

## SUMMARY OF HB-1359

APPLIES TO ALL COMMUNITIES, PRE AND POST-CCIOA

EFFECTIVE: AUGUST 5, 2009

I. **Reserve Study** responsible governance policy (C.R.S. 38-33.3-209.5(1)(b))

A. Association needs a written policy concerning:

1. When the Association has a reserve study prepared;
2. Whether there is a funding plan;
3. Projected sources of funding:
  - a) assessments
  - b) special assessments
  - c) loans;
4. Whether the study is based on physical and financial analysis.

B. An internally conducted reserve study is sufficient.

1. But an internally conducted could lead to claims against the board or the Association if that study results in a shortfall.

Note: The bill, as originally introduced, was to require a reserve study every three years. It was amended to the current language, however, which leaves open the question about whether a reserve study is actually required, or whether it will be sufficient to adopt a responsible governance policy stating that no reserve studies will be done. This question will be resolved only through litigation.

II. Board Member Information and Communication (C.R.S. 38-33.3-303(1)(b)).

A. All members of the Board shall have available to them, all information obtained by any other member of the Board, including:

1. Reports of detailed monthly expenditures
2. Contracts
3. Copies of communications, reports or opinions to and from any member of the Board, or any manager, attorney or accountant.
  - a) Any email or other communication between a Board member and a manager, attorney or accountant must now be made available to all other Board members.

III. Committee Heads

A. Committees shall be appointed according to the governing documents or, if the governing documents contain no applicable provisions, the person appointed to preside over the committee shall meet the same qualifications as required for a member of the Board

1. For example, if a Director must be a member in good standing, the person appointed to preside over a committee must also meet those requirements.