

HOA Home Owners to Continue to Pay Fees with no Justification or Receipt

HB 16-1133 was defeated in Committee, February 22, 2016. This Bill was simple, no burden on businesses or taxpayers, and **only required HOA property managers (PM)**, also known as Community Association Managers, **to provide a detailed receipt to home owners when fees are paid.** The Bill did not preclude any fees from being charged or limit amounts: just provide a detailed receipt of work completed. The Bill was intended to mitigate the practice of HOA PM's duplicate and triplicate billing for services already paid for via HOA dues or HOA Transfer Fees and/or Title Companies: happens all the time. It also was intended to reveal the practice of excessive billing whereby PM fees for the same services ranged from \$50 to \$1000 and home owners were required to pay without a receipt or a lien could be placed on their property or stop their home sale. Finally, a receipt was to be required to justify that the HOA PM Transfer Fee only represented expenses unique and incurred in the sale of a home which otherwise would make them illegally assessed as defined under State and Federal law. This all proved to much help for home owners in the eyes of the legislators.

The Community Association Institute (CAI) and property managers testified before Committee hearing this Bill. If you weren't in attendance their objections to this Bill will be difficult for you to believe but our legislators absorbed the misinformation to reinforce they NO vote. Testimony contended that providing a receipt would impose an excessive cost and that it was impossible to detail the work done to earn the home sale Transfer Fee. If they can't identify what they did to earn the fee what evidence is there that they did anything and why are they charging it? CAI folks also argued that a one line statement in a PM's contract with the HOA (that home owners never see) and a one liner with amount on a home sales contract was enough disclosure and no need to justify the fee based on work performed or provide a detailed receipt to any home owner. Do you think COMCAST, Xcel Energy, or Master Card can get away with billing you without providing a detailed invoice of work completed? There is no legal basis except with HOA PM fees to demand payment without proving services rendered!

HOA home owners will continue to pay PM fees in an environment of "pay it, shut up, or else". No other business would endorse such a practice but our legislature must be thanked for enabling, protecting, and approving this deceptive and abusive situation with their veto of Colorado HB 16-1133.