE ASSOCIATION OR FORECLOSURE
7 PURCHASER HAS COMPLIED WITH THIS SECTION. A RECORDED CERTIFICATE
8 OF COMPLIANCE IS PRIMA FACIE EVIDENCE OF COMPLIANCE WITH THIS
9 SECTION AND MAY BE RELIED UPON BY A SUBSEQUENT UNIT OWNER, ANY
10 PERSON CLAIMING AN INTEREST IN THE UNIT, AND A TITLE INSURANCE
11 ENTITY, AS DEFINED IN SECTION 10-11-102 (11).

12 (d) A PERSON COMMITS A TORT IF THE PERSON RECORDS AN
13 AFFIDAVIT DESCRIBED IN SUBSECTION (7) OF THIS SECTION WITHOUT A
14 REASONABLE BASIS FOR CLAIMING THAT SUBSECTION (8)(a)(II)(A) OF THIS
15 SECTION APPLIES OR IF THE PERSON RECORDS A CERTIFICATE OF
16 COMPLIANCE UNDER SUBSECTION (8)(c) OF THIS SECTION WITHOUT BEING
17 IN COMPLIANCE WITH THIS SECTION. A PERSON SUFFERING DAMAGES
18 BECAUSE OF THE TORT MAY FILE AN ACTION SEEKING DAMAGES, ACTUAL
19 COSTS, AND ATTORNEY FEES. IF THE PLAINTIFF PREVAILS IN THE ACTION,
20 THE COURT SHALL ORDER THE TORTFEASOR TO PAY ACTUAL COSTS AND
21 REASONABLE ATTORNEY FEES TO THE PLAINTIFF.

22 (9) FOLLOWING AN EXERCISE OF THE RIGHT OF REDEMPTION, A
23 UNIT THAT IS REDEEMED UNDER THIS SECTION REMAINS SUBJECT TO EACH
24 PREEXISTING LEASE AGREEMENT, LIEN, OR ENCUMBRANCE.

25 (10) IF AN AUTHORIZED REDEEMER MAKES PARTIAL PAYMENT OF
26 AMOUNTS REQUIRED FOR REDEMPTION IN ACCORDANCE WITH SUBSECTION
27 (6) OF THIS SECTION, BUT FAILS TO PAY ALL AMOUNTS NECESSARY TO

1 REDEEM THE UNIT BEFORE THE REDEMPTION PERIOD EXPIRES, THE
2 ASSOCIATION OR FORECLOSURE PURCHASER SHALL REFUND THE PARTIAL
3 PAYMENT ON OR BEFORE THIRTY DAYS AFTER THE EXPIRATION OF THE
4 REDEMPTION PERIOD.

5 **SECTION 6.** In Colorado Revised Statutes, **add** 38-38-115 as
6 follows:

7 **38-38-115. Right of redemption - foreclosure.** A FORECLOSURE
8 OF A LIEN CREATED UNDER SECTION 38-33.3-316.3 IS SUBJECT TO SECTION
9 38-33.3-316.7.

10 **SECTION 7.** In Colorado Revised Statutes, 38-38-302, **add** (11)
11 as follows:

12 **38-38-302. Redemption by lienor - procedure.**
13 (11) REDEMPTION AUTHORIZED UNDER THIS PART 3 FOR A LIEN CREATED
14 UNDER SECTION 38-33.3-316.3 IS SUBJECT TO SECTION 38-33.3-316.7.

15 **SECTION 8. Act subject to petition - effective date -**
16 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
17 the expiration of the ninety-day period after final adjournment of the
18 general assembly; except that, if a referendum petition is filed pursuant
19 to section 1 (3) of article V of the state constitution against this act or an
20 item, section, or part of this act within such period, then the act, item,
21 section, or part will not take effect unless approved by the people at the
22 general election to be held in November 2024 and, in such case, will take
23 effect on the date of the official declaration of the vote thereon by the
24 governor.

25 (2) This act applies to debts accrued on or after the applicable
26 effective date of this act.