



IMPORTANT REMINDERS REGARDING ASSOCIATION BUSINESS

The last few weeks have proven to be very busy with regards to Homeowner Association business. Please note the following updates and recommendations regarding Associations:

- **The Corporate Transparency Act** – Just as Associations were beginning to contemplate how to best address the reporting requirements of this Act, a federal judge recently ruled that this Act is unconstitutional, which holds the implementation of the Act until any appeals are filed and ruled on. As such, we recommend that Associations hold any filing until we have further direction from the federal courts.
- **Covenant Enforcement and Hearings** – As we all know, covenant enforcement has been made more difficult after the passing of HB22-1137. However, while more difficult, we recommend that covenant enforcement still proceed to ensure that Associations do all that they can do to protect property values. We strongly recommend that a hearing opportunity is provided in all the communications that the Association may send regarding the covenant issue. This is to ensure that the Owner(s) have plenty of opportunity and notice to request hearings. As such, please ensure that all covenant enforcement notices include the opportunity for a hearing.
- **Collection Procedures and Communications** – Just as with covenant enforcement matters, collections processes are also more cumbersome. While the “official” Notice requires that an Association offer the eighteen (18) month payment plan, we recommend that all collection notices have language regarding the eighteen (18) month payment plan. This is also in an effort to ensure that Owner(s) have plenty of notice regarding the opportunity for the payment plan as more Owners use as a defense the payment plan not being included in collection communications. While not required for each notice, it would be helpful to have it in all collection notices, so that Owners cannot claim that they were never provided with this important step in the collection procedures.
- **Updated Policies** – Unfortunately, we are still seeing that some Associations have not updated the required policies stemming from HB22-1137 (the Collection Policy, Conduct of Meeting Policy and Covenant Enforcement) and many single family communities have not completed the required Landscaping Policies. We strongly encourage all Board of Directors to ensure that these policies are updated, as they are required in order to proceed with collections, covenant enforcement and architectural control. Our office can help draft all these as well as other policies that an Association may need. Please ensure to take care of these important matters as soon as possible!

Have additional questions about these or other legal matters? We are here to help!

Please contact us at info@westernlawgroup.com

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