



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1316: PRIVATE MEMBERSHIP CLUB COVENANTS

Prime Sponsors:

Rep. Hamrick

Fiscal Analyst:

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Bill Outcome: Postponed Indefinitely

Drafting Number: LLS 26-0413

Version: Final Fiscal Note

Date: June 17, 2026

Fiscal note status: The final fiscal note reflects the introduced bill. This bill was postponed indefinitely by the House Transportation, Housing, and Local Government Committee on March 24, 2026; therefore, the impacts identified in this analysis do not take effect.

Summary Information

Overview. This bill would have prohibited new covenants or declarations for a residential property that requires property owners to join and pay dues to a private membership club, and places new disclosure requirements on private membership clubs that collect fees or dues under existing covenants or declarations.

Types of impacts. The bill was projected to affect the following areas on an ongoing basis:

- Minimal State Workload
- State Revenue

Appropriations. No appropriation was required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

This bill restricts private membership club requirements in residential communities. Beginning January 1, 2027, any new covenant or declaration recorded for a residential property that requires a property owner to join a private membership club, such as a country club, golf club, or tennis club, as a condition of owning a home is void and unenforceable.

For existing covenants and declarations that currently obligate property owners to pay dues or fees to a private membership club, the bill requires the club to disclose financial and operating information to property owners. The club must post this information on its website and mail or deliver it to property owners within 90 days at the end of the fiscal year, at no cost to the owners. Property owners are not required to pay fees to clubs that do not comply with these conditions, and may bring civil claims for damages in the event of noncompliance.

The bill specifies that a "private member club" does not include a unit owners' association (HOA) or metropolitan district, or a recreational club, amenity, or facility operated or owned by an HOA or metropolitan district.

State Revenue

The bill may increase revenue from filings fees to the Judicial Department from additional civil cases regarding prohibited covenants or violations of disclosure requirements. It is assumed most impacted entities will follow the requirements; therefore, any resulting revenue is assumed to be minimal.

State Expenditures

Department of Regulatory Agencies

The HOA Information and Resource Center in the Division of Real Estate in the Department of Regulatory Agencies may have a minimal workload increase to respond to questions concerning the change to club membership and disclosure requirements. No change in appropriations is required.

Judicial Department

The bill authorizes civil litigation for violations, which could increase civil cases and associated court workload. The increase is absorbable within existing resources and no change in appropriations is required.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Regulatory Agencies