

# *Colorado* Homeowners Association *Law*

## **CCIOA 101 for HOA Boards: Reserve Study Policy**

By Molly Foley-Healy on July 9, 2012

As Mark Payne noted in his May 21<sup>st</sup> blog posting entitled ***Those Pesky Policies***, the Colorado Common Interest Ownership Act (“CCIOA”) requires HOAs in Colorado to adopt and comply with nine Responsible Governance Policies – commonly referred to SB 100 Policies.

One of the nine policies addresses the issue of reserve studies. Here’s what CCIOA, at **C.R.S. 38-33.3-209.5(IX)**, requires a Reserve Study Policy to include:

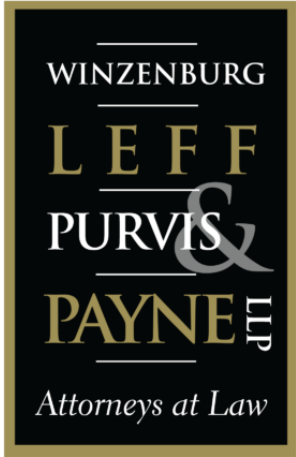
- (1) When the association has a reserve study prepared for the portions of the community maintained, repaired, replaced and improved by the association;
- (2) Whether there is a funding plan for any work recommended by the reserve study;
- (3) If there is a funding plan, the projected sources of funding for the work; and
- (4) Whether the reserve study is based on a physical analysis and financial analysis.

This provision of CCIOA also provides that “For purposes of this subparagraph (IX), an internally conducted reserve study shall be sufficient.” While HOAs are permitted under this provision to conduct their own reserve study, this is not a recommended course of action unless the association has qualified staff or volunteers to handle this important work.

Stay tuned to this blog for more information on the 9 Responsible Governance Policies which

HOAs are required to adopt and comply with.

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