

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 16-0179.02 Bob Lackner x4350

HOUSE BILL 16-1466

HOUSE SPONSORSHIP

Tyler and Becker K.,

SENATE SPONSORSHIP

Ulibarri,

House Committees

Transportation & Energy
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE USE OF MONEYS FROM THE UNCLAIMED PROPERTY**
102 **TRUST FUND TO PROMOTE THE PROVISION OF AFFORDABLE**
103 **HOUSING.**

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 <http://www.leg.state.co.us/bills summaries>.)

Section 1 of the bill requires the state treasurer, on or before June 30, 2016, to transfer \$40 million from the state's unclaimed property trust fund (unclaimed property moneys) to the division of housing in the department of local affairs (division) and to the Colorado housing and finance authority (authority). Of the moneys to be transferred, the bill

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
3rd Reading Unamended
May 6, 2016

HOUSE
Amended 2nd Reading
May 5, 2016

requires the state treasurer to transmit:

- ! \$30 million to the division to be deposited by the division into the housing development grant fund (HDG fund) to improve, preserve, or expand the supply of affordable housing in Colorado, which includes rental assistance for persons in households with low and very low incomes; and
- ! \$10 million to the authority to be deposited by the authority into the affordable housing assistance fund (affordable housing fund) to support new or existing programs that provide financial assistance to persons in households with an income of 80% or less of the area median income for the purpose of allowing such persons to finance, purchase, or rehabilitate single family residential homes as well as to provide financial assistance to any nonprofit entity and political subdivision that makes loans to persons in such households to enable such persons to finance, purchase, or rehabilitate single family residential homes.

If the economic and revenue forecast prepared by legislative council staff in June 2016 shows that the transfer required by the bill will result in the state exceeding the constitutional spending limit for the state fiscal year 2015-16, then the transfer must be reduced by the amount that causes the state to exceed the spending limit.

Section 2 creates the affordable housing fund in the authority, which fund is to be administered by the authority. This section specifies the source of moneys to be deposited into such fund, restricts the use of the moneys in the fund, and gives the authority the sole administrative discretion to determine how best to expend moneys deposited into the affordable housing fund that support the programs that it administers under the bill.

Sections 3 and 4 direct the division to administer all new or existing programs to improve, preserve, or expand the supply of affordable housing in Colorado that are supported by the \$30 million transfer from the unclaimed property trust fund to the HDG fund under the bill. In administering such programs, the division is authorized, with the approval of the state housing board, to allocate such moneys to new or existing programs as it determines will best satisfy the purposes specified in the bill.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 38-13-116.5, **amend**

3 (1) (b); and **add** (3.5) as follows:

4 **38-13-116.5. Unclaimed property trust fund - creation -**

1 **payments - interest - appropriations - records - rules - definition -**
2 **repeal.** (1) (b) Except as provided in subsections (2), (2.7), ~~and (2.9)~~
3 (2.8), AND (3.5) of this section, the principal of the trust fund shall not be
4 expended except to pay claims made pursuant to this article. Moneys
5 comprising the principal of the trust fund shall not constitute fiscal year
6 spending of the state for purposes of section 20 of article X of the state
7 constitution and are not subject to appropriation by the general assembly.

8 (3.5) (a) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
9 SECTION, ON OR BEFORE JUNE 30, 2016, AND SUBJECT TO PARAGRAPH (c)
10 OF THIS SUBSECTION (3.5), THE STATE TREASURER SHALL TRANSFER FORTY
11 MILLION DOLLARS FROM THE UNCLAIMED PROPERTY TRUST FUND CREATED
12 IN SUBSECTION (1) OF THIS SECTION TO THE DIVISION OF HOUSING IN THE
13 DEPARTMENT OF LOCAL AFFAIRS CREATED IN SECTION 24-32-704 (1),
14 C.R.S., AND TO THE COLORADO HOUSING AND FINANCE AUTHORITY
15 CREATED IN SECTION 29-4-704 (1), C.R.S., IN ACCORDANCE WITH THE
16 REQUIREMENTS OF THIS PARAGRAPH (a). OF THE MONEYS TO BE
17 TRANSFERRED, THE STATE TREASURER SHALL TRANSMIT:

18 (I) THIRTY MILLION DOLLARS TO THE DIVISION OF HOUSING IN THE
19 DEPARTMENT OF LOCAL AFFAIRS CREATED IN SECTION 24-32-704 (1),
20 C.R.S., TO BE DEPOSITED BY THE DIVISION INTO THE HOUSING
21 DEVELOPMENT GRANT FUND CREATED IN SECTION 24-32-721 (1), C.R.S.,
22 TO IMPROVE, PRESERVE, OR EXPAND THE SUPPLY OF AFFORDABLE HOUSING
23 IN COLORADO, WHICH INCLUDES, WITHOUT LIMITATION, RENTAL
24 ASSISTANCE FOR PERSONS IN HOUSEHOLDS WITH LOW AND VERY LOW
25 INCOMES.

26 (II) TEN MILLION DOLLARS TO THE COLORADO HOUSING AND
27 FINANCE AUTHORITY CREATED IN SECTION 29-4-704 (1), C.R.S., TO BE

1 DEPOSITED BY THE AUTHORITY INTO THE AFFORDABLE HOUSING
2 ASSISTANCE FUND IN ACCORDANCE WITH SECTION 29-4-736, C.R.S., TO
3 SUPPORT NEW OR EXISTING PROGRAMS THAT PROVIDE FINANCIAL
4 ASSISTANCE TO PERSONS IN HOUSEHOLDS WITH AN INCOME OF EIGHTY
5 PERCENT OR LESS OF THE AREA MEDIAN INCOME FOR THE PURPOSE OF
6 ALLOWING SUCH PERSONS TO FINANCE, PURCHASE, OR REHABILITATE
7 SINGLE FAMILY RESIDENTIAL HOMES AS WELL AS TO PROVIDE FINANCIAL
8 ASSISTANCE TO ANY NONPROFIT ENTITY AND POLITICAL SUBDIVISION THAT
9 MAKES LOANS TO PERSONS IN SUCH HOUSEHOLDS TO ENABLE SUCH
10 PERSONS TO FINANCE, PURCHASE, OR REHABILITATE SINGLE FAMILY
11 RESIDENTIAL HOMES.

12 (b) AS USED IN PARAGRAPH (a) OF THIS SUBSECTION (3.5), "AREA
13 MEDIAN INCOME" IS DETERMINED IN ACCORDANCE WITH GUIDELINES OR
14 OTHER STANDARDS PROMULGATED BY THE UNITED STATES DEPARTMENT
15 OF HOUSING AND URBAN DEVELOPMENT.

16 (c) NOTWITHSTANDING ANY OTHER PROVISION OF PARAGRAPH (a)
17 OF THIS SUBSECTION (3.5):

18 (I) IF THE ECONOMIC AND REVENUE FORECAST PREPARED BY
19 LEGISLATIVE COUNCIL STAFF IN JUNE 2016 SHOWS THAT THE TRANSFER
20 REQUIRED BY PARAGRAPH (a) OF THIS SUBSECTION (3.5) WILL RESULT IN
21 THE STATE EXCEEDING THE SPENDING LIMIT THAT IS SPECIFIED UNDER
22 SECTION (20) (7) (a) OF ARTICLE X OF THE STATE CONSTITUTION FOR
23 STATE FISCAL YEAR 2015-16, THEN THE TRANSFER MUST BE REDUCED BY
24 THE AMOUNT THAT CAUSES THE STATE TO EXCEED THE SPENDING LIMIT.

25 (II) THE TRANSFER REQUIRED BY PARAGRAPH (a) OF THIS
26 SUBSECTION (3.5) MUST BE MADE AFTER ANY TRANSFER REQUIRED BY
27 SUBSECTION (2), (2.7), OR (2.8) OF THIS SECTION.

1 (d) THIS SUBSECTION (3.5) IS REPEALED, EFFECTIVE JULY 1, 2020.

2 SECTION 2. In Colorado Revised Statutes, add 29-4-736 as
3 follows:

4 29-4-736. Affordable housing assistance fund - creation -
5 definition - repeal. (1) THERE IS HEREBY CREATED IN THE AUTHORITY
6 THE AFFORDABLE HOUSING ASSISTANCE FUND, REFERRED TO IN THIS
7 SECTION AS THE "FUND", WHICH FUND IS TO BE ADMINISTERED BY THE
8 AUTHORITY. THE AUTHORITY SHALL DEPOSIT INTO THE FUND:

9 (a) ALL MONEYS TRANSMITTED TO IT BY THE STATE TREASURER
10 PURSUANT TO SECTION 38-13-116.5 (3.5) (a) (II), C.R.S.;

11 (b) ANY MONEYS MADE AVAILABLE BY THE STATE FOR THE
12 PURPOSES OF THE FUND; AND

13 (c) ANY MONEYS THAT ARE MADE AVAILABLE BY OR TO THE
14 AUTHORITY FROM ANY OTHER SOURCES FOR THE PURPOSE OF THE FUND.

15 (2) ALL MONEYS IN THE FUND MUST BE EXPENDED FOR THE
16 PURPOSE OF SUPPORTING NEW OR EXISTING PROGRAMS THAT PROVIDE
17 FINANCIAL ASSISTANCE TO PERSONS IN HOUSEHOLDS WITH AN INCOME OF
18 EIGHTY PERCENT OR LESS OF THE AREA MEDIAN INCOME FOR THE PURPOSE
19 OF ALLOWING SUCH PERSONS TO FINANCE, PURCHASE, OR REHABILITATE
20 SINGLE FAMILY RESIDENTIAL HOMES AS WELL AS TO PROVIDE FINANCIAL
21 ASSISTANCE TO ANY NONPROFIT ENTITY AND POLITICAL SUBDIVISION THAT
22 MAKES LOANS TO PERSONS IN SUCH HOUSEHOLDS TO ENABLE SUCH
23 PERSONS TO FINANCE, PURCHASE, OR REHABILITATE SINGLE FAMILY
24 RESIDENTIAL HOMES.

25 (3) AS USED IN THIS SECTION, "AREA MEDIAN INCOME" IS
26 DETERMINED IN ACCORDANCE WITH GUIDELINES OR OTHER STANDARDS
27 PROMULGATED BY THE UNITED STATES DEPARTMENT OF HOUSING AND

1 URBAN DEVELOPMENT.

2 (4) NEW OR EXISTING PROGRAMS SUPPORTED BY THE FUND THAT
3 ARE DESCRIBED IN SUBSECTION (2) OF THIS SECTION ARE TO BE
4 ADMINISTERED BY THE AUTHORITY. THE AUTHORITY HAS SOLE
5 ADMINISTRATIVE DISCRETION TO DETERMINE HOW BEST TO EXPEND THE
6 PORTION OF MONEYS DEPOSITED INTO THE FUND THAT SUPPORT THE
7 PROGRAMS THAT IT ADMINISTERS PURSUANT TO THIS SUBSECTION (4).

8 (5) ANY MONEYS IN THE FUND NOT EXPENDED AT THE END OF ANY
9 FISCAL YEAR MUST REMAIN IN THE FUND AND WILL NOT BE TRANSFERRED
10 TO OR REVERT TO THE GENERAL FUND AT THE END OF ANY SUCH FISCAL
11 YEAR. ANY INTEREST EARNED ON THE INVESTMENT OR DEPOSIT OF
12 MONEYS IN THE FUND MUST REMAIN IN THE FUND AND SHALL NOT BE
13 CREDITED TO THE GENERAL FUND.

14 (6) MONEYS HELD IN THE FUND SHALL NOT BE TRANSFERRED TO
15 ANY OF THE OTHER FUNDS CREATED IN THE AUTHORITY PURSUANT TO THIS
16 PART 7.

17 (7) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2020.

18 **SECTION 3.** In Colorado Revised Statutes, 24-32-705, **add** (4)
19 as follows:

20 **24-32-705. Functions of division - definition - repeal.** (4) THE
21 DIVISION SHALL ADMINISTER ALL NEW OR EXISTING PROGRAMS TO
22 IMPROVE, PRESERVE, OR EXPAND THE SUPPLY OF AFFORDABLE HOUSING IN
23 COLORADO THAT ARE SUPPORTED BY THE TRANSFER BY THE STATE
24 TREASURER OF THIRTY MILLION DOLLARS FROM THE UNCLAIMED
25 PROPERTY TRUST FUND TO THE DIVISION TO BE DEPOSITED BY THE
26 DIVISION INTO THE HOUSING DEVELOPMENT GRANT FUND CREATED IN
27 SECTION 24-32-721 (1) IN ACCORDANCE WITH SECTION 38-13-116.5 (1)

1 (b), C.R.S. IN ADMINISTERING THE PROGRAMS DESCRIBED IN THIS
2 SUBSECTION (4), THE DIVISION SHALL, WITH THE APPROVAL OF THE BOARD,
3 ALLOCATE SUCH MONEYS TO NEW OR EXISTING PROGRAMS AS IT
4 DETERMINES WILL BEST SATISFY THE PURPOSES OF THE TRANSFER
5 SPECIFIED IN THIS SUBSECTION (4).

6 **SECTION 4.** In Colorado Revised Statutes, 24-32-721, **amend**
7 (1) as follows:

8 **24-32-721. Colorado affordable housing construction grants**
9 **and loans - housing development grant fund - creation - repeal.**

10 (1) (a) There is hereby created in the state treasury the housing
11 development grant fund, which fund shall be administered by the division
12 and is referred to in this section as the "fund". The fund ~~shall consist~~
13 CONSISTS of moneys appropriated to the Colorado affordable housing
14 construction grants and loan fund by the general assembly, all moneys
15 collected by the division for purposes of this section from federal grants,
16 from other contributions, gifts, grants, and donations received from any
17 other organization, entity, or individual, public or private, and from any
18 fees or interest earned on such moneys. The division is hereby authorized
19 and directed to solicit, accept, expend, and disburse all moneys collected
20 for the fund from the sources specified in this subsection (1) for the
21 purpose of making grants or loans and for program administration as
22 provided in this section. All such moneys ~~shall~~ MUST be transmitted to the
23 state treasurer to be credited to the fund. The moneys in the fund are
24 hereby continuously appropriated to the division for the purposes of this
25 section. The moneys in the fund may be expended for the purpose of
26 funding activities initiated during the current state fiscal year that are to
27 be completed in subsequent state fiscal years.

1 (b) (I) IN ADDITION TO THE OTHER SOURCES OF MONEYS TO BE
2 DEPOSITED INTO THE FUND THAT ARE SPECIFIED IN PARAGRAPH (a) OF THIS
3 SUBSECTION (1), THE FUND ALSO CONSISTS OF MONEYS TRANSFERRED BY
4 THE STATE TREASURER FROM THE UNCLAIMED PROPERTY TRUST FUND TO
5 THE DIVISION TO BE DEPOSITED BY THE DIVISION INTO THE FUND TO
6 IMPROVE, PRESERVE, OR EXPAND THE SUPPLY OF AFFORDABLE HOUSING IN
7 COLORADO, INCLUDING, WITHOUT LIMITATION, RENTAL ASSISTANCE FOR
8 PERSONS IN HOUSEHOLDS WITH LOW AND VERY LOW INCOMES, IN
9 ACCORDANCE WITH SECTION 38-13-116.5 (1) (b), C.R.S.

10 (II) THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE JULY 1, 2020.

11 **SECTION 5. Safety clause.** The general assembly hereby finds,
12 determines, and declares that this act is necessary for the immediate
13 preservation of the public peace, health, and safety.