

**First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

ENGROSSED

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

LLS NO. 23-0020.01 Megan McCall x4215

HOUSE BILL 23-1190

HOUSE SPONSORSHIP

Boesenecker and Sirota,

SENATE SPONSORSHIP

Winter F.,

House Committees

Transportation, Housing & Local Government

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A RIGHT OF FIRST REFUSAL TO PURCHASE QUALIFYING**
102 **MULTIFAMILY RESIDENTIAL PROPERTY BY A LOCAL**
103 **GOVERNMENT.**

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://leg.colorado.gov>.)

The bill creates a right of first refusal of a local government to match an acceptable offer for the sale of a residential or mixed-use multifamily property (property). The right to the purchase of the property by the local government is subject to the local government's commitment to using the property as long-term affordable housing. The local

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

HOUSE
Amended 2nd Reading
March 6, 2023

government may assign its right of first refusal to the state, to any political subdivisions, or to any housing authority in the state subject to the limitation that the assignee make the same commitment to using the property as long-term affordable housing.

The bill requires notices to be given by the seller to local governments and by local governments to the seller and to residents of the property. Upon receiving notice of intent to sell or of a potential sale of property, a local government has 14 business days to preserve its right of first refusal and an additional 90 business days to make an offer and must agree to close on the property within 180 business days of the execution of an agreement for the sale and purchase of the qualifying property.

The bill allows certain sales of property to be exempt from the right of first refusal and the requirements established by the bill for the right of first refusal. The bill also allows the local government to waive its right of first refusal to purchase a property if the local government elects to disclaim its rights to any proposed transaction or for any duration of time or if there is a third-party buyer interested in purchasing the property with the same commitment to preserving or converting the property for long-term affordable housing and if the third-party buyer enters into an agreement with the local government concerning the third-party buyer's commitment to long-term affordable housing.

If the local government, its assignee, or a third-party buyer who has committed to preserving or converting the property for long-term affordable housing has acquired the property and maintained the property for long-term affordable housing for 50 years, the property may be converted to another use if the following conditions are met:

- Notice is given to residents prior to the conversion;
- Any displaced residents are provided with compensation for relocation; and
- The local government, its assignee, or a third-party buyer who has committed to preserving or converting the property for long-term affordable housing guarantees the development or conversion of an equal or greater amount of units within the boundaries of the local government for long-term affordable housing and offers the units first to any residents displaced by the conversion of the property.

The bill also provides that the attorney general's office has responsibility to enforce the provisions of the bill and that the attorney general's office, a local government, or a mission-driven organization has standing to bring a civil action for violations of the bill.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 12 to article

1 4 of title 29 as follows:

2

PART 12

3

RIGHT OF FIRST REFUSAL

4

TO PURCHASE MULTIFAMILY HOUSING

5

29-4-1201. Definitions. AS USED IN THIS PART 12, UNLESS THE
6 CONTEXT OTHERWISE REQUIRES:

7

(1) "APPLICABLE AREA MEDIAN INCOME" MEANS NO MORE THAN
8 EIGHTY PERCENT OF THE AREA MEDIAN INCOME IN URBAN COUNTIES, NO
9 MORE THAN ONE HUNDRED TWENTY PERCENT OF THE AREA MEDIAN
10 INCOME IN RURAL COUNTIES, AND NO MORE THAN ONE HUNDRED FORTY
11 PERCENT OF THE AREA MEDIAN INCOME IN RURAL RESORT COUNTIES. THE
12 CLASSIFICATION OF URBAN, RURAL, AND RURAL RESORT COUNTIES IS THE
13 DIVISION OF HOUSING'S MOST RECENT CLASSIFICATION OF THE SAME
14 PURSUANT TO SECTION 29-4-1107 (1)(d).

15

(2) "AREA MEDIAN INCOME" MEANS THE MEDIAN INCOME OF THE
16 COUNTY IN WHICH A QUALIFYING PROPERTY IS LOCATED IN RELATION TO
17 FAMILY SIZE, AS PUBLISHED ANNUALLY BY THE UNITED STATES
18 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

19

(3) "LOCAL GOVERNMENT" MEANS:

20

(a) IF THE QUALIFYING PROPERTY IS LOCATED WITHIN THE
21 INCORPORATED AREA OF A CITY, A CITY AND COUNTY, OR A TOWN, THE
22 CITY, THE CITY AND COUNTY, OR THE TOWN; AND

23

(b) IF THE QUALIFYING PROPERTY IS LOCATED WITHIN THE
24 UNINCORPORATED AREA OF A COUNTY, THE COUNTY.


25

(4) "LONG-TERM AFFORDABLE HOUSING" MEANS HOUSING FOR
26 WHICH THE ANNUAL RENT FOR ANY UNIT IN THE QUALIFYING PROPERTY
27 DOES NOT EXCEED THE RENT FOR HOUSEHOLDS OF A GIVEN SIZE AT THE

1 APPLICABLE AREA MEDIAN INCOME, AS PUBLISHED ANNUALLY BY THE
2 UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT,
3 FOR A MINIMUM OF ONE HUNDRED YEARS AND WHERE THE LOCAL
4 GOVERNMENT AGREES NOT TO RAISE RENT FOR ANY UNIT IN THE
5 QUALIFYING PROPERTY BY MORE THAN THE RENT INCREASE CAP; EXCEPT
6 THAT THE RENT INCREASE CAP SHALL NOT APPLY TO UNITS OF HOUSING
7 REGULATED BY FAIR MARKET RENTS PUBLISHED BY THE UNITED STATES
8 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY OTHER
9 FEDERAL OR STATE PROGRAMS THAT RESTRICT OR LIMIT ALLOWABLE
10 RENTS.

11 (5) "MISSION-DRIVEN ORGANIZATION" MEANS AN ORGANIZATION
12 IN GOOD STANDING WITH THE SECRETARY OF STATE THAT IS EXEMPT FROM
13 TAXATION PURSUANT TO SECTION 501 (a) OF THE FEDERAL "INTERNAL
14 REVENUE CODE OF 1986", AS AMENDED, AND LISTED AS AN EXEMPT
15 ORGANIZATION IN SECTION 501 (c)(3) OF THE FEDERAL "INTERNAL
16 REVENUE CODE OF 1986", AS AMENDED.

17 (6) (a) "QUALIFYING PROPERTY" MEANS A MULTIFAMILY
18 RESIDENTIAL OR MIXED-USE RENTAL PROPERTY CONSISTING OF FIVE OR
19 MORE UNITS IN URBAN COUNTIES AND THREE OR MORE UNITS IN RURAL OR
20 RURAL RESORT COUNTIES. THE CLASSIFICATION OF URBAN, RURAL, AND
21 RURAL RESORT COUNTIES IS THE DIVISION OF HOUSING'S MOST RECENT
22 CLASSIFICATION OF THE SAME PURSUANT TO SECTION 29-4-1107 (1)(d).

23 
24 (b) "QUALIFYING PROPERTY" DOES NOT INCLUDE A MOBILE HOME
25 PARK AS DEFINED IN SECTION 38-12-201.5 (6).

26 (7) "RENT INCREASE CAP" MEANS A PERCENTAGE OF THE CURRENT
27 ANNUAL RENT FOR A QUALIFYING PROPERTY THAT IS EQUAL TO THE

1 GREATER OF:

2 (a) THE AVERAGE ANNUAL PERCENTAGE CHANGE FOR THE
3 PREVIOUS TWELVE MONTHS AT THE TIME OF THE CALCULATION IN THE
4 UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS
5 CONSUMER PRICE INDEX FOR DENVER-AURORA-LAKEWOOD FOR ALL
6 ITEMS AND ALL URBAN CONSUMERS, OR ITS SUCCESSOR INDEX; OR

7 (b) THREE PERCENTAGE POINTS.

8 (8) "RESIDENTIAL SELLER" MEANS AN OWNER OF A QUALIFYING
9 PROPERTY.

10 **29-4-1202. Right of first refusal - eligibility - process - notice**

11 **- tolling.** (1) (a) (I) IN ACCORDANCE WITH THIS PART 12, THE LOCAL
12 GOVERNMENT FOR THE JURISDICTION IN WHICH A QUALIFYING PROPERTY
13 IS LOCATED HAS A RIGHT TO PURCHASE THE QUALIFYING PROPERTY FOR AN
14 ECONOMICALLY SUBSTANTIALLY IDENTICAL OFFER TO ANOTHER OFFER
15 THAT A RESIDENTIAL SELLER RECEIVES ON THE QUALIFYING PROPERTY.
16 THE LOCAL GOVERNMENT'S RIGHT TO PURCHASE THE QUALIFYING
17 PROPERTY IS LIMITED TO PRESERVING OR CONVERTING THE QUALIFYING
18 PROPERTY FOR LONG-TERM AFFORDABLE HOUSING BY THE LOCAL
19 GOVERNMENT OR ANOTHER PUBLIC OR PRIVATE ENTITY THAT THE LOCAL
20 GOVERNMENT ASSIGNS ITS RIGHTS TO UNDER THIS PART 12, OR THAT THE
21 LOCAL GOVERNMENT TRANSFERS THE QUALIFYING PROPERTY TO.

22 (II) IN EXERCISING ITS RIGHT OF FIRST REFUSAL SET FORTH IN
23 SUBSECTION (1)(a)(I) OF THIS SECTION AND IN THIS PART 12, A LOCAL
24 GOVERNMENT MAY PARTNER WITH A NONPROFIT ENTITY, A PRIVATE
25 ENTITY, OR ANOTHER GOVERNMENTAL ENTITY TO CO-FINANCE, LEASE, OR
26 MANAGE THE QUALIFYING PROPERTY FOR THE PUBLIC PURPOSE OF
27 MAINTAINING THE QUALIFYING PROPERTY AS LONG-TERM AFFORDABLE

1 HOUSING IF THE LOCAL GOVERNMENT OR ITS ASSIGNEE MAINTAINS
2 OWNERSHIP OF THE QUALIFYING PROPERTY.

3 (b) ANY PURCHASE AND SALE AGREEMENT FOR THE CONVEYANCE
4 OF A QUALIFYING PROPERTY BY A RESIDENTIAL SELLER IS CONTINGENT
5 UPON THE RIGHT OF FIRST REFUSAL SET FORTH IN THIS PART 12.

6 (c) (I) IF THE LOCAL GOVERNMENT PROVIDES NOTICE PURSUANT TO
7 SUBSECTION (3)(a)(I) OF THIS SECTION TO A RESIDENTIAL SELLER THAT
8 THE LOCAL GOVERNMENT MAY EXERCISE ITS RIGHTS UNDER THIS PART 12,
9 THE RESIDENTIAL SELLER SHALL NOT PROCEED WITH THE SALE OF THE
10 QUALIFYING PROPERTY TO ANY OTHER PARTY AND THE LOCAL
11 GOVERNMENT SHALL HAVE A RIGHT TO MAKE AN OFFER THAT IS
12 ECONOMICALLY SUBSTANTIALLY IDENTICAL TO AN ACCEPTABLE OFFER ON
13 THE QUALIFYING PROPERTY THAT IS IDENTIFIED BY THE RESIDENTIAL
14 SELLER AS REQUIRED BY SUBSECTION (2)(d)(I)(B) OF THIS SECTION.

15 (II) FOR THE PURPOSE OF DETERMINING WHETHER THE TERMS OF
16 AN OFFER BY A THIRD PARTY AND AN OFFER BY THE LOCAL GOVERNMENT
17 ARE ECONOMICALLY SUBSTANTIALLY IDENTICAL, IT IS IMMATERIAL HOW
18 THE OFFER WOULD BE FINANCED. FOR PURPOSES OF THIS PART 12, A
19 RESIDENTIAL SELLER SHALL NEGOTIATE IN GOOD FAITH WITH THE LOCAL
20 GOVERNMENT THAT MAKES AN OFFER THAT IS ECONOMICALLY
21 SUBSTANTIALLY IDENTICAL TO AN ACCEPTABLE OFFER ON THE QUALIFYING
22 PROPERTY THAT IS IDENTIFIED BY THE RESIDENTIAL SELLER AS REQUIRED
23 BY SUBSECTION (2)(d)(I)(B) OF THIS SECTION FOR THE SALE OF THE
24 QUALIFYING PROPERTY WHICH INCLUDES, BUT IS NOT LIMITED TO
25 EVALUATING AN OFFER FROM THE LOCAL GOVERNMENT OR ITS ASSIGNEE
26 WITHOUT CONSIDERATION OF:

27 (A) THE TIME PERIOD FOR CLOSING;

1 (B) THE TYPE OF FINANCING OR PAYMENT METHOD;

2 (C) WHETHER OR NOT THE OFFER IS CONTINGENT ON FINANCING
3 OR PAYMENT METHOD; AND

4 (D) WHETHER OR NOT THE OFFER IS CONTINGENT ON AN
5 APPRAISAL, INSPECTION, OR REVIEW OF TITLE, OBTAINING TITLE
6 INSURANCE, OR OTHER CUSTOMARY CONDITIONS FOR THE SALE OF SIMILAR
7 PROPERTY.

8 (III) IF THE RESIDENTIAL SELLER REJECTS THE OFFER MADE BY THE
9 LOCAL GOVERNMENT, THE RESIDENTIAL SELLER SHALL PROVIDE A
10 WRITTEN EXPLANATION OF THE REJECTION AND SHALL INVITE THE LOCAL
11 GOVERNMENT TO MAKE A SUBSEQUENT OFFER BY IDENTIFYING THE TERMS
12 AND CONDITIONS THAT MUST BE INCLUDED IN THE SUBSEQUENT OFFER FOR
13 THE RESIDENTIAL SELLER TO POTENTIALLY ACCEPT THE SUBSEQUENTLY
14 MADE OFFER BY THE LOCAL GOVERNMENT. ■ ■ A RESIDENTIAL SELLER
15 SHALL NOT COLLUDE WITH A POTENTIAL BUYER FOR THE PRIMARY
16 PURPOSE OF INFLATING A SALES PRICE ABOVE THE MARKET PRICE OF A
17 QUALIFYING PROPERTY.

18 (d) AT ANY TIME THE LOCAL GOVERNMENT MAY ASSIGN ITS RIGHTS
19 REGARDING A QUALIFYING PROPERTY UNDER THIS PART 12 TO THE STATE,
20 ANY POLITICAL SUBDIVISION, ANY HOUSING AUTHORITY IN THE STATE, OR
21 THE COLORADO HOUSING AND FINANCE AUTHORITY, CREATED IN SECTION
22 29-4-704 (1), SUBJECT TO THE LIMITATIONS THAT THE QUALIFYING
23 PROPERTY MUST BE USED TO PRESERVE OR BE CONVERTED FOR LONG-TERM
24 AFFORDABLE HOUSING AND THAT ALL OTHER PROVISIONS OF THIS PART 12
25 ARE APPLICABLE TO THE ASSIGNEE. UPON ASSIGNMENT, THE ASSIGNEE
26 ASSUMES ALL LIABILITY OF THE LOCAL GOVERNMENT REGARDING THE
27 EXERCISE OF RIGHTS UNDER THIS PART 12 AND IS RESPONSIBLE FOR

1 PERFORMING ALL REQUIREMENTS UNDER THIS PART 12 WITH RESPECT TO
2 A QUALIFYING PROPERTY AS IF THE ASSIGNEE WERE THE LOCAL
3 GOVERNMENT. THE ASSIGNEE MUST NOTIFY THE RESIDENTIAL SELLER OF
4 THE ASSIGNMENT IF THE LOCAL GOVERNMENT HAS ALREADY SENT THE
5 RESIDENTIAL SELLER NOTICE PURSUANT TO SUBSECTION (3)(a) OF THIS
6 SECTION.

7 (e) IF A QUALIFYING PROPERTY IS CLASSIFIED AS MIXED-USE, THE
8 LOCAL GOVERNMENT'S RIGHTS UNDER THIS PART 12 SHALL ONLY EXTEND
9 TO THE PORTION OF THE QUALIFYING PROPERTY THAT IS RESIDENTIAL, BUT
10 NOTHING IN THIS PART 12 EXCLUDES THE LOCAL GOVERNMENT FROM
11 INCLUDING THE PURCHASE OF ANY COMMERCIAL PORTION OF THE
12 QUALIFYING PROPERTY BY THE LOCAL GOVERNMENT IN THE TERMS OF THE
13 SALE AT THE DISCRETION OF THE LOCAL GOVERNMENT.

14 (2) **Notice by residential seller.** (a) WITHIN FOURTEEN
15 CALENDAR DAYS OF A TRIGGERING EVENT DEMONSTRATING A
16 RESIDENTIAL SELLER'S INTENT TO SELL THE QUALIFYING PROPERTY, A
17 RESIDENTIAL SELLER SHALL PROVIDE NOTICE TO THE GOVERNING BODY OF
18 THE LOCAL GOVERNMENT IN WHICH THE QUALIFYING PROPERTY IS
19 LOCATED. THE NOTICE MUST BE GIVEN IN ACCORDANCE WITH SUBSECTION
20 (2)(d) OF THIS SECTION.

21 (b) A TRIGGERING EVENT REQUIRING NOTICE UNDER THIS
22 SUBSECTION (2) INCLUDES ANY TIME THE RESIDENTIAL SELLER:

23 (I) SIGNS A CONTRACT WITH A REAL ESTATE BROKER OR
24 BROKERAGE FIRM TO LIST THE QUALIFYING PROPERTY FOR SALE OR TO
25 SELL OR TRANSFER THE QUALIFYING PROPERTY;

26 (II) SIGNS A LETTER OF INTENT, OPTION TO SELL OR BUY, OR OTHER
27 CONDITIONAL WRITTEN AGREEMENT WITH A POTENTIAL BUYER FOR THE

1 SALE OR TRANSFER OF THE QUALIFYING PROPERTY, WHICH INCLUDES THE
2 ESTIMATED PRICE, TERMS, AND CONDITIONS OF THE PROPOSED SALE OR
3 TRANSFER, EVEN IF THE PRICE, TERMS, OR CONDITIONS ARE SUBJECT TO
4 CHANGE;

5 (III) SIGNS A CONTRACT WITH A POTENTIAL BUYER'S REAL ESTATE
6 BROKER OR BROKERAGE FIRM RELATED TO THE POTENTIAL SALE OR
7 TRANSFER OF THE QUALIFYING PROPERTY;

8 (IV) PROVIDES A SIGNED PROPERTY DISCLOSURE FORM FOR THE
9 QUALIFYING PROPERTY TO A POTENTIAL BUYER;

10 (V) LISTS THE QUALIFYING PROPERTY FOR SALE;

11 (VI) MAKES A CONDITIONAL ACCEPTANCE OF AN OFFER FOR THE
12 SALE OR TRANSFER OF THE QUALIFYING PROPERTY;

13 (VII) TAKES ANY OTHER ACTION DEMONSTRATING AN INTENT TO
14 SELL THE QUALIFYING PROPERTY; EXCEPT THAT ANY ACTION TAKEN TO
15 ENGAGE WITH A POLITICAL SUBDIVISION OR A HOUSING AUTHORITY IN THE
16 STATE TO FACILITATE NEGOTIATIONS BETWEEN THE RESIDENTIAL SELLER
17 AND A THIRD-PARTY TO CREATE OR PRESERVE LONG-TERM AFFORDABLE
18 HOUSING FOR A QUALIFYING PROPERTY IS NOT CONSIDERED A TRIGGERING
19 EVENT UNTIL ANOTHER ACTION SET FORTH IN THIS SUBSECTION (2)(b)
20 OCCURS;

21 (VIII) RECEIVES A NOTICE OF ELECTION AND DEMAND OR LIS
22 PENDENS RELATED TO THE FORECLOSURE OF THE QUALIFYING PROPERTY
23 PURSUANT TO PART 1 OF ARTICLE 38 OF TITLE 38; EXCEPT THAT, NOTICE TO
24 THE LOCAL GOVERNMENT MUST BE PROVIDED AS SPECIFIED IN SUBSECTION
25 (7) OF THIS SECTION AND NOT AS SPECIFIED IN SUBSECTION (2)(a) OF THIS
26 SECTION;

27 (IX) RECEIVES A NOTICE THAT A CERTIFICATE OF LEVY HAS BEEN

1 FILED RELATED TO THE QUALIFYING PROPERTY PURSUANT TO SECTION
2 13-56-101; OR

3 (X) THE POTENTIAL SALE TO A THIRD-PARTY BUYER PURSUANT TO
4 SECTION 29-4-1203 (2)(b) TERMINATES.

5 (c) A RESIDENTIAL SELLER SHALL PROVIDE SUBSEQUENT NOTICE
6 TO THE LOCAL GOVERNMENT THAT RECEIVED NOTICE PURSUANT TO THIS
7 SUBSECTION (2) IF THE TERMS OF AN ACCEPTABLE SALE MATERIALLY
8 CHANGE.

9 (d) (I) THE NOTICE GIVEN PURSUANT TO THIS SUBSECTION (2) MUST
10 BE DELIVERED TO THE CLERK OF THE GOVERNING BODY OF THE LOCAL
11 GOVERNMENT BY ELECTRONIC MAIL DELIVERY; EXCEPT THAT, IF THERE IS
12 NOT AN ELECTRONIC MAILING ADDRESS AVAILABLE FOR THE CLERK, THEN
13 BY HAND DELIVERY, UNITED STATES FIRST CLASS MAIL, OR OVERNIGHT
14 DELIVERY AND MUST INCLUDE:

15 (A) A GENERAL DESCRIPTION OF THE QUALIFYING PROPERTY TO BE
16 PURCHASED, INCLUDING THE ADDRESS AND NAME OF THE PROPERTY, IF
17 ANY, AND ANY ADDITIONAL DESCRIPTIONS OF THE QUALIFYING PROPERTY
18 ON FILE WITH THE OFFICE OF THE ASSESSOR IN THE COUNTY IN WHICH THE
19 QUALIFYING PROPERTY IS LOCATED;

20 (B) THE PRICE, TERMS, AND CONDITIONS OF AN ACCEPTABLE OFFER
21 THE RESIDENTIAL SELLER HAS RECEIVED TO SELL THE QUALIFYING
22 PROPERTY OR THE PRICE, TERMS, AND CONDITIONS FOR WHICH THE
23 RESIDENTIAL SELLER INTENDS TO SELL THE QUALIFYING PROPERTY;

24 (C) ANY TERMS OR CONDITIONS WHICH, IF NOT MET, WOULD BE
25 SUFFICIENT GROUNDS, IN THE RESIDENTIAL SELLER'S DISCRETION AND IN
26 COMPLIANCE WITH THIS PART 12 AND ANY OTHER APPLICABLE LAW, TO
27 REJECT AN OFFER;

1 (D) IF THE RESIDENTIAL SELLER HAS ENTERED INTO A CONTINGENT
2 PURCHASE AND SALE AGREEMENT WITH A PROSPECTIVE BUYER, A COPY OF
3 THE AGREEMENT;

4 (E) THE RESIDENTIAL SELLER'S ADDRESS AND, IF AVAILABLE,
5 ELECTRONIC MAILING ADDRESS TO RECEIVE NOTICES FROM THE LOCAL
6 GOVERNMENT; AND

7 (F) THE NAMES AND MAILING ADDRESSES THAT THE RESIDENTIAL
8 SELLER HAS ON RECORD FOR EVERY TENANT RESIDING IN THE QUALIFYING
9 PROPERTY.

10 (II) THE PRICE, TERMS, AND CONDITIONS STATED IN THE NOTICE
11 MUST BE UNIVERSAL AND APPLICABLE TO ALL POTENTIAL BUYERS AND
12 MUST NOT BE SPECIFIC TO OR PROHIBITIVE OF THE LOCAL GOVERNMENT
13 MAKING A SUCCESSFUL OFFER TO PURCHASE THE QUALIFYING PROPERTY,
14 MUST NOT BE UNLAWFUL, AND MUST NOT INHIBIT THE EXERCISE OF THE
15 RIGHTS PROVIDED UNDER THIS PART 12.

16 (III) THE LOCAL GOVERNMENT MAY SHARE THE INFORMATION
17 CONTAINED IN THE NOTICE WITH ITS OFFICERS, EMPLOYEES, AGENTS, AND
18 PROSPECTIVE ASSIGNEES OR A PROSPECTIVE ENTITY THE LOCAL
19 GOVERNMENT PARTNERS WITH PURSUANT TO SUBSECTION (1)(a)(II) OF
20 THIS SECTION FOR THE PURPOSES OF EVALUATING OR OBTAINING
21 FINANCING FOR THE PROSPECTIVE TRANSACTION. THE INFORMATION
22 CONTAINED IN THE NOTICE MUST BE KEPT CONFIDENTIAL IF THE
23 RESIDENTIAL SELLER SO REQUESTS AND IS CONFIDENTIAL INFORMATION
24 NOT SUBJECT TO PUBLIC DISCLOSURE; EXCEPT THAT THE OCCURRENCE OF
25 A TRIGGERING EVENT, THE LOCATION OF THE QUALIFYING PROPERTY, AND
26 THE IDENTITY OF THE RESIDENTIAL SELLER ARE NOT CONFIDENTIAL AND
27 ARE SUBJECT TO PUBLIC DISCLOSURE. NOTHING IN THIS SECTION REQUIRES

1 A LOCAL GOVERNMENT TO EXERCISE ITS RIGHTS UNDER THIS PART 12.

2 (e) (I) PRIOR TO THE SALE OF A QUALIFYING PROPERTY, A
3 RESIDENTIAL SELLER SHALL EXECUTE AND RECORD IN THE REAL PROPERTY
4 RECORDS OF THE COUNTY IN WHICH THE QUALIFYING PROPERTY IS
5 LOCATED AN AFFIDAVIT CERTIFYING UNDER PENALTY OF PERJURY THAT
6 THEY HAVE COMPLIED WITH THE REQUIREMENTS OF THIS PART 12.

7 (II) ANY PARTY THAT ACQUIRES AN INTEREST IN THE QUALIFYING
8 PROPERTY AND A TITLE INSURANCE ENTITY AS DEFINED IN SECTION
9 10-11-102 (11) SHALL HAVE AN ABSOLUTE RIGHT TO RELY ON THE TRUTH
10 AND ACCURACY OF ALL STATEMENTS IN THE AFFIDAVIT MADE PURSUANT
11 TO SUBSECTION (2)(e)(I) OF THIS SECTION AND SHALL NOT BE HELD LIABLE
12 OR RESPONSIBLE FOR ANY DAMAGES RELATED TO A RESIDENTIAL SELLER'S
13 MISREPRESENTATION IN THE AFFIDAVIT.

14 (3) **Notice by the local government.** (a) (I) THE LOCAL
15 GOVERNMENT SHALL PROVIDE NOTICE TO THE RESIDENTIAL SELLER WITHIN
16 FOURTEEN CALENDAR DAYS OF RECEIPT OF THE NOTICE REQUIRED
17 PURSUANT TO SUBSECTION (2) OF THIS SECTION OF THE LOCAL
18 GOVERNMENT'S INTENT TO PRESERVE ITS RIGHTS UNDER THIS PART 12. IF
19 THE LOCAL GOVERNMENT PLANS TO ASSIGN ITS RIGHTS UNDER THIS PART
20 12 IN ACCORDANCE WITH SUBSECTION (1)(d) OF THIS SECTION, THE LOCAL
21 GOVERNMENT MUST DISCLOSE THE POTENTIAL ASSIGNEE IN THE NOTICE.
22 THE NOTICE MUST BE DELIVERED BY ELECTRONIC MAIL DELIVERY; EXCEPT
23 THAT, IF THE RESIDENTIAL SELLER HAS NOT PROVIDED AN ELECTRONIC
24 MAILING ADDRESS, THEN BY HAND DELIVERY, UNITED STATES FIRST CLASS
25 MAIL, OR OVERNIGHT DELIVERY TO THE ADDRESS PROVIDED BY THE
26 RESIDENTIAL SELLER PURSUANT TO SUBSECTION (2)(d)(I)(E) OF THIS
27 SECTION.

1 (II) THE NOTICE GIVEN PURSUANT TO SUBSECTION (3)(a)(I) OF THIS
2 SECTION IS NONBINDING ON THE LOCAL GOVERNMENT.

3 (III) IF NO NOTICE IS GIVEN BY THE LOCAL GOVERNMENT, THE
4 RIGHTS UNDER THIS PART 12 EXPIRE AND THE RESIDENTIAL SELLER MAY
5 PROCEED WITH THE SALE OF THE QUALIFYING PROPERTY TO A BUYER OF
6 THEIR CHOOSING.

7 (b) (I) UPON GIVING NOTICE TO A RESIDENTIAL SELLER PURSUANT
8 TO SUBSECTION (3)(a) OF THIS SECTION, THE LOCAL GOVERNMENT SHALL
9 PROVIDE NOTICE TO EACH RESIDENT OF THE QUALIFYING PROPERTY WHO
10 IS IDENTIFIED IN THE SELLER'S NOTICE PROVIDED IN SUBSECTION
11 (2)(d)(I)(F) OF THIS SECTION INFORMING THE RESIDENT THAT THERE IS
12 INTEREST BY THE LOCAL GOVERNMENT OR AN ASSIGNEE IN PURCHASING
13 THE QUALIFYING PROPERTY AND PROVIDING A DATE, TIME, AND LOCATION
14 THAT THE LOCAL GOVERNMENT WILL HOLD A MEETING FOR RESIDENTS TO
15 ATTEND FOR INFORMATION REGARDING A POTENTIAL PURCHASE OF THE
16 PROPERTY BY THE LOCAL GOVERNMENT IN ACCORDANCE WITH
17 SUBSECTION (3)(d) OF THIS SECTION.

18 (II) THE LOCAL GOVERNMENT SHALL PROVIDE A SECOND NOTICE
19 TO THE RESIDENTS OF A QUALIFYING PROPERTY UPON THE EXECUTION OF
20 AN AGREEMENT FOR THE SALE AND PURCHASE OF THE QUALIFYING
21 PROPERTY PURSUANT TO SUBSECTION (4) OF THIS SECTION.

22 (III) THE LOCAL GOVERNMENT SHALL PROVIDE A THIRD NOTICE TO
23 THE RESIDENTS OF A QUALIFYING PROPERTY UPON THE CLOSING OF A SALE
24 FOR THE QUALIFYING PROPERTY BY THE LOCAL GOVERNMENT PURSUANT
25 TO SUBSECTION (4) OF THIS SECTION. THE NOTICE MUST INCLUDE CONTACT
26 INFORMATION FOR THE ENTITY THAT WILL PROVIDE MANAGEMENT
27 SERVICES TO THE QUALIFYING PROPERTY.

1 (c) THE LOCAL GOVERNMENT SHALL MAIL THE NOTICES REQUIRED
2 PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION TO THE RESIDENTS OF
3 A QUALIFYING PROPERTY USING THE MOST RECENT ADDRESS OF EACH
4 RESIDENT. THE RESIDENTIAL SELLER SHALL PROVIDE UPDATED MAILING
5 ADDRESSES FOR RESIDENTS UPON REQUEST OF THE LOCAL GOVERNMENT.
6 THE LOCAL GOVERNMENT SHALL ALSO POST A COPY OF THE NOTICES IN A
7 CONSPICUOUS PLACE IN THE QUALIFYING PROPERTY. THE NOTICES MUST
8 BE PROVIDED IN ENGLISH, SPANISH, AND ANY OTHER LANGUAGE KNOWN
9 TO BE SPOKEN BY RESIDENTS AT THE QUALIFYING PROPERTY.

10 (d) THE MEETING HELD BY THE LOCAL GOVERNMENT AS REQUIRED
11 BY SUBSECTION (3)(b)(I) OF THIS SECTION MUST BE IN AN ACCESSIBLE
12 SPACE, AND SPANISH TRANSLATION SERVICES AND, IF AVAILABLE,
13 VIRTUAL MEETING OPTIONS MUST BE PROVIDED AT NO COST TO THE
14 RESIDENTS.

15 (4) THE LOCAL GOVERNMENT HAS SIXTY CALENDAR DAYS FROM
16 PROVIDING NOTICE PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION TO
17 MAKE AN OFFER TO PURCHASE THE QUALIFYING PROPERTY AND SHALL
18 AGREE TO CLOSE ON THE QUALIFYING PROPERTY WITHIN ONE HUNDRED
19 TWENTY CALENDAR DAYS OF THE EXECUTION OF AN AGREEMENT FOR THE
20 SALE AND PURCHASE OF THE QUALIFYING PROPERTY.

21 (5) (a) THE PERIODS SET FORTH IN SUBSECTION (4) OF THIS SECTION
22 MAY BE EXTENDED AND ANY TERMS OR CONDITIONS OF SALE MAY BE
23 MODIFIED BY WRITTEN AGREEMENT BETWEEN THE LOCAL GOVERNMENT
24 AND THE RESIDENTIAL SELLER.

25 (b) THE LOCAL GOVERNMENT OR ITS ASSIGNEE IS ENTITLED TO
26 TOLLING OF THE PERIODS SET FORTH IN SUBSECTION (4) OF THIS SECTION
27 IN ANY OF THE FOLLOWING CIRCUMSTANCES:

1 (I) IF THERE IS A REASONABLE DELAY NOT WITHIN THE CONTROL
2 OF THE LOCAL GOVERNMENT OR ITS ASSIGNEE IN OBTAINING FINANCING OR
3 A REQUIRED INSPECTION OR SURVEY OF THE QUALIFYING PROPERTY, THE
4 PERIOD IS TOLLED FOR THE DURATION OF THE DELAY; AND

5 (II) IF THE LOCAL GOVERNMENT, ITS ASSIGNEE, THE ATTORNEY
6 GENERAL, OR A MISSION-DRIVEN ORGANIZATION FILES A NONFRIVOLOUS
7 CIVIL ACTION ALLEGING A VIOLATION OF THIS SECTION, THE PERIOD IS
8 TOLLED UNTIL THE ACTION REACHES FINAL RESOLUTION OR THE PARTIES
9 REACH A RESOLUTION, INCLUDING THE RESOLUTION OF ANY APPEALS, BY
10 SIGNING A SETTLEMENT AGREEMENT.

11 (6) ANY ACTIONS OF AN AGENT WORKING ON BEHALF OF A
12 RESIDENTIAL SELLER FOR PURPOSES OF THIS PART 12 ARE ATTRIBUTABLE
13 TO THE RESIDENTIAL SELLER. NOTWITHSTANDING ANY OTHER PROVISION
14 IN THIS PART 12 TO THE CONTRARY, A POLITICAL SUBDIVISION OR A
15 HOUSING AUTHORITY IN THE STATE THAT ENGAGES IN ACTIVITIES TO
16 CREATE OR PRESERVE LONG-TERM AFFORDABLE HOUSING FOR A
17 QUALIFYING PROPERTY IS NOT CONSIDERED AN AGENT WORKING ON
18 BEHALF OF A RESIDENTIAL SELLER FOR PURPOSES OF THIS PART 12.

19 (7) IF THE SALE OF THE QUALIFYING PROPERTY IS PURSUANT TO AN
20 ACTION IN FORECLOSURE, THEN THE PUBLIC TRUSTEE SHALL PROVIDE THE
21 NOTICE REQUIRED UNDER SUBSECTION (2) OF THIS SECTION TO THE LOCAL
22 GOVERNMENT WITHIN FOURTEEN CALENDAR DAYS AFTER THE
23 FORECLOSURE AUCTION. NOTWITHSTANDING SUBSECTION (4) OF THIS
24 SECTION, THE LOCAL GOVERNMENT HAS THIRTY CALENDAR DAYS TO
25 SUBMIT AN OFFER THAT IS ECONOMICALLY SUBSTANTIALLY SIMILAR TO
26 THE WINNING OFFER MADE AT THE FORECLOSURE AUCTION. THE PUBLIC
27 TRUSTEE IS SUBJECT TO ALL OTHER REQUIREMENTS THAT THE RESIDENTIAL

1 SELLER IS OTHERWISE SUBJECT TO UNDER THIS PART 12.

2 (8) (a) THE LOCAL GOVERNMENT OR ITS ASSIGNEE SHALL
3 DETERMINE TENANT QUALIFICATIONS AT ITS DISCRETION, SO LONG AS
4 SUCH DETERMINATIONS ARE IN FURTHERANCE OF PROVIDING LONG-TERM
5 AFFORDABLE HOUSING FOR COMMUNITY MEMBERS AT OR BELOW THE
6 APPLICABLE AREA MEDIAN INCOME.

7 (b) NOTWITHSTANDING SECTION 29-4-1201 (4), RESIDENTS AT THE
8 QUALIFYING PROPERTY AT THE TIME IT IS ACQUIRED BY THE LOCAL
9 GOVERNMENT PURSUANT TO THIS SECTION MAY CONTINUE TO RESIDE AT
10 THE QUALIFYING PROPERTY IRRESPECTIVE OF THEIR INCOME LEVEL FOR AT
11 LEAST THE DURATION OF THEIR TENANCY AGREEMENT UNDER THE
12 TENANCY AGREEMENT'S TERMS IN EFFECT AT THE TIME THE LOCAL
13 GOVERNMENT ACQUIRES THE QUALIFYING PROPERTY.

14 (c) A RESIDENT'S INCOME MAY ONLY EXCEED THE APPLICABLE
15 AREA MEDIAN INCOME IF THAT RESIDENT HAS A PRE-EXISTING TENANCY
16 AGREEMENT IN ACCORDANCE WITH SUBSECTION (8)(b) OF THIS SECTION.

17 (d) ONLY IN ACCORDANCE WITH SUBSECTION (8)(c) OF THIS
18 SECTION MAY THE LOCAL GOVERNMENT DECLINE TO RENEW A RESIDENT'S
19 PRE-EXISTING TENANCY AGREEMENT ONCE IT ENDS IN ORDER TO BRING
20 THE QUALIFYING PROPERTY INTO COMPLIANCE WITH SUBSECTION (8)(a) OF
21 THIS SECTION.

22 **29-4-1203. Exemptions - waiver of the local government's**
23 **right of first refusal.** (1) THIS PART 12 DOES NOT APPLY TO ANY SALE,
24 TRANSFER, OR CONVEYANCE OF QUALIFYING PROPERTY BY A RESIDENTIAL
25 SELLER:

26 (a) MADE TO A SPOUSE, A PARTNER IN A CIVIL UNION, OR A
27 PARENT, SIBLING, AUNT, UNCLE, FIRST COUSIN, OR LEGALLY RECOGNIZED

- 1 CHILD OF THE RESIDENTIAL SELLER;
- 2 (b) MADE TO A TRUST IF THE BENEFICIARIES OF THE TRUST ARE
3 THE SPOUSE, PARTNER IN A CIVIL UNION, OR LEGALLY RECOGNIZED CHILD
4 OF THE RESIDENTIAL SELLER;
- 5 (c) MADE TO, IF WHOLLY OWNED BY THE RESIDENTIAL SELLER, A
6 PARTNERSHIP, LIMITED LIABILITY COMPANY, OR CORPORATION;
- 7 (d) MADE PURSUANT TO A WILL, DESCENT, OR INTESTATE
8 DISTRIBUTION;
- 9 (e) MADE PURSUANT TO AN ACTION IN EMINENT DOMAIN;
- 10 (f) MADE TO THE STATE OR TO A LOCAL GOVERNMENT;
- 11 (g) MADE PURSUANT TO A COURT ORDER;
- 12 (h) MADE BETWEEN JOINT TENANTS OR TENANTS IN COMMON; OR
- 13 (i) IF, AT THE TIME OF THE EFFECTIVE DATE OF THIS PART 12, THE
14 QUALIFYING PROPERTY HAS A PREEXISTING AGREEMENT THAT BESTOWS
15 A RIGHT OF FIRST REFUSAL OR OTHER CONTINGENT PROPERTY RIGHT
16 REGARDING THE QUALIFYING PROPERTY TO A THIRD PARTY; EXCEPT THAT,
17 UPON EXPIRATION OF THE AGREEMENT, THE PROVISIONS OF THIS PART 12
18 APPLY TO ANY SALE, TRANSFER, OR CONVEYANCE OF THE QUALIFYING
19 PROPERTY BY THE RESIDENTIAL SELLER.

20 (2) IN ADDITION TO NOT RESPONDING TO A RESIDENTIAL SELLER'S
21 NOTICE AS SET FORTH IN SECTION 29-4-1202 (3)(a)(III), THE LOCAL
22 GOVERNMENT MAY ALSO WAIVE ITS RIGHTS UNDER THIS PART 12 IF:

- 23 (a) THE GOVERNING BODY OF THE LOCAL GOVERNMENT ELECTS TO
24 DISCLAIM ANY RIGHTS PROVIDED UNDER THIS PART 12 WITH RESPECT TO
25 ANY PROPOSED TRANSACTION OR FOR ANY DURATION OF TIME; OR
- 26 (b) (I) THE LOCAL GOVERNMENT MAKES THE DETERMINATION
27 THAT A PROPOSED SALE TO A THIRD-PARTY BUYER WILL ENSURE THE

1 EQUIVALENT PRESERVATION OR CONVERSION OF THE QUALIFYING
2 PROPERTY FOR LONG-TERM AFFORDABLE HOUSING IN THE SAME MANNER
3 IN WHICH IT WOULD BE PRESERVED OR CONVERTED IF THE LOCAL
4 GOVERNMENT WERE TO EXERCISE ITS RIGHTS UNDER THIS PART 12.

5 (II) FOR THE REQUIREMENTS OF SUBSECTION (2)(b)(I) OF THIS
6 SECTION TO BE MET:

7 (A) THE RESIDENTIAL SELLER MUST PROVIDE NOTICE TO THE
8 LOCAL GOVERNMENT PRIOR TO THE LOCAL GOVERNMENT MAKING AN
9 OFFER UNDER SECTION 29-4-1202 THAT THE THIRD-PARTY BUYER HAS
10 MADE AN OFFER ON THE QUALIFYING PROPERTY AND IS COMMITTED TO
11 PRESERVING OR CONVERTING THE QUALIFYING PROPERTY FOR LONG-TERM
12 AFFORDABLE HOUSING IF THE TRANSACTION OCCURS FOR THE SALE AND
13 PURCHASE OF THE QUALIFYING PROPERTY; ■

14 (B) THE THIRD-PARTY BUYER SHALL ENTER INTO AN AGREEMENT
15 WITH THE LOCAL GOVERNMENT THAT THE THIRD-PARTY BUYER SHALL
16 PRESERVE OR CONVERT THE QUALIFYING PROPERTY FOR LONG-TERM
17 AFFORDABLE HOUSING IF THE TRANSACTION OCCURS FOR THE SALE AND
18 PURCHASE OF THE QUALIFYING PROPERTY AND FOR ANY OTHER TERMS TO
19 WHICH THE THIRD-PARTY BUYER AND THE LOCAL GOVERNMENT AGREE. IF,
20 AFTER THE SALE OF THE QUALIFYING PROPERTY TO THE THIRD-PARTY
21 BUYER, THE THIRD-PARTY BUYER FAILS TO COMPLY WITH THE TERMS OF
22 THE AGREEMENT ENTERED INTO WITH THE LOCAL GOVERNMENT, THE
23 THIRD-PARTY BUYER SHALL BE HELD LIABLE AND SUBJECT TO ANY
24 REMEDIES AND ENFORCEMENT UNDER THE AGREEMENT, UNDER SECTION
25 29-4-1205, OR UNDER ANY OTHER APPLICABLE LAW; AND

26 (C) THE THIRD-PARTY BUYER SHALL CERTIFY ITS COMPLIANCE
27 WITH SUBSECTION (2)(b)(II)(B) OF THIS SECTION AT LEAST ONCE EVERY

1 TWO YEARS BY SUBMITTING DOCUMENTATION TO THE LOCAL
2 GOVERNMENT IN A FORM AND MANNER DEEMED ACCEPTABLE BY THE
3 LOCAL GOVERNMENT.

4 (III) THE WAIVER PROVIDED UNDER SUBSECTION (2)(b)(I) OF THIS
5 SECTION IS ONLY EFFECTIVE FOR THE SALE TO THE THIRD-PARTY BUYER
6 IDENTIFIED IN THE NOTICE REQUIRED IN SUBSECTION (2)(b)(II) OF THIS
7 SECTION, AND IF THE SALE TO THE THIRD-PARTY BUYER DOES NOT OCCUR
8 THEN THE WAIVER IS VOID AND THE LOCAL GOVERNMENT IS ENTITLED TO
9 ALL THE RIGHTS PROVIDED UNDER THIS PART 12.

10 **29-4-1204. Conversion of qualifying property purchased by**
11 **the local government.** (1) THE LOCAL GOVERNMENT, ITS ASSIGNEE, OR
12 A THIRD-PARTY BUYER PURSUANT TO SECTION 29-4-1203 (2), SUBSEQUENT
13 TO ACQUIRING A QUALIFYING PROPERTY PURSUANT TO THIS PART 12, MAY
14 CONVERT THE PROPERTY TO A DIFFERENT USE IF:

15 (a) THE QUALIFYING PROPERTY HAS BEEN MAINTAINED AS
16 LONG-TERM AFFORDABLE HOUSING FOR A DURATION OF AT LEAST FIFTY
17 YEARS;

18 (b) AT LEAST ONE HUNDRED TWENTY CALENDAR DAYS BEFORE
19 THE CONVERSION, NOTICE OF THE CONVERSION IS GIVEN TO THE RESIDENTS
20 AT THE QUALIFYING PROPERTY AND ANY RESIDENT WHO WILL BE
21 DISPLACED BY THE CONVERSION OF THE QUALIFYING PROPERTY IS
22 PROVIDED WITH RELOCATION COMPENSATION THAT EQUALS TWELVE
23 MONTHS OF THE RESIDENT'S CURRENT RENT OR TWELVE MONTHS MARKET
24 RENT FOR THE COUNTY IN WHICH THE QUALIFYING PROPERTY IS LOCATED,
25 WHICHEVER IS GREATER; AND

26 (c) THE LOCAL GOVERNMENT, ITS ASSIGNEE, OR A THIRD-PARTY
27 BUYER PURSUANT TO SECTION 29-4-1203 (2), GUARANTEES THE

1 DEVELOPMENT OR CONVERSION OF AN EQUAL OR GREATER AMOUNT OF
2 UNITS WITHIN THE LOCAL GOVERNMENT IN WHICH THE QUALIFYING
3 PROPERTY IS LOCATED FOR DESIGNATED LONG-TERM AFFORDABLE
4 HOUSING AS SET FORTH UNDER THIS PART 12 AND GUARANTEES THAT THE
5 UNITS WILL BE OFFERED TO ANY RESIDENT WHO WILL BE DISPLACED BY
6 THE CONVERSION OF THE QUALIFYING PROPERTY BEFORE THE UNITS ARE
7 MADE AVAILABLE TO THE GENERAL PUBLIC.

8 (2) NOTHING WITHIN THIS PART 12 LIMITS THE LOCAL
9 GOVERNMENT'S ABILITY TO CONDEMN A QUALIFYING PROPERTY ACQUIRED
10 PURSUANT TO THIS PART 12 TO THE EXTENT PERMITTED BY APPLICABLE
11 LAW.

12 **29-4-1205. Remedies for noncompliance - definitions.**

13 (1) (a) (I) NOTWITHSTANDING SUBSECTION (1)(c) OF THIS SECTION AND
14 SUBJECT TO AVAILABILITY OF RESOURCES, IT IS THE RESPONSIBILITY OF
15 THE ATTORNEY GENERAL'S OFFICE TO ENFORCE THE PROVISIONS OF THIS
16 PART 12, AND THE ATTORNEY GENERAL MAY INTERVENE IN ANY ACTION
17 BROUGHT PURSUANT TO SUBSECTION (1)(c) OF THIS SECTION. ANY TITLE
18 TRANSFERRED SUBSEQUENT TO THE TRIGGERING EVENTS SET FORTH IN
19 SECTION 29-4-1202 (2)(b) IS DEFECTIVE UNLESS THE PROPERTY INTERESTS
20 OF THE LOCAL GOVERNMENT IN A QUALIFYING PROPERTY AS SET FORTH IN
21 SUBSECTION (1)(b) OF THIS SECTION ARE SECURED OR UNTIL AN
22 EQUITABLE REMEDY HAS BEEN PROVIDED.

23 (II) NOTWITHSTANDING SUBSECTION (1)(a)(I) OF THIS SECTION,
24 AND IN ADDITION TO THE REMEDIES SET FORTH IN SUBSECTION (3) OF THIS
25 SECTION, IF A COURT FINDS THAT A RESIDENTIAL SELLER HAS MADE A
26 MISREPRESENTATION IN AN AFFIDAVIT MADE IN ACCORDANCE WITH
27 SECTION 29-4-1202 (2)(e), THE SOLE REMEDY AVAILABLE IS AGAINST THE

1 RESIDENTIAL SELLER. THE INTEREST IN THE QUALIFYING PROPERTY
2 TRANSFERRED IN RELIANCE ON THE AFFIDAVIT SHALL NOT BE TREATED AS
3 DEFECTIVE OR AFFECTED IN ANY OTHER WAY.

4 (b) THE RIGHTS ACCORDED BY THIS PART 12 TO THE LOCAL
5 GOVERNMENT WITH RESPECT TO A QUALIFYING PROPERTY ARE
6 PROPERTY INTERESTS.

7 (c) THE ATTORNEY GENERAL'S OFFICE, THE LOCAL GOVERNMENT
8 IN THE JURISDICTION THE QUALIFYING PROPERTY IS LOCATED, THE LOCAL
9 GOVERNMENT'S ASSIGNEE, OR A MISSION-DRIVEN ORGANIZATION ON
10 BEHALF OF THE STATE MAY BRING A CIVIL ACTION AGAINST A RESIDENTIAL
11 SELLER OR A PERSON CLAIMING AN INTEREST IN A QUALIFYING PROPERTY
12 THROUGH A RESIDENTIAL SELLER FOR ANY VIOLATION OF THIS PART 12.


13 (2) A COURT MAY GRANT INJUNCTIVE RELIEF FOR ANY VIOLATIONS
14 OF THIS PART 12 BY A RESIDENTIAL SELLER OR A PERSON CLAIMING AN
15 INTEREST IN A QUALIFYING PROPERTY THROUGH A RESIDENTIAL SELLER
16 OCCURRING AFTER A TRIGGERING EVENT PURSUANT TO SECTION 29-4-1202
17 (2)(b).

18 (3) IF A COURT FINDS THAT A RESIDENTIAL SELLER, OR A
19 THIRD-PARTY BUYER THAT HAS ENTERED INTO AN AGREEMENT WITH THE
20 LOCAL GOVERNMENT PURSUANT TO SECTION 29-4-1203 (2)(b), IS IN
21 MATERIAL VIOLATION OF THIS PART 12, IN ADDITION TO ANY OTHER
22 AVAILABLE REMEDY, THE COURT SHALL AWARD A STATUTORY PENALTY
23 OF NOT LESS THAN FIFTY THOUSAND DOLLARS OR AN AMOUNT EQUAL TO
24 THIRTY PERCENT OF THE PURCHASE OR LISTING PRICE OF THE QUALIFYING
25 PROPERTY, WHICHEVER AMOUNT IS GREATER.

26 (4) A COURT MAY ALSO AWARD DAMAGES, REASONABLE
27 ATTORNEY FEES, AND COSTS TO A PREVAILING PARTY; EXCEPT THAT, IN AN

1 ACTION BROUGHT OR JOINED BY THE ATTORNEY GENERAL'S OFFICE, THE
2 LOCAL GOVERNMENT, THE LOCAL GOVERNMENT'S ASSIGNEE, OR A
3 MISSION-DRIVEN ORGANIZATION, A COURT SHALL NOT AWARD ATTORNEY
4 FEES TO A RESIDENTIAL SELLER OR PERSON CLAIMING AN INTEREST IN A
5 QUALIFYING PROPERTY THROUGH A RESIDENTIAL SELLER UNLESS THE
6 COURT FINDS THAT THE COMPLAINT FILED BY THE ATTORNEY GENERAL'S
7 OFFICE, THE LOCAL GOVERNMENT, THE LOCAL GOVERNMENT'S ASSIGNEE,
8 OR A MISSION-DRIVEN ORGANIZATION WAS FRIVOLOUS,
9 NOTWITHSTANDING ANY AGREEMENT TO THE CONTRARY.

10 (5) THE REMEDIES PROVIDED IN THIS SECTION ARE INDEPENDENT
11 OF AND DO NOT AFFECT ANY CIVIL ACTION AND REMEDIES OR THE RIGHT
12 OF ANY PARTY TO ANY TRANSACTION CONTEMPLATED UNDER THIS PART
13 12.

14 

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

25 (2) This act applies to all qualifying properties which are listed for
26 sale but are not under contract on or after the applicable effective date of
27 this act.