

## HOA Legislation 2013: Homeowners Win (so do special interests)

The sponsors of HOA legislation can claim some victories in the 2013 legislative session. HB-1277 kicks off the clean-up of an industry that has been the root of many problems for HOA's and their residents by requiring HOA property managers to be licensed with penalties for violations. HOA foreclosures for delinquent debt will be more difficult with HB 1276 requiring HOA's to offer homeowners a payment plan prior to foreclosure action. Then there is HB 1134 which will require the State's HOA Office to conduct a study to identify an HOA dispute resolution process to provide homeowners with an alternative to expensive court cases to resolve complaints.

HOA homeowners should also be aware of how interest groups diluted the effectiveness of these Bills. HB 1277 was used to promote a private company, the Community Association Institute (CAI), which could result in higher costs and an anti-competitive environment for HOA property managers seeking required educational sources to meet licensing requirement. This soured the Bill and is unprecedented and contradictory to DORA's (State Regulatory Agency) own policy of not pre-approving courses or endorsing specific private companies through legislation and/or implementing policy. Then HB 1134 was gutted of much of its' intended purpose to involve the State's HOA Office in disputes and conflict resolution. The Bill now directs a study on these tasks and even goes so far as to push for the solution to be "mandatory mediation". Mediation is already part of State law and making it mandatory will only add cost, process, time, indecision, and uncertainty as no decision is guaranteed through mediation except the possibility of no decision. Homeowners would thus be gambling their money on a process of the "hope" of a decision and when "hope" loses they are stuck back to our pay-to-play court system and lawyers which to date has simply not worked and is what prompted this Bill in the first place. So, examples of "what could have been" vs "what is" when legislation goes through its' many twist and turns and special interest meddling.

Overall, HOA legislative work was productive and the sponsors are to be commended. Our eyes will now be on how these Bills are implemented and our group, Colorado HOA Forum, [www.coloradohoaforum.com](http://www.coloradohoaforum.com), will direct its' efforts on the 2014 legislative session to modify these Bills to be more effective and accomplish their original intended goals.