Second Regular Session Seventy-fourth General Assembly STATE OF COLORADO

PREAMENDED

This Unofficial Version Includes Committee Amendments Not Yet Adopted on Second Reading

LLS NO. 24-0587.02 Yelana Love x2295

SENATE BILL 24-145

SENATE SPONSORSHIP

Gardner,

HOUSE SPONSORSHIP

Snyder,

Senate Committees Judiciary **House Committees**

A BILL FOR AN ACT

101 CONCERNING THE ENACTMENT OF THE "UNIFORM UNLAWFUL

102 **RESTRICTIONS IN LAND RECORDS ACT".**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <u>http://leg.colorado.gov/</u>.)

Colorado Commission on Uniform State Laws. Current law declares a restriction in a land record unlawful if the restriction is based on race, color, religion, national origin, sex, familial status, disability, or other personal characteristics.

The bill enacts the "Uniform Unlawful Restrictions in Land Records Act (2023)" (act), as drafted by the Uniform Law Commission,

1 *Be it enacted by the General Assembly of the State of Colorado:* 2 **SECTION 1.** In Colorado Revised Statutes, add article 36.5 to 3 title 38 as follows: **ARTICLE 36.5** 4 5 **Uniform Unlawful Restrictions in Land Records Act** 6 **38-36.5-101.** Title. This article 36.5 May be cited as the 7 "UNIFORM UNLAWFUL RESTRICTIONS IN LAND RECORDS ACT". 8 **38-36.5-102. Definitions.** As USED IN THIS ARTICLE 36.5: 9 (1) "Amendment" means a document that removes an 10 UNLAWFUL RESTRICTION. 11 (2) "ASSOCIATION OF OWNERS" HAS THE SAME MEANING AS 12 "ASSOCIATION" AS SET FORTH IN SECTION 38-33.3-103 (3). 13 (3) "COMMON INTEREST COMMUNITY" HAS THE SAME MEANING AS 14 SET FORTH IN SECTION 38-33.3-103 (8). 15 (4) "DOCUMENT" MEANS A RECORD RECORDED OR ELIGIBLE TO BE 16 **RECORDED IN LAND RECORDS.** 17 (5) "GOVERNING INSTRUMENT" HAS THE SAME MEANING AS 18 "DECLARATION", AS DEFINED IN SECTION 38-33.3-103 (13). 19 (6) "GRANTEE INDEX" MEANS THE GRANTEE INDEX MAINTAINED 20 IN A RECORDER'S OFFICE PURSUANT TO SECTION 30-10-408. 21 (7) "GRANTOR INDEX" MEANS THE GRANTOR INDEX MAINTAINED 22 IN A RECORDER'S OFFICE PURSUANT TO SECTION 30-10-408. 23 (8) "LAND RECORDS" MEANS THE REAL ESTATE RECORDS IN THE 24 OFFICE OF THE RECORDER PURSUANT TO SECTION 30-10-406 (1). 25 (9) "OWNER" MEANS A PERSON THAT HAS A FEE INTEREST IN REAL

which establishes a process for a person to remove these unlawful

restrictions from a title or other document related to real property.

1 **PROPERTY.**

2 (10) "PERSON" MEANS AN INDIVIDUAL, BUSINESS TRUST, ESTATE, 3 TRUST, CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY, 4 ASSOCIATION, JOINT VENTURE, PUBLIC CORPORATION OR OTHER BUSINESS 5 OR NONPROFIT ENTITY, GOVERNMENT OR GOVERNMENTAL SUBDIVISION, 6 AGENCY, OR INSTRUMENTALITY, OR OTHER LEGAL ENTITY. 7 (11) "RECORD", USED AS A NOUN, MEANS INFORMATION: 8 (a) INSCRIBED ON A TANGIBLE MEDIUM; OR 9 (b)STORED IN AN ELECTRONIC OR OTHER MEDIUM AND 10 RETRIEVABLE IN PERCEIVABLE FORM. 11 (12) "RECORDER" MEANS A COUNTY CLERK AND RECORDER. 12 "Remove" means eliminate any apparent or (13)13 PURPORTEDLY CONTINUING EFFECT ON TITLE TO REAL PROPERTY. 14 "UNLAWFUL RESTRICTION" MEANS A PROHIBITION, (14)15 RESTRICTION, COVENANT, OR CONDITION IN A DOCUMENT THAT PURPORTS 16 TO INTERFERE WITH OR RESTRICT THE TRANSFER, USE, OR OCCUPANCY OF 17 REAL PROPERTY: 18 (a) ON THE BASIS OF RACE, COLOR, RELIGION, NATIONAL ORIGIN, 19 SEX, FAMILIAL STATUS, DISABILITY, OR OTHER PERSONAL 20 CHARACTERISTICS; AND 21 (b) IN VIOLATION OF OTHER LAW OF THIS STATE, INCLUDING 22 SECTION 24-34-502, REGARDING UNFAIR OR DISCRIMINATORY HOUSING 23 PRACTICES, OR FEDERAL LAW. 24 **38-36.5-103.** Amendment by owner. AN OWNER OF REAL 25 PROPERTY SUBJECT TO AN UNLAWFUL RESTRICTION MAY SUBMIT TO THE 26 RECORDER FOR RECORDATION IN THE LAND RECORDS AN AMENDMENT TO 27 REMOVE THE UNLAWFUL RESTRICTION, BUT ONLY AS TO THE OWNER'S

1 **PROPERTY.**

38-36.5-104. Amendment by association of owners. (1) THE
GOVERNING BODY OF AN ASSOCIATION OF OWNERS IDENTIFIED IN A
GOVERNING INSTRUMENT MAY, WITHOUT A VOTE OF THE MEMBERS OF THE
ASSOCIATION, AMEND THE GOVERNING INSTRUMENT TO REMOVE AN
UNLAWFUL RESTRICTION.

7 (2) A MEMBER OF AN ASSOCIATION OF OWNERS MAY REQUEST, IN 8 A RECORD THAT SUFFICIENTLY IDENTIFIES AN UNLAWFUL RESTRICTION IN 9 THE GOVERNING INSTRUMENT, THAT THE GOVERNING BODY EXERCISE ITS 10 AUTHORITY UNDER SUBSECTION (1) OF THIS SECTION. NO LATER THAN 11 NINETY DAYS AFTER THE GOVERNING BODY RECEIVES THE REQUEST, THE 12 GOVERNING BODY SHALL DETERMINE REASONABLY AND IN GOOD FAITH 13 WHETHER THE GOVERNING INSTRUMENT INCLUDES THE UNLAWFUL 14 RESTRICTION. IF THE GOVERNING BODY DETERMINES THE GOVERNING 15 INSTRUMENT INCLUDES THE UNLAWFUL RESTRICTION, THE GOVERNING 16 BODY, NO LATER THAN NINETY DAYS AFTER THE DETERMINATION, SHALL 17 AMEND THE GOVERNING INSTRUMENT TO REMOVE THE UNLAWFUL 18 RESTRICTION.

(3) AN OFFICER OF THE ASSOCIATION OF OWNERS DESIGNATED BY
THE ASSOCIATION OF OWNERS OR, IN THE ABSENCE OF DESIGNATION, THE
PRESIDENT OF THE ASSOCIATION OF OWNERS, ACTING ON BEHALF OF THE
ASSOCIATION OF OWNERS, SHALL PREPARE, EXECUTE, RECORD, AND
CERTIFY AN AMENDMENT ADOPTED PURSUANT TO THIS SECTION.

(4) AN AMENDMENT UNDER THIS SECTION IS EFFECTIVE
NOTWITHSTANDING ANY PROVISION OF THE GOVERNING INSTRUMENT OR
OTHER LAW OF THIS STATE THAT REQUIRES A VOTE OF THE MEMBERS OF
THE ASSOCIATION OF OWNERS TO AMEND THE GOVERNING INSTRUMENT.

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1 38-36.5-105. Requirements and limitations of amendment. 2 (1) AN AMENDMENT UNDER THIS ARTICLE 36.5 MUST IDENTIFY, FOR AN 3 AMENDMENT BY AN OWNER PURSUANT TO SECTION 38-36.5-103, THE 4 OWNER, AND FOR AN AMENDMENT BY AN ASSOCIATION OF OWNERS 5 PURSUANT TO SECTION 38-36.5-104, THE NAME OF THE COMMON INTEREST 6 COMMUNITY AND THE ASSOCIATION. ALL AMENDMENTS MUST INCLUDE A 7 DESCRIPTION OF THE REAL PROPERTY AFFECTED AND A REFERENCE TO THE 8 DOCUMENT RECORDED IN THE LAND RECORDS CONTAINING THE UNLAWFUL 9 RESTRICTION. ALL AMENDMENTS MUST INCLUDE A CONSPICUOUS 10 STATEMENT IN SUBSTANTIALLY THE FOLLOWING FORM: "THIS AMENDMENT 11 REMOVES FROM THIS DEED OR OTHER DOCUMENT AFFECTING TITLE TO 12 REAL PROPERTY AN UNLAWFUL RESTRICTION AS DEFINED UNDER THE 13 UNIFORM UNLAWFUL RESTRICTIONS IN LAND RECORDS ACT. THIS 14 AMENDMENT DOES NOT AFFECT THE VALIDITY OR ENFORCEABILITY OF A 15 RESTRICTION THAT IS NOT AN UNLAWFUL RESTRICTION."

16 (2) (a) THE AMENDMENT MUST BE EXECUTED AND
17 ACKNOWLEDGED IN THE MANNER REQUIRED FOR RECORDATION OF A
18 DOCUMENT IN THE LAND RECORDS. THE AMENDMENT MUST BE RECORDED
19 IN THE LAND RECORDS OF EACH COUNTY IN WHICH THE DOCUMENT
20 CONTAINING THE UNLAWFUL RESTRICTION IS RECORDED.

(b) FOR AN AMENDMENT BY AN OWNER PURSUANT TO SECTION
38-36.5-103, THE RECORDER SHALL INDEX THE AMENDMENT IN THE
GRANTOR AND GRANTEE INDEX IN THE NAME OF THE RECORD OWNER. FOR
AN AMENDMENT BY AN ASSOCIATION OF OWNERS PURSUANT TO SECTION
38-36.5-104, THE RECORDER SHALL INDEX THE AMENDMENT IN THE
GRANTEE INDEX IN THE NAME OF THE COMMON INTEREST COMMUNITY
CREATED PURSUANT TO THE GOVERNING INSTRUMENT AND IN THE NAME

1 OF THE ASSOCIATION OF OWNERS AND IN THE GRANTOR INDEX IN THE

2 <u>NAME OF THE RECORD OWNER.</u>

3 (3) THE AMENDMENT DOES NOT AFFECT THE VALIDITY OR
4 ENFORCEABILITY OF ANY RESTRICTION THAT IS NOT AN UNLAWFUL
5 RESTRICTION.

6 (4) THE AMENDMENT OR A FUTURE CONVEYANCE OF THE
7 AFFECTED REAL PROPERTY IS NOT A REPUBLICATION OF A RESTRICTION
8 THAT OTHERWISE WOULD EXPIRE BY PASSAGE OF TIME UNDER OTHER LAW
9 OF THIS STATE.

38-36.5-106. Form for amendment. (1) AN OWNER MAKING AN
AMENDMENT PURSUANT TO THIS ARTICLE 36.5 MUST USE A FORM
SUBSTANTIALLY EQUIVALENT TO THE FOLLOWING FORM:

13 AMENDMENT BY OWNER TO REMOVE AN UNLAWFUL RESTRICTION

14 THIS AMENDMENT IS RECORDED UNDER THE STATE'S UNIFORM UNLAWFUL

15 RESTRICTIONS IN LAND RECORDS ACT, ARTICLE 36.5 OF TITLE 38,

16 COLORADO REVISED STATUTES (THE ACT), BY AN OWNER OF AN INTEREST

17 IN REAL PROPERTY SUBJECT TO AN UNLAWFUL RESTRICTION AS DEFINED18 UNDER THE ACT.

19 (1) NAME OF OWNER:_____ 20 (2) OWNER'S PROPERTY THAT IS SUBJECT TO THE UNLAWFUL 21 **RESTRICTION IS DESCRIBED AS FOLLOWS:** 22 ADDRESS: 23 LEGAL DESCRIPTION: 24 (3) THIS AMENDMENT AMENDS THE FOLLOWING DOCUMENT: 25 TITLE OF DOCUMENT BEING AMENDED: 26 RECORDING DATE OF DOCUMENT BEING AMENDED: 27

1	RECORDING INFORMATION (BOOK/PAGE OR INSTRUMENT
2	NUMBER):
3	This Amendment removes from the document described in
4	paragraph (3) all unlawful restrictions as defined under the
5	ACT. REMOVAL OF AN UNLAWFUL RESTRICTION THROUGH THIS
6	AMENDMENT DOES NOT AFFECT THE VALIDITY AND ENFORCEABILITY OF
7	ANY OTHER RESTRICTION THAT IS NOT AN UNLAWFUL RESTRICTION AS
8	DEFINED UNDER THE ACT AT THE TIME OF FILING THIS AMENDMENT. THIS
9	AMENDMENT IS NOT EFFECTIVE IF THE PROPERTY IS SUBJECT TO A
10	GOVERNING INSTRUMENT AS DEFINED UNDER THE ACT.
11	OWNER'S SIGNATURE:
12	DATE:
13	NOTARY ACKNOWLEDGMENT:
14	—
15	(2) AN ASSOCIATION OF OWNERS MAKING AN AMENDMENT
16	pursuant to this article 36.5 must use a form substantially
17	EQUIVALENT TO THE FOLLOWING FORM:
18	AMENDMENT BY ASSOCIATION OF OWNERS TO REMOVE
19	AN UNLAWFUL RESTRICTION
20	This Amendment is recorded under the state's Uniform Unlawful
21	RESTRICTIONS IN LAND RECORDS ACT, ARTICLE 36.5 OF TITLE 38,
22	COLORADO REVISED STATUTES (THE ACT), BY AN ASSOCIATION OF
23	OWNERS IDENTIFIED IN A GOVERNING INSTRUMENT THAT CONTAINS AN
24	UNLAWFUL RESTRICTION AS DEFINED UNDER THE ACT.
25	(1) NAME OF OWNER:
26	(2) NAME OF ASSOCIATION:
27	(3) PROPERTY ENCUMBERED BY A GOVERNING INSTRUMENT

1	CONTAINING THE UNLAWFUL RESTRICTION IS DESCRIBED AS
2	FOLLOWS:
3	LEGAL DESCRIPTION:
4	(4) This Amendment amends the following described
5	DOCUMENT:
6	TITLE OF DOCUMENT BEING AMENDED:
7	RECORDING DATE OF DOCUMENT BEING AMENDED:
8	
9	RECORDING INFORMATION (BOOK/PAGE OR INSTRUMENT
10	NUMBER):
11	This Amendment removes from the document described in
12	PARAGRAPH (4) ALL UNLAWFUL RESTRICTIONS AS DEFINED UNDER THE
13	ACT. REMOVAL OF AN UNLAWFUL RESTRICTION THROUGH THIS
14	AMENDMENT DOES NOT AFFECT THE VALIDITY AND ENFORCEABILITY OF
15	ANY OTHER RESTRICTION THAT IS NOT AN UNLAWFUL RESTRICTION AS
16	DEFINED UNDER THE ACT AT THE TIME OF FILING THIS AMENDMENT.
17	ASSOCIATION'S SIGNATURE:
18	DATE:
19	NOTARY ACKNOWLEDGMENT:
20	—
21	38-36.5-107. Duty and liability of recorder. (1) THE RECORDER
22	SHALL RECORD AN AMENDMENT SUBMITTED UNDER THIS ARTICLE 36.5,
23	ADD THE AMENDMENT TO THE GRANTOR OR GRANTEE INDEX, AS
24	APPROPRIATE, AND CROSS REFERENCE THE AMENDMENT TO THE
25	DOCUMENT CONTAINING THE UNLAWFUL RESTRICTION.
26	(2) THE RECORDER AND THE RECORDER'S JURISDICTION ARE NOT
27	LIABLE FOR RECORDING AN AMENDMENT UNDER THIS ARTICLE 36.5, FOR

THE ABSENCE OF A RECORDED AMENDMENT UNDER THIS ARTICLE 36.5, OR
 FOR ANY FAILURE OR INACCURACIES IN CROSS-REFERENCING THE
 AMENDMENT TO THE DOCUMENT CONTAINING THE UNLAWFUL
 RESTRICTION.

38-36.5-108. Uniformity of application and construction. IN
APPLYING AND CONSTRUING THIS UNIFORM ACT, A COURT SHALL CONSIDER
THE PROMOTION OF UNIFORMITY OF THE LAW AMONG JURISDICTIONS THAT
ENACT IT.

38-36.5-109. Relation to electronic signatures in global and
national commerce act. This ARTICLE 36.5 MODIFIES, LIMITS, OR
supersedes the Electronic Signatures in Global and National
COMMERCE ACT, 15 U.S.C. SEC. 7001 ET SEQ., AS AMENDED, BUT DOES
NOT MODIFY, LIMIT, OR SUPERSEDE 15 U.S.C. SEC. 7001 (c), OR
AUTHORIZE ELECTRONIC DELIVERY OF ANY OF THE NOTICES DESCRIBED IN
15 U.S.C. SEC. 7003 (b).

16 SECTION 2. Act subject to petition - effective date. This act 17 takes effect at 12:01 a.m. on the day following the expiration of the 18 ninety-day period after final adjournment of the general assembly; except 19 that, if a referendum petition is filed pursuant to section 1 (3) of article V 20 of the state constitution against this act or an item, section, or part of this 21 act within such period, then the act, item, section, or part will not take 22 effect unless approved by the people at the general election to be held in 23 November 2024 and, in such case, will take effect on the date of the 24 official declaration of the vote thereon by the governor.

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