

Colorado Legislative Action Committee (CLAC)

Minutes - February 11, 2011

1660 Lincoln Street, 2nd Floor Conference Room, Denver, CO

Call to order - 1:32 PM - Chair Gary Debus

Attendance - Members/Delegates

Cowell, Jim Debus, Gary Flippen, Jim Foley-Healy, Molly	Goff, Pam Hoehn, Robert Jordan, Lynn Leff, Suzanne	Lukasik, Walt Pacetti, Chris Taylor, Carol Tobey, Gary	Wilderotter, Pat Witt, Jesse
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Guests

Adair, Amelia: HindmanSanchez
Redfern, Amy: Aponte & Busam Public Affairs
Rosenquist, Parker: President of homeowners association in Colorado Springs; Southern Colorado CAI member interested in CLAC position

Call to order: Chair Gary Debus called the meeting to order at 1:32 PM and asked if any member had a conflict of interest with items on the agenda, or in general regarding the other affairs of the LAC, which he or she needs to disclose. There were no such disclosures.

Introductions: Introductions were made to identify participants and guests. Excused absences for Andrea Bobb, Jeff Kutzer, Jerry Orten, and Shedd Webster were announced.

ITEMS OF BUSINESS: Several items as enumerated on the agenda were discussed:

LEGISLATIVE UPDATE: Amy Redfern led the presentations in this portion of the meeting. She distributed the current legislation matrix and acknowledged that the past month kept her and CLAC members busy. HOAs are getting a lot of attention at the Capitol. Freshman legislators are asking a lot of questions about community associations.

Review of matrix. CLAC members reviewed the current matrix and determined what position to take on each bill, as noted below.

Subcontractor Notice for Mechanics' Lien (HB11-1020). Gary Tobey spoke briefly with Rep. Balmer concerning this bill. Gary characterized the bill as a low priority for community associations and explained that the bill effectively takes away subcontractors' mechanic's lien rights.

Sunrise Process Notifications (HB11-1044). Amy Redfern reported that this bill could fail to pass through the Senate, though, if it does pass, it will not necessarily harm community associations.

Residential Nonprofits Corporate Meetings (HB11-1110). Molly Foley-Healy explained that this bill, intended to cover residential living facilities such as some retirement homes, pulled community associations into its broad language, which requires refunds of dues in some

circumstances. The CLAC achieved success with this bill and its sponsor. Rep. Acree ran an amendment to exclude CCIOA communities from coverage. Molly testified at the committee hearing and fielded numerous general questions about community associations from committee members during the hearing. As a result, follow-up meetings will occur with Reps. Acree, Szabo, and Williams.

HOA and Metro District conflicts of interest (HB11-1124). After receiving push-back from the homebuilders and special districts associations, this bill took a positive turn through a below the line amendment crafted by Rep. Williams. The amendment deletes changes to Section 310.5 of CCIOA, excludes any express prohibition on joint HOA-metro district board membership, and introduces required contents for the conflicts of interest policy that associations must adopt pursuant to Section 209.4 of CCIOA. The revised bill is scheduled for committee hearing on February 21, 2011. The envoy of Jeff Kutzer, Suzanne Leff, and Chris Pacetti will determine who will testify but needs a CLAC vote on what position to take. A motion was made and seconded to support the revised bill. After some discussion about whether to support more regulation for community associations, the motion passed unanimously.

HOA Lien Rights in Foreclosure (HB11-1197). Substantial negotiations are underway regarding Rep. Gardner's bill that seeks to amend association lien rights in Section 316 of CCIOA. The envoy team includes Gary Tobey, Jerry Orten, Molly Foley-Healy and RMC-CAI members Mark Payne and Myra Lansky. Gary discussed how he seeks legal fees from lenders that are unable to show their interest in specific debt and how the issue of lenders proving that they are parties of interest poses a bigger legal battle than HB11-1197 alone. Molly discussed the relation of HB11-1197 to SB11-122 in that both address association lien rights and means for associations to recover delinquent amounts owed. Amy Redfern recommended that CLAC members seek to calm down the discourse with respect to both of these bills until after amended versions of the bills are available. Amy should receive a revised draft of below the line amendments to HB11-1197 later today, and CLAC members should expect additional communication about this bill following the meeting. If the envoy is not satisfied with the revised language of HB11-1197, then the envoy members will advise CLAC delegates and request opposition to both HB11-1197 and SB11-122.

Junior lienor redemption rights (SB11-122). SB11-122, introduced by Sen. Lundberg, is intended to encourage bidders at Public Trustee foreclosure sales to bid up the sales prices. The bill effectively eliminates community association redemption rights in the foreclosure process by permitting, but not requiring, the certificate of purchase holder to pay an association its full lien amount. If passed, the bill would likely reduce investor purchases of association liens. Amy Redfern recommended that CLAC not take immediate action on SB11-122; rather, CLAC members should wait until later today when HB11-1197 revisions are available. If the HB11-1197 revisions are acceptable to CLAC, then SB11-122 may not warrant opposition. If HB11-1197 does not pass muster, then CLAC may oppose both bills simultaneously. Again, the aim is to control the messaging around both bills until revisions are received and further instruction is given. Molly Foley-Healy will prepare a Call to Action for distribution to CLAC, chapter membership, and HindmanSanchez on Monday.

Uniform Disclaimer Property Interest Act (SB11-166). CLAC delegates discussed the potential impacts of this property disclaimer bill on community associations. Bob Hoehn agreed to speak with an estate planning attorney and alert the group to any discernible impact.

HOA Clearinghouse updates. HOA Information Officer, Aaron Acker, has spoken with CLAC envoy members, and he attended the recent CAI-RMC Wake Up Call meeting on January 28, 2011. Mr. Acker has indicated that (a) he continues to receive numerous complaints about associations and management companies, (b) some form of clean-up legislation is anticipated, and (c) no further extension of the registration deadline is likely to be granted. Any clean-up legislation would minimally seek to make the registration requirement apply to pre-CCIOA communities. CLAC members discussed questions about the registration process and the fact that envoy members have asked for administrative rule-making to clarify the division of real estate's position on certain requirements. Molly Foley-Healy, Suzanne Leff, and Chris Pacetti continue to serve on the envoy. The envoy will prepare a list of bullet point items for a late bill sponsor to consider if clean-up legislation advances.

HD-7 ROUNDTABLE WITH REP. WILLIAMS: Amy Redfern announced that Rep. Williams has invited CAI-CLAC members to attend her constituent roundtable on March 12, 2011, to discuss community associations. Jim Cowell expressed interest in attending but needs to check his availability based on additional details. Lynn Jordan and Suzanne Leff also volunteered to attend.

LOBBYING 101: WHAT DO I DO NOW AND WHAT IS A "CALL TO ACTION"?: Chris Pacetti presented information about lobbying basics, including the following: (a) arrive on time for meetings with legislators and committee hearings, (b) speak with one voice as CLAC members, (c) follow what the envoy group says, (d) do not undertake lobbying individually or undercut the CLAC group message, and (e) involve Amy Redfern in any lobbying activities. With regard to the CLAC's position on bills, Chris and Amy asked that CLAC members maintain loyalty to the CLAC position and disclose any conflicts as they arise. Amy extended an invitation for CLAC members to spend time with her at the Capitol. She also reminded delegates to report back to her any contacts made regarding specific calls to action.

CLAC CONFIDENTIALITY POLICY: Suzanne Leff presented a draft policy concerning confidentiality for CLAC delegates (attached). Discussion ensued concerning the incorporation of some of the lobbying guidelines into the confidentiality policy and inclusion of enforcement mechanisms. Suzanne will revise the policy per the recommendations and distribute a new version of the policy at the March meeting.

MINUTES: The minutes for the January 21, 2011, meeting, as transmitted electronically to the delegates, were previously approved by e-vote, posted on the website, and entered into the record.

FINANCIAL REPORT: Pam Goff presented a financial report including a statement of financial position and a statement of activity for the period of July 1, 2010, through January 31, 2011, which included a copy of the most recent bank statement. On motion of Jim Cowell, seconded by Pat Wilderotter, the report was voted received and entered into the record. Pam asked that the CLAC commit time in the future to planning fundraising activities or deciding whether to request additional funds from the Southern Colorado chapter.

Next meeting: The next meeting is scheduled for Friday, March 11, 2011, at 1:30 PM in the second floor conference room at 1660 Lincoln Street, Denver.

Adjournment: There being no further business to come before the meeting, Gary Debus adjourned the meeting at 3:09 PM, Friday, February 11, 2011.

Respectfully submitted,

Suzanne M. Leff, Secretary

DRAFT

CLAC MEMBER/DELEGATE ATTENDANCE RECORDS

Member Meeting	9.18.10	10.15.10	11.12.10	1.21.11	2.11.11
Bobb, Andrea	X	X	X	Exc	Exc
Cowell, Jim		X	X	Exc	X
Debus, Gary	X	X	X	Exc	X
Flippen, Jim	NA	NA	NA	NA	X
Foley-Healy, Molly	X	Exc	Exc	X	X
Goff, Pam	X	X	X	X	X
Graf, David		X	X	Exc	X
Hoehn, Robert	X	Exc	X	X	X
Jordan, Lynn	X	X	X	X	X
Kutzer, Jeff	X	X	X	X	Exc
Leff, Suzanne	X	X	X	X	X
Lukasik, Walt	X	Exc	X	Exc	X
Orten, Jerry	X	X	Exc	X	Exc
Pacetti, Chris	X	X	X	X	X
Taylor, Carol	NA	X	X	X	X
Tobey, Gary	X	X	X	X	X
Webster, Shedd	NA	X	X	Exc	Exc
Wilderotter, Pat		X	X	X	X
Witt, Jesse		Exc	X	X	X

Attendance Policy: A LAC delegate who has three consecutive unexcused absences (as determined by the LAC's officers) from LAC meetings may be removed by a majority vote of the LAC at a meeting where a quorum is present provided the LAC chair notified the delegate and his or her chapter, if applicable, in writing following the delegate's second excused absence that a third consecutive absence may result in the delegate's removal.