

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

REENGROSSED

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

LLS NO. 24-0096.02 Megan McCall x4215

HOUSE BILL 24-1175

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A BILL FOR AN ACT

101 **CONCERNING A LOCAL GOVERNMENT RIGHT OF FIRST REFUSAL OR**
102 **OFFER TO PURCHASE QUALIFYING MULTIFAMILY PROPERTY FOR**
103 **THE PURPOSE OF PROVIDING LONG-TERM AFFORDABLE HOUSING**
104 **OR MIXED-INCOME DEVELOPMENT.**

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 2 property rights for local governments to certain types of multifamily rental properties: A right of first refusal and a right of first offer. The right of first offer is temporary and terminates on

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
3rd Reading Unamended
April 8, 2024

HOUSE
Amended 2nd Reading
April 5, 2024

December 31, 2029. For multifamily rental properties that are existing affordable housing, a local government has a right of first refusal to match an acceptable offer for the purchase of such property, subject to the local government's commitment to using the property as long-term affordable housing. Existing affordable housing is housing that is currently receiving federal or local financial assistance.

The bill requires the seller of such property to give notice to the local government at least 2 years before the first expiration of an existing affordability restriction on the property and again when the seller takes certain actions as a precursor to selling the property. Upon receiving the notice indicating intent to sell the property or of a potential sale of the property, the local government has 14 calendar days to preserve its right of first refusal and an additional 60 calendar days to make an offer and must agree to close on the property within 120 calendar days of the acceptance of the local government's offer. If the price, terms, and conditions of an acceptable offer that has been communicated to the local government materially change, the seller must provide notice of the change within 7 days and the local government may exercise or re-exercise its right of first refusal. If the residential seller rejects an offer by the local government, the seller must provide a written explanation of the reasons and invite the local government to make a subsequent offer within 14 days.

For all other multifamily rental properties that are 20 years or older and have not more than 100 units and not less than 5 units in urban counties and 3 units in rural and rural resort counties, a local government has a right of first offer. A seller of such property must provide notice of intent to sell the property to the local government before the seller lists the property for sale. After receipt of the notice, the local government has 14 days to respond by either making an offer to purchase the property and stating an intent to perform due diligence and enter into a contract to purchase the property within 45 days of the date that the residential seller's notice was received or waiving its right to purchase the property. The local government's offer is subject to the property being used or converted for the purpose of providing long-term affordable housing or mixed-income development. If the local government does not provide a response in the 14-day period, the right of first offer is waived and the residential seller can proceed with listing and selling the property to any third-party buyer. The residential seller has 14 days to accept or reject the local government's offer and, if the offer is accepted, the local government has 30 days to close the transaction.

In exercising its right of first refusal or first offer, the local government may partner with certain other entities for financing of the transaction and may also assign either right to certain other entities that are then subject to all the rights and requirements of the local government in exercising either right.

The bill allows certain sales of property to be exempt from either the right of first refusal, the right of first offer, or both. The bill also allows the local government to waive its right of first refusal to purchase property qualifying for the right if the local government elects to disclaim its rights to any proposed transaction or for any duration of time.

The bill also requires the attorney general's office to enforce its provisions and grants the attorney general's office, the local government, or a mission-driven organization standing to bring a civil action for violations of the right of first refusal or first offer established by the bill. If a court finds that a seller has materially violated the law with respect to the right of first refusal or first offer, respectively, the court must award a statutory penalty of not less than \$30,000.

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
3 4 of title 29 as follows:

4 **PART 12**

5 **LOCAL GOVERNMENT RIGHT OF FIRST REFUSAL OR FIRST**
6 **OFFER TO PURCHASE MULTIFAMILY HOUSING**

7 **29-4-1201. Definitions.** AS USED IN THIS PART 12, UNLESS THE
8 CONTEXT OTHERWISE REQUIRES:

9 (1) "AFFORDABLE HOUSING FINANCIAL ASSISTANCE" MEANS
10 LOANS, GRANTS, EQUITY, BONDS, OR TAX CREDITS PROVIDED TO A
11 MULTIFAMILY RENTAL PROPERTY FROM ANY SOURCE TO SUPPORT THE
12 CREATION, PRESERVATION, OR REHABILITATION OF AFFORDABLE HOUSING
13 THAT, AS A CONDITION OF FUNDING, ENCUMBERS THE PROPERTY WITH A
14 RESTRICTED USE COVENANT OR SIMILAR RECORDED AGREEMENT TO
15 ENSURE AFFORDABILITY. "AFFORDABLE HOUSING FINANCIAL ASSISTANCE"
16 DOES NOT INCLUDE PROPERTIES FOR WHICH ALL RESTRICTED USE
17 COVENANTS OR AFFORDABILITY REQUIREMENTS HAVE EXPIRED AS OF JUNE
18 1, 2024.

19 (2) "APPLICABLE QUALIFYING PROPERTY" MEANS EITHER

1 "QUALIFYING PROPERTY" AS DEFINED IN SECTION 29-4-1202 (1), OR
2 "QUALIFYING PROPERTY" AS DEFINED IN SECTION 29-4-1203 (1).

3 (3) "APPLICABLE RIGHT" MEANS EITHER A LOCAL GOVERNMENT'S
4 RIGHT OF FIRST REFUSAL AS SET FORTH IN SECTION 29-4-1202, OR RIGHT
5 OF FIRST OFFER AS SET FORTH IN SECTION 29-4-1203.

6 (4) "AREA MEDIAN INCOME" MEANS THE MEDIAN INCOME OF THE
7 COUNTY IN WHICH A QUALIFYING PROPERTY IS LOCATED IN RELATION TO
8 HOUSEHOLD SIZE, AS ESTABLISHED ANNUALLY BY THE UNITED STATES
9 DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

10 (5) "COLORADO HOUSING AND FINANCE AUTHORITY" MEANS THE
11 COLORADO HOUSING AND FINANCE AUTHORITY CREATED IN SECTION
12 29-4-704 (1).

13
14 (6) "EXISTING AFFORDABLE HOUSING" MEANS HOUSING THAT IS
15 SUBJECT TO ONE OR MORE RESTRICTED USE COVENANTS OR SIMILAR
16 RECORDED AGREEMENTS TO ENSURE AFFORDABILITY AND THAT IS
17 CONSISTENT WITH AFFORDABLE HOUSING FINANCIAL ASSISTANCE
18 REQUIREMENTS.

19
20 (7) "LOCAL GOVERNMENT" MEANS:

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

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

26
27 (8) "LOCAL OR REGIONAL HOUSING AUTHORITY" MEANS A

1 HOUSING AUTHORITY CREATED PURSUANT TO SECTION 29-4-204 (1),
2 29-4-306 (1), 29-4-402, OR 29-4-503 (1).

3 (9) (a) "LONG-TERM AFFORDABLE HOUSING" MEANS HOUSING FOR
4 WHICH THE LOCAL GOVERNMENT ENSURES THAT AFFORDABILITY LEVELS
5 AT AN APPLICABLE QUALIFYING PROPERTY ARE ON AVERAGE EQUAL TO OR
6 GREATER THAN PREEXISTING LEVELS AT THE APPLICABLE QUALIFYING
7 PROPERTY AND THAT THE AVERAGE ANNUAL RENTS AT THE APPLICABLE
8 QUALIFYING PROPERTY DO NOT EXCEED THE RENT FOR HOUSEHOLDS OF A
9 GIVEN SIZE AT A GIVEN AREA MEDIAN INCOME, AS ESTABLISHED
10 ANNUALLY BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN
11 DEVELOPMENT, FOR A MINIMUM OF FORTY YEARS, AND FOR WHICH THE
12 LOCAL GOVERNMENT AGREES NOT TO RAISE RENT FOR ANY UNIT IN THE
13 APPLICABLE QUALIFYING PROPERTY BY MORE THAN THE RENT INCREASE
14 CAP; EXCEPT THAT THE RENT INCREASE CAP DOES NOT APPLY TO UNITS OF
15 HOUSING THAT ARE SUBJECT TO RENT OR INCOME LIMITS ESTABLISHED
16 PURSUANT TO LOCAL, STATE, FEDERAL, OR POLITICAL SUBDIVISION
17 AFFORDABLE HOUSING PROGRAM GUIDELINES.

18 (b) NOTHING IN THIS SUBSECTION (9) PREVENTS A LOCAL
19 GOVERNMENT FROM PROVIDING AFFORDABILITY REQUIREMENTS BEYOND
20 FORTY YEARS OR FOR UNITS TO BE AFFORDABLE TO RENTERS WITH
21 INCOMES BELOW EXISTING AFFORDABILITY LEVELS, IN WHICH CASE THE
22 LOCAL GOVERNMENT'S REQUIREMENTS APPLY FOR PURPOSES OF THE
23 DEFINITION OF "LONG-TERM AFFORDABLE HOUSING" AS SET FORTH IN
24 SUBSECTION (9)(a) OF THIS SECTION.

25 (10) "MIXED-INCOME PROJECT" MEANS AN AFFORDABLE HOUSING
26 DEVELOPMENT IN WHICH A PERCENTAGE OF UNITS HAVE RESTRICTED
27 AVAILABILITY TO HOUSEHOLDS AT OR BELOW GIVEN AREA MEDIAN INCOME

1 LEVELS, PROPORTIONAL TO THE DEMONSTRATED HOUSING NEEDS OF THE
2 LOCAL COMMUNITY. THE PERCENTAGE OF INCOME RESTRICTED UNITS AND
3 AFFORDABILITY LEVELS MUST COMPLY WITH LAWS ENACTED BY LOCAL
4 GOVERNMENTS PROMOTING THE DEVELOPMENT OF NEW AFFORDABLE
5 HOUSING UNITS PURSUANT TO SECTION 29-20-104 (1).

6 (11) "RENT INCREASE CAP" MEANS A PERCENTAGE OF THE
7 CURRENT ANNUAL RENT FOR A QUALIFYING PROPERTY THAT IS EQUAL TO
8 THE GREATER OF:

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

14 (b) THREE PERCENTAGE POINTS.

15 (12) "RESIDENTIAL SELLER" MEANS THE FEE SIMPLE OWNER OF AN
16 APPLICABLE QUALIFYING PROPERTY. IF THERE IS MORE THAN ONE FEE
17 SIMPLE OWNER OF AN APPLICABLE QUALIFYING PROPERTY, EACH FEE
18 SIMPLE OWNER IS REFERRED TO IN THIS PART 12 JOINTLY AND SEVERALLY
19 AS THE "RESIDENTIAL SELLER".

20

21 **29-4-1202. Right of first refusal - eligibility - process - notice**
22 **- tolling - definition. (1) Definition of qualifying property.** AS USED IN
23 THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "QUALIFYING
24 PROPERTY" MEANS A MULTIFAMILY RESIDENTIAL OR MIXED-USE RENTAL
25 PROPERTY CONSISTING OF NOT LESS THAN FIVE UNITS THAT IS EXISTING
26 AFFORDABLE HOUSING, EXCLUDING A MOBILE HOME PARK AS DEFINED IN
27 SECTION 38-12-201.5 (6). FOR THE PURPOSE OF DETERMINING WHETHER

1 A PROPERTY CONSISTS OF AT LEAST THE MINIMUM NUMBER OF UNITS SET
2 FORTH IN THIS SUBSECTION (1) FOR A QUALIFYING PROPERTY, AN
3 ACCESSORY DWELLING UNIT DOES NOT COUNT AS A UNIT.

4 (2) **Local government's right of first refusal.** (a) IN
5 ACCORDANCE WITH THIS PART 12, THE LOCAL GOVERNMENT FOR THE
6 JURISDICTION IN WHICH A QUALIFYING PROPERTY IS LOCATED HAS A RIGHT
7 OF FIRST REFUSAL TO PURCHASE THE QUALIFYING PROPERTY WITH AN
8 OFFER THAT IS ECONOMICALLY IDENTICAL TO ANY OTHER OFFER A
9 RESIDENTIAL SELLER RECEIVES AND IS WILLING TO ACCEPT ON THE
10 QUALIFYING PROPERTY.

11 (b) (I) ANY PURCHASE AND SALE AGREEMENT FOR THE
12 CONVEYANCE OF A QUALIFYING PROPERTY BY A RESIDENTIAL SELLER IS
13 CONTINGENT UPON THE RIGHT OF FIRST REFUSAL SET FORTH IN THIS
14 SECTION.

15 (II) IF THE LOCAL GOVERNMENT PROVIDES NOTICE PURSUANT TO
16 SUBSECTION (4)(a)(I) OF THIS SECTION TO A RESIDENTIAL SELLER THAT
17 THE LOCAL GOVERNMENT MAY EXERCISE ITS RIGHT OF FIRST REFUSAL, THE
18 RESIDENTIAL SELLER SHALL NOT PROCEED WITH THE SALE OF THE
19 QUALIFYING PROPERTY TO ANY OTHER PARTY AND THE LOCAL
20 GOVERNMENT SHALL HAVE A RIGHT TO MAKE AN OFFER THAT IS
21 ECONOMICALLY IDENTICAL TO AN ACCEPTABLE OFFER ON THE
22 QUALIFYING PROPERTY THAT IS IDENTIFIED BY THE RESIDENTIAL SELLER
23 AS REQUIRED BY SUBSECTION (3)(b)(II)(D) OF THIS SECTION.

24 (III) FOR THE PURPOSE OF DETERMINING WHETHER THE TERMS OF
25 AN OFFER BY A THIRD PARTY AND AN OFFER BY THE LOCAL GOVERNMENT
26 ARE ECONOMICALLY IDENTICAL, IT IS IMMATERIAL HOW THE OFFER
27 WOULD BE FINANCED IF THE LOCAL GOVERNMENT HAS SECURED THE

1 FINANCING OR DEMONSTRATES APPROVAL OF THE FINANCING IN
2 CONNECTION WITH MAKING THE OFFER, NOTWITHSTANDING ANY
3 REQUIREMENT OF APPROPRIATION BY A GOVERNING BODY FOR THE
4 FINANCING. FOR PURPOSES OF THIS SECTION, A RESIDENTIAL SELLER SHALL
5 NEGOTIATE IN GOOD FAITH WITH THE LOCAL GOVERNMENT THAT MAKES
6 AN OFFER THAT IS ECONOMICALLY IDENTICAL TO AN ACCEPTABLE
7 OFFER ON THE QUALIFYING PROPERTY THAT IS IDENTIFIED BY THE
8 RESIDENTIAL SELLER PURSUANT TO SUBSECTION (3)(b)(II)(D) OF THIS
9 SECTION FOR THE SALE OF THE QUALIFYING PROPERTY. THIS INCLUDES,
10 BUT IS NOT LIMITED TO, EVALUATING AN OFFER FROM THE LOCAL
11 GOVERNMENT OR ITS ASSIGNEE WITHOUT CONSIDERATION OF:

12 (A) THE PERIOD FOR CLOSING;

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

14 (C) WHETHER OR NOT THE OFFER IS CONTINGENT ON A
15 PARTICULAR FINANCING OR PAYMENT METHOD; EXCEPT THAT THE LOCAL
16 GOVERNMENT MUST BE ABLE TO DEMONSTRATE THAT ITS FINANCING OR
17 PAYMENT METHOD HAS BEEN APPROVED, NOTWITHSTANDING ANY
18 REQUIREMENT OF APPROPRIATION BY A GOVERNING BODY FOR THE
19 FINANCING OR PAYMENT METHOD; AND

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

23 (IV) A RESIDENTIAL SELLER SHALL NOT COLLUDE WITH A
24 POTENTIAL BUYER FOR THE PRIMARY PURPOSE OF INFLATING A SALES
25 PRICE ABOVE THE MARKET PRICE OF A QUALIFYING PROPERTY.

26 (c) THE LOCAL GOVERNMENT'S RIGHT OF FIRST REFUSAL
27 CONCERNING THE QUALIFYING PROPERTY IS LIMITED TO PRESERVING OR

1 CONVERTING THE QUALIFYING PROPERTY TO LONG-TERM AFFORDABLE
2 HOUSING DIRECTLY OR THROUGH ANOTHER ENTITY TO WHICH THE LOCAL
3 GOVERNMENT ASSIGNS ITS RIGHTS PURSUANT SUBSECTION (2)(f) OF THIS
4 SECTION OR TRANSFERS THE QUALIFYING PROPERTY.

5 (d) IF A QUALIFYING PROPERTY IS CLASSIFIED AS MIXED-USE, THE
6 LOCAL GOVERNMENT'S RIGHT OF FIRST REFUSAL ONLY EXTENDS TO THE
7 PORTION OF THE QUALIFYING PROPERTY THAT IS RESIDENTIAL, BUT
8 NOTHING IN THIS SECTION EXCLUDES THE LOCAL GOVERNMENT FROM
9 INCLUDING THE PURCHASE OF ANY COMMERCIAL PORTION OF THE
10 QUALIFYING PROPERTY BY THE LOCAL GOVERNMENT IN ITS OFFER OR IN
11 THE TERMS OF THE SALE AT THE DISCRETION OF THE LOCAL GOVERNMENT.

12 (e) THE LOCAL GOVERNMENT, IN EXERCISING ITS RIGHT OF FIRST
13 REFUSAL, MAY PARTNER WITH A NONPROFIT ENTITY, A PRIVATE ENTITY, A
14 QUASI-GOVERNMENTAL ENTITY, OR ANOTHER GOVERNMENTAL ENTITY TO
15 CO-FINANCE, LEASE, OR MANAGE THE QUALIFYING PROPERTY FOR THE
16 PUBLIC PURPOSE OF MAINTAINING THE QUALIFYING PROPERTY AS
17 LONG-TERM AFFORDABLE HOUSING AS LONG AS THE LOCAL GOVERNMENT
18 OR ITS ASSIGNEE MAINTAINS OWNERSHIP OF THE QUALIFYING PROPERTY
19 EITHER DIRECTLY OR THROUGH A SPECIAL PURPOSE ENTITY OR AFFILIATE.

20 (f) AT ANY TIME, THE LOCAL GOVERNMENT MAY ASSIGN THE RIGHT
21 OF FIRST REFUSAL WITH RESPECT TO A SPECIFIC QUALIFYING PROPERTY OR
22 WITH RESPECT TO ALL QUALIFYING PROPERTIES IN THE LOCAL
23 GOVERNMENT'S JURISDICTION TO A HOUSING AUTHORITY THAT IS WITHIN
24 THE LOCAL GOVERNMENT'S JURISDICTION, A REGIONAL HOUSING
25 AUTHORITY THAT SERVES THE LOCAL GOVERNMENT'S JURISDICTION, OR
26 THE COLORADO HOUSING AND FINANCE AUTHORITY, SUBJECT TO THE
27 REQUIREMENTS THAT THE QUALIFYING PROPERTY IS USED TO PRESERVE OR

1 BE CONVERTED TO LONG-TERM AFFORDABLE HOUSING AND THAT ALL
2 OTHER PROVISIONS OF THIS PART 12 APPLY TO THE ASSIGNEE. IF THE
3 PROPOSED ASSIGNEE ACCEPTS THE ASSIGNMENT OF THE RIGHT OF FIRST
4 REFUSAL IN WRITING, UPON ASSIGNMENT, THE ASSIGNEE ASSUMES ALL
5 LIABILITY OF THE LOCAL GOVERNMENT REGARDING THE EXERCISE OF THE
6 RIGHT OF FIRST REFUSAL AND IS RESPONSIBLE FOR PERFORMING ALL
7 REQUIREMENTS PURSUANT TO THIS PART 12 WITH RESPECT TO A
8 QUALIFYING PROPERTY AS IF THE ASSIGNEE WERE THE LOCAL
9 GOVERNMENT. THE LOCAL GOVERNMENT MUST PROVIDE NOTICE OF ANY
10 ASSIGNMENT AS FOLLOWS:

11 (I) IF THE LOCAL GOVERNMENT HAS ASSIGNED ITS RIGHT OF FIRST
12 REFUSAL WITH RESPECT TO ALL PROPERTIES WITHIN ITS JURISDICTION, THE
13 LOCAL GOVERNMENT MUST POST A NOTICE IN A CONSPICUOUS LOCATION
14 ON ITS WEBSITE INDICATING THAT THE LOCAL GOVERNMENT HAS ASSIGNED
15 ITS RIGHT OF FIRST REFUSAL AND LISTING THE ASSIGNEE'S NAME AND
16 CONTACT INFORMATION TO RECEIVE NOTICES REQUIRED PURSUANT TO
17 THIS SECTION. THE NOTICE POSTED IN ACCORDANCE WITH THIS
18 SUBSECTION (2)(f)(I) MUST BE EFFECTIVE FOR AT LEAST THREE MONTHS
19 AFTER IT IS POSTED AND MUST EXPLICITLY STATE THE DATE IT EXPIRES, IF
20 ANY. ANY NOTICE POSTED BY THE LOCAL GOVERNMENT IN ACCORDANCE
21 WITH THIS SUBSECTION (2)(f)(I) IS DEEMED CONSTRUCTIVE NOTICE TO THE
22 RESIDENTIAL SELLER.

23 (II) IF THE LOCAL GOVERNMENT HAS NOT POSTED NOTICE IN
24 ACCORDANCE WITH SUBSECTION (2)(f)(I) OF THIS SECTION AND ASSIGNS
25 ITS RIGHT OF FIRST REFUSAL WITH RESPECT TO ALL QUALIFYING
26 PROPERTIES IN ITS JURISDICTION OR WITH RESPECT TO A QUALIFYING
27 PROPERTY THAT IS THE SUBJECT OF THE NOTICE PROVIDED BY A

1 RESIDENTIAL SELLER IN ACCORDANCE WITH SUBSECTION (3)(b) OF THIS
2 SECTION AFTER RECEIPT OF SUCH NOTICE, THE LOCAL GOVERNMENT SHALL
3 IMMEDIATELY NOTIFY THE RESIDENTIAL SELLER OF THE ASSIGNMENT AND
4 OF THE ASSIGNEE'S ADDRESS TO RECEIVE ANY NOTICES THE RESIDENTIAL
5 SELLER IS REQUIRED TO SEND IN ACCORDANCE WITH THIS SECTION; EXCEPT
6 THAT, IF THE SALE OF THE QUALIFYING PROPERTY THAT IS THE SUBJECT OF
7 THE NOTICE PROVIDED BY THE RESIDENTIAL SELLER IN ACCORDANCE WITH
8 SUBSECTION (3)(b) OF THIS SECTION HAS CONCLUDED, THEN NO NOTICE BY
9 THE LOCAL GOVERNMENT OF THE ASSIGNMENT IS REQUIRED.

10
11 (g) (I) THE GOVERNING BODY OF A LOCAL GOVERNMENT HAS THE
12 RIGHT TO WAIVE THE RIGHT OF FIRST REFUSAL PROVIDED IN THIS SECTION.

13 (II) (A) IF THE GOVERNING BODY OF A LOCAL GOVERNMENT HAS
14 WAIVED ITS RIGHT OF FIRST REFUSAL, IT SHALL POST A NOTICE IN A
15 CONSPICUOUS LOCATION ON ITS WEBSITE INDICATING THAT THERE IS A
16 WAIVER AND THAT RESIDENTIAL SELLERS WITH QUALIFYING PROPERTIES
17 WITHIN ITS JURISDICTION DO NOT HAVE AN OBLIGATION TO COMPLY WITH
18 THIS SECTION.

19 (B) THE NOTICE POSTED IN ACCORDANCE WITH SUBSECTION
20 (2)(g)(II)(A) OF THIS SECTION MUST BE EFFECTIVE FOR AT LEAST THREE
21 MONTHS AFTER IT IS POSTED AND MUST EXPLICITLY STATE THE DATE IT
22 EXPIRES, IF ANY.

23 (C) FAILURE TO POST NOTICE PURSUANT TO THIS SUBSECTION
24 (2)(g)(II) DOES NOT OTHERWISE AFFECT THE LOCAL GOVERNMENT'S RIGHT
25 OF FIRST REFUSAL.

26 (3) **Notices by residential seller.** (a) (I) (A) NOT LESS THAN TWO
27 YEARS BEFORE THE FINAL EXPIRATION OF THE LAST REMAINING EXISTING

1 AFFORDABILITY RESTRICTION INCUMBENT TO A QUALIFYING PROPERTY'S
2 FUNDING SOURCES, A RESIDENTIAL SELLER SHALL PROVIDE NOTICE TO THE
3 COLORADO HOUSING AND FINANCE AUTHORITY AND THE GOVERNING
4 BODY OF THE LOCAL GOVERNMENT IN WHICH THE QUALIFYING PROPERTY
5 IS LOCATED OF THE EXPIRATION OF SUCH RESTRICTIONS. THE NOTICE MUST
6 INCLUDE THE DATE OF EXPIRATION OF THE LAST REMAINING
7 AFFORDABILITY RESTRICTION AND CONTACT INFORMATION FOR THE
8 RESIDENTIAL SELLER.

9 (B) NOTWITHSTANDING SUBSECTION (3)(a)(I)(A) OF THIS SECTION,
10 WHETHER NOTICE IS PROVIDED PURSUANT TO SUBSECTION (3)(a)(I)(A) OF
11 THIS SECTION IS NOT RELEVANT TO DETERMINING A RESIDENTIAL SELLER'S
12 OR LOCAL GOVERNMENT'S COMPLIANCE WITH THE REQUIREMENTS OF THIS
13 PART 12 AND IS NOT SUBJECT TO ANY PROVISIONS SET FORTH IN SECTION
14 29-4-1206. PROVISION OF THE NOTICE REQUIRED BY SUBSECTION
15 (3)(a)(I)(A) OF THIS SECTION IS NOT A TRIGGERING EVENT PURSUANT TO
16 SUBSECTION (3)(b)(I) OF THIS SECTION.

17 (II) NOT LESS THAN SIX MONTHS BEFORE THE FINAL EXPIRATION
18 OF THE LAST REMAINING EXISTING AFFORDABILITY RESTRICTION
19 INCUMBENT TO A QUALIFYING PROPERTY'S FUNDING SOURCES, A
20 RESIDENTIAL SELLER SHALL PROVIDE NOTICE TO THE COLORADO HOUSING
21 AND FINANCE AUTHORITY AND THE GOVERNING BODY OF THE LOCAL
22 GOVERNMENT IN WHICH THE QUALIFYING PROPERTY IS LOCATED OF THE
23 EXPIRATION OF SUCH RESTRICTIONS. THE NOTICE MUST INDICATE
24 WHETHER THE RESIDENTIAL SELLER ANTICIPATES THAT IT WILL
25 RECAPITALIZE AND CONTINUE TO OPERATE THE QUALIFYING PROPERTY AT
26 AFFORDABILITY LEVELS AT LEAST ON AVERAGE EQUAL TO WHAT HAS BEEN
27 PROVIDED AT THE QUALIFYING PROPERTY, RETAIN OWNERSHIP OF THE

1 QUALIFYING PROPERTY AND LET AFFORDABILITY REQUIREMENTS EXPIRE,
2 OR SELL THE QUALIFYING PROPERTY UPON EXPIRATION OF THE
3 RESTRICTIONS.

4 (III) THE NOTICES PROVIDED TO THE COLORADO HOUSING AND
5 FINANCE AUTHORITY PURSUANT TO THIS SUBSECTION (3)(a) DO NOT
6 CREATE AN OBLIGATION OR REQUIREMENT FOR THE COLORADO HOUSING
7 AND FINANCE AUTHORITY TO TAKE ACTION WITH RESPECT TO THE
8 QUALIFYING PROPERTY OR TO PROVIDE ANY ENFORCEMENT OR
9 COMPLIANCE MONITORING OF ANY REQUIREMENTS OF THIS PART 12.

10 (b) (I) WITHIN FOURTEEN CALENDAR DAYS OF A TRIGGERING
11 EVENT, A RESIDENTIAL SELLER SHALL PROVIDE NOTICE IN ACCORDANCE
12 WITH THIS SUBSECTION (3)(b) AND SUBSECTION (3)(d) OF THIS SECTION TO
13 THE GOVERNING BODY OF THE LOCAL GOVERNMENT IN WHICH THE
14 QUALIFYING PROPERTY IS LOCATED AND SHALL MAKE A GOOD FAITH
15 EFFORT TO ENSURE THE NOTICE IS RECEIVED BY THE LOCAL GOVERNMENT.

16 A TRIGGERING EVENT IS ANY TIME THE RESIDENTIAL SELLER:

17 (A) MATERIALLY DEPARTS FROM ANY REPRESENTATION MADE IN
18 THE NOTICES REQUIRED PURSUANT TO SUBSECTION (3)(a) OF THIS SECTION
19 AFTER AFFORDABILITY RESTRICTIONS EXPIRE IN A MANNER THAT
20 INDICATES AN INTENT TO SELL THE QUALIFYING PROPERTY;

21 (B) SIGNS A CONTRACT WITH A REAL ESTATE BROKER OR
22 BROKERAGE FIRM TO LIST THE QUALIFYING PROPERTY FOR SALE OR TO
23 SELL OR TRANSFER THE QUALIFYING PROPERTY;

24 (C) SIGNS A LETTER OF INTENT, OPTION TO SELL OR BUY, OR OTHER
25 CONDITIONAL WRITTEN AGREEMENT WITH A POTENTIAL BUYER FOR THE
26 SALE OR TRANSFER OF THE QUALIFYING PROPERTY, WHICH INCLUDES THE
27 ESTIMATED PRICE, TERMS, AND CONDITIONS OF THE PROPOSED SALE OR

1 TRANSFER, EVEN IF THE PRICE, TERMS, OR CONDITIONS ARE SUBJECT TO
2 CHANGE;

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

6 (E) PROVIDES A SIGNED PROPERTY DISCLOSURE FORM FOR THE
7 QUALIFYING PROPERTY TO A POTENTIAL BUYER;

8 (F) LISTS THE QUALIFYING PROPERTY FOR SALE;

9 (G) MAKES A CONDITIONAL ACCEPTANCE OF AN OFFER FOR THE
10 SALE OR TRANSFER OF THE QUALIFYING PROPERTY;

11 (H) TAKES ANY OTHER ACTION DEMONSTRATING AN INTENT TO
12 SELL THE QUALIFYING PROPERTY; EXCEPT THAT ANY ACTION TAKEN TO
13 ENGAGE WITH A POLITICAL SUBDIVISION OR A HOUSING AUTHORITY IN THE
14 STATE TO FACILITATE NEGOTIATIONS BETWEEN THE RESIDENTIAL SELLER
15 AND A THIRD-PARTY TO CREATE OR PRESERVE AFFORDABLE HOUSING FOR
16 A QUALIFYING PROPERTY IS NOT A TRIGGERING EVENT UNTIL ANOTHER
17 ACTION SET FORTH IN THIS SUBSECTION (3)(b)(I) OCCURS; OR

18 (I) RECEIVES A NOTICE THAT A CERTIFICATE OF LEVY HAS BEEN
19 FILED RELATED TO THE QUALIFYING PROPERTY PURSUANT TO SECTION
20 13-56-101.

21 (II) THE NOTICE REQUIRED PURSUANT TO THIS SUBSECTION (3)(b)
22 MUST INCLUDE:

23 (A) A GENERAL DESCRIPTION OF THE QUALIFYING PROPERTY TO BE
24 SOLD, INCLUDING THE ADDRESS AND NAME OF THE PROPERTY, IF ANY, AND
25 ANY ADDITIONAL DESCRIPTIONS OF THE QUALIFYING PROPERTY ON FILE
26 WITH THE OFFICE OF THE ASSESSOR IN THE COUNTY IN WHICH THE
27 QUALIFYING PROPERTY IS LOCATED;

1 (B) THE RESIDENTIAL SELLER'S ADDRESS AND, IF AVAILABLE,
2 ELECTRONIC MAILING ADDRESS TO RECEIVE NOTICES FROM THE LOCAL
3 GOVERNMENT;

4 (C) THE NAMES AND MAILING ADDRESSES THAT THE RESIDENTIAL
5 SELLER HAS ON RECORD FOR EVERY TENANT RESIDING AT THE QUALIFYING
6 PROPERTY;

7 (D) THE PRICE, TERMS, AND CONDITIONS OF AN ACCEPTABLE OFFER
8 THE RESIDENTIAL SELLER HAS RECEIVED TO SELL THE QUALIFYING
9 PROPERTY OR THE PRICE, TERMS, AND CONDITIONS FOR WHICH THE
10 RESIDENTIAL SELLER INTENDS TO SELL THE QUALIFYING PROPERTY;

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

15 (F) IF THE RESIDENTIAL SELLER HAS ENTERED INTO A CONTINGENT
16 PURCHASE AND SALE AGREEMENT WITH A PROSPECTIVE BUYER, A COPY OF
17 THE AGREEMENT.

18 (III) THE PRICE, TERMS, AND CONDITIONS REQUIRED TO BE STATED
19 IN THE NOTICE PURSUANT TO SUBSECTION (3)(b)(II)(D) OF THIS SECTION
20 MUST BE UNIVERSAL AND APPLICABLE TO ALL POTENTIAL BUYERS AND
21 MUST NOT BE SPECIFIC TO OR PROHIBITIVE OF THE LOCAL GOVERNMENT
22 MAKING A SUCCESSFUL OFFER TO PURCHASE THE QUALIFYING PROPERTY,
23 MUST NOT BE UNLAWFUL, AND MUST NOT INHIBIT THE EXERCISE OF THE
24 RIGHT OF FIRST REFUSAL PROVIDED FOR IN THIS SECTION.

25 (c) IF THE PRICE, TERMS, OR CONDITIONS AS REQUIRED TO BE
26 PROVIDED IN THE RESIDENTIAL SELLER'S NOTICE PURSUANT TO
27 SUBSECTIONS (3)(b)(II)(C) AND (3)(b)(II)(D) OF THIS SECTION

1 MATERIALLY CHANGE, THE RESIDENTIAL SELLER SHALL WITHIN SEVEN
2 DAYS OF THE CHANGE PROVIDE NOTICE TO THE LOCAL GOVERNMENT OF
3 THE CHANGE AND THE LOCAL GOVERNMENT MAY EXERCISE, OR
4 RE-EXERCISE, ITS RIGHT OF FIRST REFUSAL IN ACCORDANCE WITH THIS
5 SECTION.

6 (d) THE NOTICES GIVEN PURSUANT TO THIS SUBSECTION (3) MUST
7 BE DELIVERED TO THE APPLICABLE REPRESENTATIVE OF THE COLORADO
8 HOUSING AND FINANCE AUTHORITY AND TO THE CLERK OF THE GOVERNING
9 BODY OF THE LOCAL GOVERNMENT, AS APPLICABLE, BY ELECTRONIC MAIL;
10 EXCEPT THAT, IF THERE IS NOT AN ELECTRONIC MAILING ADDRESS
11 AVAILABLE FOR THE APPLICABLE REPRESENTATIVE OR THE CLERK, THEN
12 BY HAND DELIVERY, UNITED STATES FIRST CLASS MAIL, OR OVERNIGHT
13 DELIVERY.

14 (e) THE LOCAL GOVERNMENT MAY SHARE THE INFORMATION
15 CONTAINED IN THE NOTICES REQUIRED PURSUANT TO THIS SUBSECTION (3)
16 WITH ITS OFFICERS, EMPLOYEES, AGENTS, AND PROSPECTIVE ASSIGNEES OR
17 PROSPECTIVE ENTITIES THAT THE LOCAL GOVERNMENT PARTNERS WITH
18 PURSUANT TO SUBSECTIONS (2)(e) AND (2)(f) OF THIS SECTION FOR THE
19 PURPOSES OF EVALUATING OR OBTAINING FINANCING FOR THE
20 PROSPECTIVE TRANSACTION. THE NAMES AND MAILING ADDRESSES FOR
21 TENANTS RESIDING AT THE QUALIFYING PROPERTY MUST BE KEPT
22 CONFIDENTIAL, AND ANY OTHER INFORMATION CONTAINED IN THE NOTICE
23 MUST BE KEPT CONFIDENTIAL IF THE RESIDENTIAL SELLER SO REQUESTS
24 AND, TOGETHER WITH THE NAMES AND MAILING ADDRESSES FOR TENANTS
25 RESIDING AT THE QUALIFYING PROPERTY, IS CONFIDENTIAL INFORMATION
26 NOT SUBJECT TO PUBLIC DISCLOSURE; EXCEPT THAT THE OCCURRENCE OF
27 A TRIGGERING EVENT, THE LOCATION OF THE QUALIFYING PROPERTY, AND

1 THE IDENTITY OF THE RESIDENTIAL SELLER ARE NOT CONFIDENTIAL AND
2 ARE SUBJECT TO PUBLIC DISCLOSURE.

3 (4) (a) **Notice by the local government to the residential seller.**

4 (I) THE LOCAL GOVERNMENT SHALL MAKE A GOOD FAITH EFFORT TO
5 PROVIDE NOTICE TO THE RESIDENTIAL SELLER AS SOON AS POSSIBLE BUT
6 NOT LATER THAN FOURTEEN CALENDAR DAYS OF RECEIPT OF THE NOTICE
7 REQUIRED PURSUANT TO SUBSECTION (3)(b) OR (3)(c) OF THIS SECTION OF
8 THE LOCAL GOVERNMENT'S INTENT, WITH RESPECT TO THE QUALIFYING
9 PROPERTY THAT IS THE SUBJECT OF THE NOTICE, TO EITHER PRESERVE ITS
10 RIGHT OF FIRST REFUSAL PROVIDED IN THIS SECTION OR WAIVE ITS RIGHT
11 OF FIRST REFUSAL. THE NOTICE MUST BE DELIVERED BY ELECTRONIC MAIL;
12 EXCEPT THAT, IF THE RESIDENTIAL SELLER HAS NOT PROVIDED AN
13 ELECTRONIC MAILING ADDRESS, THEN BY HAND DELIVERY, UNITED
14 STATES FIRST CLASS MAIL, OR OVERNIGHT DELIVERY TO THE ADDRESS
15 PROVIDED BY THE RESIDENTIAL SELLER PURSUANT TO SUBSECTION
16 (3)(b)(II)(B) OF THIS SECTION.

17 (II) THE NOTICE GIVEN PURSUANT TO SUBSECTION (4)(a)(I) OF THIS
18 SECTION IS NONBINDING ON THE LOCAL GOVERNMENT.

19 (III) IF NO NOTICE IS GIVEN BY THE LOCAL GOVERNMENT, IF THE
20 LOCAL GOVERNMENT FAILS TO MAKE AN OFFER WITHIN THE TIME PERIOD
21 PROVIDED IN SUBSECTION (5) OF THIS SECTION, OR IF THE OFFER IS
22 OTHERWISE NOT MADE IN ACCORDANCE WITH SUBSECTION (5) OF THIS
23 SECTION, THE RESIDENTIAL SELLER MAY PROCEED WITH THE SALE OF THE
24 QUALIFYING PROPERTY TO ANY BUYER.

25 (IV) IF THE LOCAL GOVERNMENT INTENDS TO ASSIGN ITS RIGHT OF
26 FIRST REFUSAL IN ACCORDANCE WITH SUBSECTION (2)(f) OF THIS SECTION,
27 THE LOCAL GOVERNMENT MUST DISCLOSE THE POTENTIAL ASSIGNEE IN

1 THE NOTICE REQUIRED PURSUANT TO SUBSECTION (4)(a)(I) OF THIS
2 SECTION AND PROVIDE A COPY OF THE NOTICE TO THE PROPOSED
3 ASSIGNEE, FOR THE PROPOSED ASSIGNEE'S CONSIDERATION IN
4 DETERMINING WHETHER TO ACCEPT THE ASSIGNMENT.

5 (b) **Notice by the local government to residents of the**
6 **qualifying property.** (I) (A) UPON GIVING NOTICE TO A RESIDENTIAL
7 SELLER OF ITS INTENT TO MAKE AN OFFER TO PURCHASE THE QUALIFYING
8 PROPERTY PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION, THE LOCAL
9 GOVERNMENT SHALL PROVIDE NOTICE TO EACH RESIDENT OF THE
10 QUALIFYING PROPERTY WHO IS IDENTIFIED PURSUANT TO SUBSECTION
11 (3)(b)(II)(C) OF THIS SECTION IN THE SELLER'S NOTICE INFORMING THE
12 RESIDENT THAT THERE IS INTEREST BY THE LOCAL GOVERNMENT OR AN
13 ASSIGNEE IN PURCHASING THE QUALIFYING PROPERTY AND PROVIDING A
14 DATE, TIME, AND LOCATION THAT THE LOCAL GOVERNMENT WILL HOLD A
15 MEETING FOR RESIDENTS TO ATTEND FOR INFORMATION REGARDING A
16 POTENTIAL PURCHASE OF THE PROPERTY BY THE LOCAL GOVERNMENT.

17 (B) THE LOCAL GOVERNMENT SHALL PROVIDE A SECOND NOTICE
18 TO THE RESIDENTS OF A QUALIFYING PROPERTY UPON THE ACCEPTANCE BY
19 A RESIDENTIAL SELLER OF THE LOCAL GOVERNMENT'S OFFER TO PURCHASE
20 THE QUALIFYING PROPERTY AND THE EXECUTION OF THE NECESSARY
21 AGREEMENTS IN CONNECTION WITH ACCEPTANCE OF THE OFFER.

22 (C) THE LOCAL GOVERNMENT SHALL PROVIDE A THIRD NOTICE TO
23 THE RESIDENTS OF A QUALIFYING PROPERTY UPON CLOSING ON THE
24 QUALIFYING PROPERTY AND EXECUTING THE NECESSARY AGREEMENTS TO
25 FINALIZE THE SALE OF THE QUALIFYING PROPERTY TO THE LOCAL
26 GOVERNMENT. THE NOTICE MUST INCLUDE CONTACT INFORMATION FOR
27 THE ENTITY THAT WILL PROVIDE MANAGEMENT SERVICES TO THE

1 QUALIFYING PROPERTY.

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

12 (III) THE MEETING HELD BY THE LOCAL GOVERNMENT AS
13 REQUIRED BY SUBSECTION (4)(b)(I)(A) OF THIS SECTION MUST BE IN AN
14 ACCESSIBLE SPACE, AND SPANISH TRANSLATION SERVICES AND, IF
15 AVAILABLE, VIRTUAL MEETING OPTIONS MUST BE PROVIDED, ALL AT NO
16 COST TO THE RESIDENTS.

17 (5) **Process to exercise right of first refusal.** (a) (I) EXCEPT AS
18 OTHERWISE PROVIDED IN SUBSECTION (6) OF THIS SECTION, THE LOCAL
19 GOVERNMENT HAS THIRTY CALENDAR DAYS FROM PROVIDING NOTICE
20 PURSUANT TO SUBSECTION (4)(a)(I) OF THIS SECTION TO MAKE AN OFFER
21 TO PURCHASE THE QUALIFYING PROPERTY AND SHALL AGREE TO CLOSE ON
22 THE QUALIFYING PROPERTY AND EXECUTE THE NECESSARY AGREEMENTS
23 TO FINALIZE THE SALE OF THE QUALIFYING PROPERTY TO THE LOCAL
24 GOVERNMENT WITHIN SIXTY CALENDAR DAYS OF THE ACCEPTANCE BY A
25 RESIDENTIAL SELLER OF THE LOCAL GOVERNMENT'S OFFER TO PURCHASE
26 THE QUALIFYING PROPERTY AND THE EXECUTION OF THE NECESSARY
27 AGREEMENTS IN CONNECTION WITH ACCEPTING THE OFFER.

1 (II) NOTWITHSTANDING SUBSECTION (5)(a)(I) OF THIS SECTION
2 ANDEXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (6) OF THIS SECTION,
3 IF A RESIDENTIAL SELLER HAS RECEIVED AN OFFER FROM A THIRD-PARTY
4 BUYER THAT IS AN ENTIRELY CASH OFFER FOR THE THIRD-PARTY BUYER TO
5 PURCHASE THE QUALIFYING PROPERTY, THE LOCAL GOVERNMENT SHALL
6 AGREE TO CLOSE ON THE QUALIFYING PROPERTY AND EXECUTE THE
7 NECESSARY AGREEMENTS TO FINALIZE THE SALE OF THE QUALIFYING
8 PROPERTY TO THE LOCAL GOVERNMENT WITHIN THE SAME TIME PERIOD AS
9 IS SET FORTH IN THE THIRD-PARTY BUYER'S OFFER.

10 (b) IF A RESIDENTIAL SELLER REJECTS AN OFFER MADE BY THE
11 LOCAL GOVERNMENT EXERCISING ITS RIGHT OF FIRST REFUSAL, THE
12 RESIDENTIAL SELLER SHALL PROVIDE A WRITTEN EXPLANATION OF THE
13 REJECTION AND SHALL INVITE THE LOCAL GOVERNMENT TO MAKE ONE
14 SUBSEQUENT OFFER WITHIN FOURTEEN DAYS BY IDENTIFYING THE TERMS
15 AND CONDITIONS THAT MUST BE INCLUDED IN THE SUBSEQUENT OFFER IN
16 ORDER FOR THE RESIDENTIAL SELLER TO POTENTIALLY ACCEPT THE
17 SUBSEQUENTLY MADE OFFER BY THE LOCAL GOVERNMENT AND THE LOCAL
18 GOVERNMENT MAY RE-EXERCISE ITS RIGHT OF FIRST REFUSAL IN
19 ACCORDANCE WITH THIS SECTION BY PROVIDING NOTICE OF ITS INTENT
20 TO PRESERVE ITS RIGHT OF FIRST REFUSAL IN ACCORDANCE WITH
21 SUBSECTION (4)(a) OF THIS SECTION.

22 (6) **Extension of time.** THE TIME PERIODS SET FORTH IN THIS
23 SECTION MAY BE EXTENDED AND ANY TERMS OR CONDITIONS OF SALE MAY
24 BE MODIFIED BY WRITTEN AGREEMENT BETWEEN THE LOCAL GOVERNMENT
25 AND THE RESIDENTIAL SELLER OR, IF THE LOCAL GOVERNMENT HAS
26 ASSIGNED ITS RIGHT OF FIRST REFUSAL, THE LOCAL GOVERNMENT'S
27 ASSIGNEE AND THE RESIDENTIAL SELLER.

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(7) Certificate of compliance. WITHIN FOURTEEN CALENDAR DAYS OF RECEIPT OF NOTICE REQUIRED BY EITHER SUBSECTION (3)(b) OR (3)(c) OF THIS SECTION OR, IF THE LOCAL GOVERNMENT INTENDS TO EXERCISE ITS RIGHT OF FIRST REFUSAL, WITHIN FOURTEEN CALENDAR DAYS OF EITHER ACCEPTANCE BY A RESIDENTIAL SELLER OF THE LOCAL GOVERNMENT'S OFFER OR REJECTION BY A RESIDENTIAL SELLER OF THE LOCAL GOVERNMENT'S OFFER IN ACCORDANCE WITH SUBSECTION (5)(b) OF THIS SECTION, THE LOCAL GOVERNMENT OR ITS ASSIGNEE SHALL EXECUTE AND RECORD A CERTIFICATE OF COMPLIANCE IN THE REAL PROPERTY RECORDS OF THE COUNTY IN WHICH THE QUALIFYING PROPERTY IS SITUATED. THE CERTIFICATE OF COMPLIANCE MUST INCLUDE THE NAME OF THE RESIDENTIAL SELLER, A LEGAL DESCRIPTION OF THE QUALIFYING PROPERTY, AND A STATEMENT THAT THE RESIDENTIAL SELLER HAS COMPLIED WITH ALL APPLICABLE PROVISIONS OF THIS SECTION. THE RECORDED CERTIFICATE OF COMPLIANCE IS PRIMA FACIE EVIDENCE OF THE RESIDENTIAL SELLER'S COMPLIANCE WITH THIS SECTION AND MAY BE RELIED UPON BY A RESIDENTIAL SELLER, ANY PERSON CLAIMING AN INTEREST IN THE QUALIFYING PROPERTY THROUGH A RESIDENTIAL SELLER, AND A TITLE INSURANCE ENTITY, AS DEFINED IN SECTION 10-11-102 (11).

(8) Tenant qualifications. (a) THE LOCAL GOVERNMENT OR ITS ASSIGNEE SHALL MAINTAIN AT THE QUALIFYING PROPERTY AFFORDABILITY LEVELS THAT ARE ON AVERAGE EQUAL TO OR GREATER THAN THE LEVELS PROVIDED AT THE TIME IT IS ACQUIRED BY THE LOCAL GOVERNMENT BOTH WITH RESPECT TO THE NUMBER OF AFFORDABLE UNITS AND THE AREA MEDIAN INCOMES USED TO DETERMINE RENT AND INCOME LIMITS. TENANT QUALIFICATIONS MUST COMPLY WITH FAIR HOUSING LAWS AND

1 AFFORDABILITY REQUIREMENTS OF ANY NEW FUNDING SOURCES.

2 (b) NOTWITHSTANDING THE REQUIREMENTS AROUND LONG-TERM
3 AFFORDABLE HOUSING SET FORTH IN THIS SECTION OR THE REQUIREMENTS
4 IN SUBSECTION (8)(a) OF THIS SECTION, RESIDENTS AT THE QUALIFYING
5 PROPERTY AT THE TIME IT IS ACQUIRED BY THE LOCAL GOVERNMENT
6 PURSUANT TO THIS SECTION MAY CONTINUE TO RESIDE AT THE QUALIFYING
7 PROPERTY IRRESPECTIVE OF THEIR INCOME LEVEL FOR AT LEAST THE
8 DURATION OF THEIR TENANCY AGREEMENT PURSUANT TO THE TENANCY
9 AGREEMENT'S TERMS IN EFFECT AT THE TIME THE LOCAL GOVERNMENT
10 ACQUIRES THE QUALIFYING PROPERTY. A LOCAL GOVERNMENT OR ITS
11 ASSIGNEE MAY ONLY DECLINE TO RENEW A TENANT'S LEASE IN ORDER TO
12 COMPLY WITH GREATER AFFORDABILITY RESTRICTIONS AT THE PROPERTY
13 IN ACCORDANCE WITH SUBSECTION (8)(a) OF THIS SECTION OR IF THE
14 RESIDENT IS DEMONSTRABLY VIOLATING ANY TERMS OF THE LEASE.

15 (9) **Application of a local government's right of first refusal**
16 **laws.** NOTHING IN THIS PART 12 RESTRICTS OR SUPERSEDES THE
17 AUTHORITY OF A LOCAL GOVERNMENT TO ENACT LAWS FOR ITS
18 JURISDICTION PROVIDING FOR THE LOCAL GOVERNMENT'S RIGHT OF FIRST
19 REFUSAL TO PURCHASE PROPERTY FOR AFFORDABLE HOUSING THAT AT A
20 MINIMUM COMPLY WITH THIS PART 12 AND IN THE EVENT OF CONFLICT
21 BETWEEN A PROVISION IN THIS PART 12 AND A LOCAL GOVERNMENT'S
22 LAWS, THE PROVISION MORE FAVORABLE TO THE LOCAL GOVERNMENT
23 APPLIES.

24 **29-4-1203. Right of first offer - eligibility - process - notice -**
25 **definition - repeal.** (1) **Definition of qualifying property.** AS USED IN
26 THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "QUALIFYING
27 PROPERTY" MEANS A MULTIFAMILY RESIDENTIAL OR MIXED-USE RENTAL

1 PROPERTY CONSISTING OF NOT MORE THAN ONE HUNDRED UNITS AND NOT
2 LESS THAN FIFTEEN UNITS AND EXCLUDING EXISTING AFFORDABLE
3 HOUSING AND A MOBILE HOME PARK AS DEFINED IN SECTION 38-12-201.5
4 (6). FOR THE PURPOSE OF DETERMINING WHETHER A PROPERTY CONSISTS
5 OF AT LEAST THE MINIMUM NUMBER OF UNITS SET FORTH IN THIS
6 SUBSECTION (1) FOR A QUALIFYING PROPERTY, AN ACCESSORY DWELLING
7 UNIT DOES NOT COUNT AS A UNIT.

8 (2) **Local government's right of first offer.** (a) IN ACCORDANCE
9 WITH THIS PART 12, THE LOCAL GOVERNMENT FOR THE JURISDICTION IN
10 WHICH A QUALIFYING PROPERTY IS LOCATED HAS A RIGHT OF FIRST OFFER
11 TO MAKE AN OFFER TO PURCHASE THE QUALIFYING PROPERTY BEFORE THE
12 QUALIFYING PROPERTY IS LISTED FOR SALE TO THIRD PARTIES.

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14 (b) THE LOCAL GOVERNMENT'S RIGHT OF FIRST OFFER CONCERNING
15 THE QUALIFYING PROPERTY IS LIMITED TO PRESERVING OR CONVERTING
16 THE QUALIFYING PROPERTY TO LONG-TERM AFFORDABLE HOUSING OR A
17 MIXED-INCOME DEVELOPMENT DIRECTLY OR THROUGH ANOTHER ENTITY
18 TO WHICH THE LOCAL GOVERNMENT ASSIGNS ITS RIGHTS PURSUANT TO
19 SUBSECTION (2)(e) OF THIS SECTION OR TRANSFERS THE QUALIFYING
20 PROPERTY. IF A QUALIFYING PROPERTY IS CLASSIFIED AS MIXED-USE, THE
21 LOCAL GOVERNMENT'S OFFER MUST INCLUDE ANY COMMERCIAL PORTION
22 OF THE QUALIFYING PROPERTY BUT ONLY THE RESIDENTIAL PORTION OF
23 THE QUALIFYING PROPERTY IS SUBJECT TO AFFORDABILITY
24 REQUIREMENTS.

25 (c) THE LOCAL GOVERNMENT, IN EXERCISING ITS RIGHT OF FIRST
26 OFFER, MAY PARTNER WITH A NONPROFIT ENTITY, A PRIVATE ENTITY, A
27 QUASI-GOVERNMENTAL ENTITY, OR ANOTHER GOVERNMENTAL ENTITY TO

1 CO-FINANCE, LEASE, OR MANAGE THE QUALIFYING PROPERTY FOR THE
2 PUBLIC PURPOSE OF MAINTAINING THE QUALIFYING PROPERTY AS
3 LONG-TERM AFFORDABLE HOUSING OR A MIXED-INCOME DEVELOPMENT IF
4 THE LOCAL GOVERNMENT OR ITS ASSIGNEE MAINTAINS OWNERSHIP OF THE
5 QUALIFYING PROPERTY EITHER DIRECTLY OR THROUGH A SPECIAL PURPOSE
6 ENTITY OR AFFILIATE.

7 (d) AT ANY TIME, THE LOCAL GOVERNMENT MAY ASSIGN THE
8 RIGHT OF FIRST OFFER REGARDING A QUALIFYING PROPERTY TO A LOCAL
9 OR REGIONAL HOUSING AUTHORITY OR THE COLORADO HOUSING AND
10 FINANCE AUTHORITY, SUBJECT TO THE REQUIREMENTS THAT THE
11 QUALIFYING PROPERTY IS USED TO PRESERVE OR BE CONVERTED TO
12 LONG-TERM AFFORDABLE HOUSING OR A MIXED-INCOME DEVELOPMENT
13 AND THAT ALL OTHER PROVISIONS OF THIS PART 12 APPLY TO THE
14 ASSIGNEE. THE ASSIGNEE MUST IMMEDIATELY NOTIFY THE RESIDENTIAL
15 SELLER OF ANY ASSIGNMENT PURSUANT TO THIS SUBSECTION (2)(d), AND
16 THE NOTICE MUST INCLUDE THE ASSIGNEE'S ADDRESS TO RECEIVE ANY
17 NOTICES THAT THE RESIDENTIAL SELLER IS REQUIRED TO SEND IN
18 ACCORDANCE WITH THIS SECTION. THE LOCAL GOVERNMENT REMAINS
19 LIABLE FOR OBLIGATIONS PURSUANT TO THIS PART 12 ACCRUING PRIOR TO
20 THE ASSIGNMENT AND UPON ASSIGNMENT, THE ASSIGNEE ASSUMES ALL
21 LIABILITY OF THE LOCAL GOVERNMENT REGARDING THE EXERCISE OF THE
22 RIGHT OF FIRST OFFER AND IS RESPONSIBLE FOR PERFORMING ALL
23 REQUIREMENTS PURSUANT TO THIS PART 12, IN EACH CASE ACCRUING
24 FROM AND AFTER THE ASSIGNMENT, WITH RESPECT TO A QUALIFYING
25 PROPERTY AS IF THE ASSIGNEE WERE THE LOCAL GOVERNMENT.

26 (e) (I) THE GOVERNING BODY OF A LOCAL GOVERNMENT HAS THE
27 RIGHT TO WAIVE THE RIGHT OF FIRST OFFER PROVIDED IN THIS SECTION.

1 (II) (A) IF THE GOVERNING BODY OF A LOCAL GOVERNMENT HAS
2 WAIVED ITS RIGHT OF FIRST OFFER, IT SHALL POST A NOTICE IN A
3 CONSPICUOUS LOCATION ON ITS WEBSITE INDICATING THAT THERE IS A
4 WAIVER AND THAT RESIDENTIAL SELLERS WITH QUALIFYING PROPERTIES
5 WITHIN ITS JURISDICTION DO NOT HAVE AN OBLIGATION TO COMPLY WITH
6 THIS SECTION.

7 (B) THE NOTICE POSTED IN ACCORDANCE WITH SUBSECTION
8 (2)(e)(II)(A) OF THIS SECTION MUST BE EFFECTIVE FOR AT LEAST THREE
9 MONTHS AFTER IT IS POSTED AND MUST EXPLICITLY STATE THE DATE IT
10 EXPIRES, IF ANY.

11 (C) FAILURE TO POST NOTICE PURSUANT TO THIS SUBSECTION
12 (2)(e)(II) DOES NOT OTHERWISE AFFECT THE LOCAL GOVERNMENT'S RIGHT
13 OF FIRST OFFER.

14 (f) NOTWITHSTANDING ANYTHING IN THIS SECTION TO THE
15 CONTRARY, AT ANY TIME PRIOR TO THE RESIDENTIAL SELLER AND THE
16 LOCAL GOVERNMENT ENTERING INTO A CONTRACT FOR THE PURCHASE OF
17 THE QUALIFYING PROPERTY BY THE LOCAL GOVERNMENT, THE
18 RESIDENTIAL SELLER MAY REJECT THE LOCAL GOVERNMENT'S OFFER AND
19 OTHERWISE TERMINATE NEGOTIATIONS WITH THE LOCAL GOVERNMENT.

20 (g) IF THE LOCAL GOVERNMENT WAIVES OR IS DEEMED TO HAVE
21 WAIVED ITS RIGHT OF FIRST OFFER IN ACCORDANCE WITH THIS SECTION OR
22 IF A RESIDENTIAL SELLER REJECTS THE LOCAL GOVERNMENT'S OFFER IN
23 ACCORDANCE WITH SUBSECTION (2)(f) OF THIS SECTION, THE RESIDENTIAL
24 SELLER HAS NO OBLIGATION TO PROVIDE INITIAL OR ADDITIONAL NOTICE,
25 AS APPLICABLE, TO THE LOCAL GOVERNMENT OR OTHERWISE OFFER OR
26 RE-OFFER, AS APPLICABLE, THE QUALIFYING PROPERTY TO THE LOCAL
27 GOVERNMENT PURSUANT TO ANY PROVISION OF THIS SECTION UNLESS A

1 TRANSACTION FOR THE SALE OF THE QUALIFYING PROPERTY DOES NOT
2 CLOSE WITHIN TWELVE MONTHS OF EITHER THE LOCAL GOVERNMENT'S
3 WAIVER OR DEEMED WAIVER OR REJECTION BY THE RESIDENTIAL SELLER
4 OF THE LOCAL GOVERNMENT'S OFFER, WHICHEVER IS EARLIER; EXCEPT
5 THAT, IF THE CONTRACT FOR SALE TO A THIRD PARTY HAS A DURATION
6 LONGER THAN TWELVE MONTHS, THEN THE TWELVE MONTH PERIOD IS
7 EXTENDED TO MATCH THE TERM OF THE CONTRACT.

8 (3) **Notice requirements generally.** (a) (I) ANY NOTICES
9 REQUIRED TO BE PROVIDED TO THE LOCAL GOVERNMENT PURSUANT TO
10 THIS SECTION MUST BE DELIVERED TO THE CLERK OF THE GOVERNING
11 BODY OF THE LOCAL GOVERNMENT BY ELECTRONIC MAIL; EXCEPT THAT IF
12 THERE IS NOT AN ELECTRONIC MAILING ADDRESS AVAILABLE FOR THE
13 CLERK, THEN BY HAND DELIVERY, UNITED STATES FIRST CLASS MAIL, OR
14 OVERNIGHT DELIVERY.

15 (II) NOTWITHSTANDING SUBSECTION (3)(a)(I) OF THIS SECTION, IF
16 THE LOCAL GOVERNMENT ASSIGNS ITS RIGHT OF FIRST OFFER AND THE
17 ASSIGNEE PROVIDES NOTICE OF THE ASSIGNMENT TO THE RESIDENTIAL
18 SELLER PURSUANT TO SUBSECTION (2)(d) OF THIS SECTION, THEN UPON
19 AND AFTER RECEIPT OF NOTICE OF THE ASSIGNMENT, THE RESIDENTIAL
20 SELLER SHALL SEND BY ELECTRONIC MAIL ANY REQUIRED NOTICES
21 PURSUANT TO THIS SECTION TO THE ADDRESS SPECIFIED BY THE ASSIGNEE;
22 EXCEPT THAT, IF THERE IS NOT AN ELECTRONIC MAILING ADDRESS
23 PROVIDED BY THE ASSIGNEE, THEN BY HAND DELIVERY, UNITED STATES
24 FIRST CLASS MAIL, OR OVERNIGHT DELIVERY.

25 (b) ANY NOTICES PROVIDED TO THE RESIDENTIAL SELLER
26 PURSUANT TO THIS SECTION MUST BE DELIVERED TO THE PHYSICAL
27 ADDRESS PROVIDED BY THE RESIDENTIAL SELLER IN ACCORDANCE WITH

1 SUBSECTION (5)(a)(II) OF THIS SECTION OR, UPON ELECTION BY THE
2 RESIDENTIAL SELLER, BY ELECTRONIC MAIL TO THE ELECTRONIC MAILING
3 ADDRESS PROVIDED BY THE RESIDENTIAL SELLER TO THE LOCAL
4 GOVERNMENT.

5 (c) ANY NOTICE PROVIDED PURSUANT TO THIS SECTION IS DEEMED
6 DELIVERED ON THE DATE IT IS SENT BY ELECTRONIC MAIL, THE DATE IT IS
7 HAND DELIVERED, THE DATE AFTER THE DAY IT IS DEPOSITED FOR
8 DELIVERY BY OVERNIGHT DELIVERY, OR THE DATE THAT IS TWO BUSINESS
9 DAYS AFTER THE DAY IT IS DEPOSITED IN THE UNITED STATES MAIL, AS
10 APPLICABLE.

11 (4) **Notice by residential seller, local government's intent, and**
12 **nondisclosure agreement.** (a) BEFORE A RESIDENTIAL SELLER ENTERS
13 INTO AN AGREEMENT WITH A LICENSED BROKER TO SOLICIT AND PROCURE
14 PURCHASERS FOR A QUALIFYING PROPERTY OR OTHERWISE LISTS A
15 QUALIFYING PROPERTY FOR SALE ON THE MULTIPLE LISTING SERVICE, THE
16 RESIDENTIAL SELLER SHALL PROVIDE NOTICE TO THE GOVERNING BODY OF
17 THE LOCAL GOVERNMENT IN WHICH THE QUALIFYING PROPERTY IS
18 LOCATED THAT THE RESIDENTIAL SELLER INTENDS TO SELL THE
19 QUALIFYING PROPERTY.

20 (b) THE LOCAL GOVERNMENT HAS SEVEN CALENDAR DAYS FROM
21 THE DATE OF RECEIVING THE NOTICE REQUIRED BY SUBSECTION (4)(a) OF
22 THIS SECTION TO PROVIDE A WRITTEN RESPONSE TO THE RESIDENTIAL
23 SELLER INDICATING THAT THE LOCAL GOVERNMENT EITHER:

24 (I) IS INTERESTED IN RECEIVING DUE DILIGENCE INFORMATION ON
25 THE QUALIFYING PROPERTY SO THAT IT CAN EVALUATE WHETHER IT
26 WANTS TO MAKE AN OFFER TO PURCHASE THE QUALIFYING PROPERTY,
27 WHICH RESPONSE MUST CONTAIN A NONDISCLOSURE AGREEMENT IN A

1 FORM ACCEPTABLE TO THE RESIDENTIAL SELLER THAT THE LOCAL
2 GOVERNMENT HAS EXECUTED; OR

3 (II) WAIVES ANY RIGHT OF THE LOCAL GOVERNMENT TO PURCHASE
4 THE QUALIFYING PROPERTY.

5 (c) IF THE LOCAL GOVERNMENT DOES NOT RESPOND WITHIN THE
6 SEVEN-DAY PERIOD REQUIRED BY SUBSECTION (4)(b) OF THIS SECTION, IT
7 IS DEEMED TO HAVE WAIVED ITS RIGHT OF FIRST OFFER WITH RESPECT TO
8 THE QUALIFYING PROPERTY.

9 (5) **Residential seller's notice of terms.** (a) IF THE LOCAL
10 GOVERNMENT PROVIDES NOTICE IN ACCORDANCE WITH SUBSECTION (4)(b)
11 OF THIS SECTION, THE RESIDENTIAL SELLER HAS FIVE CALENDAR DAYS
12 FROM RECEIPT OF THE NOTICE TO PROVIDE A NOTICE TO THE LOCAL
13 GOVERNMENT THAT INCLUDES:

14 (I) THE ADDRESS AND NAME OF THE QUALIFYING PROPERTY, IF
15 ANY, AND THE LEGAL DESCRIPTION OF THE QUALIFYING PROPERTY;

16 (II) THE RESIDENTIAL SELLER'S ADDRESS AND, IF AVAILABLE,
17 ELECTRONIC MAILING ADDRESS TO RECEIVE NOTICES FROM THE LOCAL
18 GOVERNMENT;

19 (III) A RENT ROLL FOR THE QUALIFYING PROPERTY SHOWING
20 THE AMOUNT OF RENT CHARGED TO TENANTS AT THE QUALIFYING
21 PROPERTY;

22 (IV) THE VACANCY RATE, OPERATING EXPENSES AND INCOME, AND
23 COMMON AREA AMENITIES AT THE QUALIFYING PROPERTY;

24 (V) ANY MARKETING MATERIALS THAT THE RESIDENTIAL SELLER
25 HAS PREPARED ON OR BEFORE THE DATE OF SUCH NOTICE AND
26 ANTICIPATES USING IN CONNECTION WITH LISTING THE QUALIFYING
27 PROPERTY FOR SALE;

1 (VI) A CURRENT TITLE COMMITMENT; AND
2 (VII) THE RESIDENTIAL SELLER'S EXECUTED VERSION OF THE
3 NONDISCLOSURE AGREEMENT.

4 (b) SUBJECT TO AND PURSUANT TO THE NONDISCLOSURE
5 AGREEMENT EXECUTED IN ACCORDANCE WITH SUBSECTION (4)(b) OF THIS
6 SECTION, THE LOCAL GOVERNMENT MAY SHARE THE INFORMATION
7 CONTAINED IN THE NOTICES REQUIRED PURSUANT TO THIS SUBSECTION (5)
8 WITH ITS OFFICERS, EMPLOYEES, AGENTS, AND PROSPECTIVE ASSIGNEES OR
9 PROSPECTIVE ENTITIES THAT THE LOCAL GOVERNMENT PARTNERS WITH
10 PURSUANT TO SUBSECTIONS (2)(c) AND (2)(d) OF THIS SECTION FOR THE
11 PURPOSES OF EVALUATING OR OBTAINING FINANCING FOR THE
12 PROSPECTIVE TRANSACTION. THE INFORMATION CONTAINED IN THE NOTICE
13 MUST BE KEPT CONFIDENTIAL AND IS CONFIDENTIAL INFORMATION NOT
14 SUBJECT TO PUBLIC DISCLOSURE.

15 (6) **Notice by the local government.** (a) A LOCAL GOVERNMENT
16 HAS FOURTEEN CALENDAR DAYS FROM THE DATE OF RECEIVING THE
17 NOTICE REQUIRED BY SUBSECTION (5)(a) OF THIS SUBSECTION TO PROVIDE
18 A WRITTEN RESPONSE TO THE RESIDENTIAL SELLER THAT EITHER:

19 (I) MAKES AN OFFER TO PURCHASE THE QUALIFYING PROPERTY
20 SETTING FORTH THE PRICE, TERMS, AND CONDITIONS OF THE OFFER; OR

21 (II) WAIVES ANY RIGHT OF THE LOCAL GOVERNMENT TO PURCHASE
22 THE QUALIFYING PROPERTY.

23 (b) IF THE LOCAL GOVERNMENT DOES NOT PROVIDE A RESPONSE
24 WITHIN THE FOURTEEN-DAY PERIOD SET FORTH IN SUBSECTION (6)(a) OF
25 THIS SECTION, THE LOCAL GOVERNMENT'S RIGHT OF FIRST OFFER IS
26 DEEMED WAIVED.

27 (7) **Process after offer is made.** (a) THE RESIDENTIAL SELLER HAS

1 FOURTEEN CALENDAR DAYS AFTER RECEIPT OF THE LOCAL GOVERNMENT'S
2 OFFER MADE PURSUANT TO SUBSECTION (6)(a)(I) OF THIS SECTION TO
3 NOTIFY THE LOCAL GOVERNMENT THAT IT EITHER ACCEPTS OR REJECTS
4 THE OFFER. DURING THIS PERIOD, THE RESIDENTIAL SELLER MAY INITIATE
5 NEGOTIATIONS IN GOOD FAITH WITH THE LOCAL GOVERNMENT WHICH MAY
6 INCLUDE DISCUSSING ALTERNATIVE PRICE, TERMS, OR CONDITIONS FOR
7 THE PURCHASE OF THE QUALIFYING PROPERTY. IF THE RESIDENTIAL
8 SELLER DOES NOT PROVIDE NOTICE OF ITS ACCEPTANCE OR REJECTION OF
9 THE LOCAL GOVERNMENT'S OFFER IN THE FOURTEEN DAY PERIOD
10 PURSUANT TO THIS SUBSECTION (7)(a), THE OFFER IS DEEMED REJECTED.

11 (b) IF THE RESIDENTIAL SELLER ACCEPTS THE LOCAL
12 GOVERNMENT'S OFFER OR ACCEPTS AN OFFER NEGOTIATED WITH THE
13 LOCAL GOVERNMENT, THE LOCAL GOVERNMENT AND THE RESIDENTIAL
14 SELLER HAVE THIRTY CALENDAR DAYS AFTER THE DATE OF THE
15 RESIDENTIAL SELLER'S RECEIPT OF THE LOCAL GOVERNMENT'S NOTICE
16 PROVIDED IN ACCORDANCE WITH SUBSECTION (6)(a)(I) OF THIS SECTION
17 TO NEGOTIATE AND EXECUTE A CONTRACT FOR THE PURCHASE OF THE
18 QUALIFYING PROPERTY BY THE LOCAL GOVERNMENT. THE CONTRACT
19 MUST REQUIRE THE TRANSACTION TO CLOSE NO LATER THAN SIXTY DAYS
20 AFTER ITS EXECUTION, UNLESS BOTH PARTIES AGREE TO OTHER TERMS.

21 (8) **Certificate of compliance.** WITHIN FOURTEEN CALENDAR
22 DAYS OF RECEIPT OF NOTICE REQUIRED BY SUBSECTION (4)(a) OF THIS
23 SECTION UNLESS THE LOCAL GOVERNMENT PROVIDES NOTICE PURSUANT
24 TO SUBSECTION (4)(b) OF THIS SECTION AND THEN WITHIN FOURTEEN
25 CALENDAR DAYS OF RECEIPT OF THE NOTICE REQUIRED BY SUBSECTION
26 (5)(a) OF THIS SECTION, THE LOCAL GOVERNMENT OR ITS ASSIGNEE SHALL
27 EXECUTE AND RECORD A CERTIFICATE OF COMPLIANCE IN THE REAL

1 PROPERTY RECORDS OF THE COUNTY IN WHICH THE QUALIFYING PROPERTY
2 IS SITUATED. THE CERTIFICATE OF COMPLIANCE MUST INCLUDE THE NAME
3 OF THE RESIDENTIAL SELLER, A LEGAL DESCRIPTION OF THE QUALIFYING
4 PROPERTY, AND A STATEMENT THAT THE RESIDENTIAL SELLER HAS
5 COMPLIED WITH ALL THE APPLICABLE PROVISIONS OF THIS SECTION. THE
6 RECORDED CERTIFICATE OF COMPLIANCE IS PRIMA FACIE EVIDENCE OF THE
7 RESIDENTIAL SELLER'S COMPLIANCE WITH THIS SECTION AND MAY BE
8 RELIED UPON BY A RESIDENTIAL SELLER, ANY PERSON CLAIMING AN
9 INTEREST IN THE QUALIFYING PROPERTY THROUGH A RESIDENTIAL SELLER,
10 AND A TITLE INSURANCE ENTITY, AS DEFINED IN SECTION 10-11-102 (11).

11 (9) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31,
12 2029.

13 **29-4-1204. General provisions applicable to a local**
14 **government's right of first refusal and right of first offer.**

15 (1) NOTHING IN THIS PART 12 REQUIRES A LOCAL GOVERNMENT TO
16 EXERCISE ITS RIGHT OF FIRST REFUSAL SET FORTH IN SECTION 29-4-1202
17 OR ITS RIGHT OF FIRST OFFER SET FORTH IN SECTION 29-4-1203 AND A
18 LOCAL GOVERNMENT MUST PROMPTLY NOTIFY A RESIDENTIAL SELLER OF
19 ITS INTENT NOT TO EXERCISE ITS RIGHT OF FIRST OFFER AS SET FORTH IN
20 SECTIONS 29-4-1203 (4)(b)(II) AND (6)(a)(II).

21 (2) ANY ACTION BY THE LOCAL GOVERNMENT REQUIRED OR
22 PERMITTED PURSUANT TO THIS PART 12 MAY BE PERFORMED, AS IS
23 APPLICABLE AND TO THE EXTENT PERMITTED BY LAW, BY THE COUNTY
24 MANAGER OF A COUNTY, THE MAYOR OR CITY MANAGER OF A CITY OR
25 TOWN, OR ANOTHER OFFICER DESIGNATED BY THE GOVERNING BODY OF
26 THE LOCAL GOVERNMENT.

27 (3) ANY ACTIONS OF AN AGENT WORKING ON BEHALF OF A

1 RESIDENTIAL SELLER FOR PURPOSES OF THIS PART 12 ARE ATTRIBUTABLE
2 TO THE RESIDENTIAL SELLER. NOTWITHSTANDING ANY OTHER PROVISION
3 OF THIS PART 12 TO THE CONTRARY, A POLITICAL SUBDIVISION OR A
4 HOUSING AUTHORITY IN THE STATE THAT ENGAGES IN ACTIVITIES TO
5 CREATE OR PRESERVE AFFORDABLE HOUSING FOR AN APPLICABLE
6 QUALIFYING PROPERTY IS NOT CONSIDERED AN AGENT WORKING ON
7 BEHALF OF A RESIDENTIAL SELLER FOR PURPOSES OF THIS PART 12.

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

12 (5) IF A LOCAL GOVERNMENT HAS ADOPTED LONG-TERM
13 AFFORDABILITY REQUIREMENTS THAT ARE GREATER THAN THE
14 REQUIREMENTS SET FORTH IN THIS PART 12, THE LOCAL GOVERNMENT'S
15 REQUIREMENTS APPLY TO THIS PART 12. NOTHING IN THIS PART 12
16 OVERRIDES ANY LOCAL AFFORDABLE HOUSING LAWS.

17 **29-4-1205. Exemptions - repeal.** (1) THIS PART 12 DOES NOT
18 APPLY TO ANY SALE, TRANSFER, OR CONVEYANCE OF AN APPLICABLE
19 QUALIFYING PROPERTY BY A RESIDENTIAL SELLER:

20 (a) MADE TO, IF WHOLLY OR MAJORITY OWNED, DIRECTLY OR
21 INDIRECTLY, BY, BENEFICIALLY HELD, ALL OR IN PART, IN COMMON WITH,
22 OR UNDER COMMON OWNERSHIP OR CONTROL WITH THE RESIDENTIAL
23 SELLER, ONE OR MORE PARTNERSHIPS, LIMITED LIABILITY COMPANIES,
24 CORPORATIONS, OR OTHER ENTITIES, MADE FOR TAX OR ESTATE PURPOSES
25 BETWEEN CLOSELY HELD PARTNERS, MEMBERS OF ONE OR MORE LIMITED
26 LIABILITY COMPANIES, MEMBERS OF ONE OR MORE CORPORATIONS, OR
27 MEMBERS, TRUSTEES, MANAGERS, OR PARTNERS OF ONE OR MORE OTHER

1 ENTITIES, OR IF THE UNITED STATES, OR ANY AGENCY OR
2 INSTRUMENTALITY THEREOF, OR THE STATE, OR ANY POLITICAL
3 SUBDIVISION OF THE STATE, IS THE RESIDENTIAL SELLER OF OR IS A
4 THIRD-PARTY BUYER OF THE APPLICABLE QUALIFYING PROPERTY;

5 (b) MADE TO THE STATE, A LOCAL GOVERNMENT, THE COLORADO
6 HOUSING AND FINANCE AUTHORITY, ANY PUBLIC HOUSING AUTHORITY,
7 AND ANY OTHER POLITICAL SUBDIVISION OF THE STATE;

8 (c) MADE TO AN AFFORDABLE HOUSING PROVIDER THAT HAS
9 PROVIDED NOTICE OF INTENT TO PURCHASE THE APPLICABLE QUALIFYING
10 PROPERTY AND COMMITS TO PROVIDING LONG-TERM AFFORDABLE
11 HOUSING;

12 (d) IF THE APPLICABLE QUALIFYING PROPERTY IS SOLD,
13 TRANSFERRED, OR CONVEYED IN A FORECLOSURE ACTION OR BY A DEED IN
14 LIEU OF FORECLOSURE, IF THE APPLICABLE QUALIFYING PROPERTY IS SOLD,
15 TRANSFERRED, OR CONVEYED BY A PARTY THAT ACQUIRES THE
16 APPLICABLE QUALIFYING PROPERTY IN A FORECLOSURE ACTION OR BY A
17 DEED IN LIEU OF FORECLOSURE, OR IF THE APPLICABLE QUALIFYING
18 PROPERTY IS SUBSEQUENTLY TRANSFERRED BY A
19 GOVERNMENT-SPONSORED ENTERPRISE TO A DIRECT OR INDIRECT WHOLLY
20 OWNED SUBSIDIARY, AFFILIATED LENDER, OR OTHER THIRD PARTY;

21 (e) IF, ON OR AFTER THE EFFECTIVE DATE OF THIS PART 12, THE
22 APPLICABLE QUALIFYING PROPERTY HAS A PREEXISTING AGREEMENT THAT
23 BESTOWS A RIGHT OF FIRST REFUSAL, RIGHT OF FIRST OFFER, OR OTHER
24 CONTINGENT PROPERTY RIGHT REGARDING THE APPLICABLE QUALIFYING
25 PROPERTY TO A THIRD PARTY; EXCEPT THAT, UPON EXPIRATION OF THE
26 AGREEMENT, THE PROVISIONS OF THIS PART 12 APPLY TO ANY SALE,
27 TRANSFER, OR CONVEYANCE OF THE APPLICABLE QUALIFYING PROPERTY

1 BY THE RESIDENTIAL SELLER; OR

2 (f) IF THE RESIDENTIAL SELLER HAS APPLIED FOR, IS IN THE
3 PROCESS OF, OR HAS SUCCESSFULLY RESYNDICATED OR RECAPITALIZED
4 THE APPLICABLE QUALIFYING PROPERTY IN CONNECTION WITH AN
5 AFFORDABLE HOUSING PROGRAM OFFERED BY THE FEDERAL, STATE, OR
6 LOCAL GOVERNMENT OR A POLITICAL SUBDIVISION OR ANY PUBLIC ENTITY,
7 AND THE RESIDENTIAL SELLER PROVIDES NOTICE AND DEMONSTRABLE
8 EVIDENCE OF THIS TO THE LOCAL GOVERNMENT; EXCEPT THAT, IF THE
9 RESIDENTIAL SELLER IS NOT SUCCESSFUL IN RESYNDICATING OR
10 RECAPITALIZING AN APPLICABLE QUALIFYING PROPERTY IN CONNECTION
11 WITH AN AFFORDABLE HOUSING PROGRAM OFFERED BY THE FEDERAL,
12 STATE, OR LOCAL GOVERNMENT OR A POLITICAL SUBDIVISION OR ANY
13 PUBLIC ENTITY THEN THE RIGHT OF FIRST REFUSAL OR THE RIGHT OF FIRST
14 OFFER, AS APPLICABLE, AND THE REQUIREMENTS SET FORTH IN THIS PART
15 12 APPLY.

16 (2) (a) THE RIGHT OF FIRST OFFER SET FORTH IN SECTION
17 29-4-1203 DOES NOT APPLY TO ANY SALE, TRANSFER, OR CONVEYANCE OF
18 A QUALIFYING PROPERTY, AS DEFINED IN SECTION 29-4-1203 (1), BY A
19 RESIDENTIAL SELLER:

20 (I) MADE TO A FAMILY MEMBER, AS DEFINED IN SECTION
21 8-13.3-503 (11), OF THE RESIDENTIAL SELLER;

22 (II) MADE TO A TRUST IF THE BENEFICIARY OF THE TRUST IS THE
23 SPOUSE, PARTNER IN A CIVIL UNION, LEGALLY RECOGNIZED CHILD, OR
24 OTHER FAMILY MEMBER OF THE RESIDENTIAL SELLER;

25 (III) MADE PURSUANT TO A WILL, DESCENT, OR INTESTATE
26 DISTRIBUTION;

27 (IV) MADE PURSUANT TO AN ACTION IN EMINENT DOMAIN OR IN

- 1 RESPONSE TO A THREAT OF EMINENT DOMAIN;
- 2 (V) MADE PURSUANT TO A COURT ORDER;
- 3 (VI) MADE BETWEEN JOINT TENANTS OR TENANTS IN COMMON;
- 4 (VII) IF THE FIRST CERTIFICATE OF OCCUPANCY FOR THE
- 5 QUALIFYING PROPERTY WAS ISSUED WITHIN THIRTY YEARS PRECEDING THE
- 6 DATE THAT THE RESIDENTIAL SELLER WILL LIST THE QUALIFYING
- 7 PROPERTY FOR SALE;
- 8 (VIII) IF THE QUALIFYING PROPERTY IS BEING SOLD, TRANSFERRED,
- 9 OR CONVEYED AS PART OF A TRANSACTION INVOLVING MULTIPLE
- 10 PROPERTIES WHICH INCLUDES AT LEAST ONE PROPERTY LOCATED IN A
- 11 JURISDICTION THAT IS OUTSIDE OF THE JURISDICTION OF THE LOCAL
- 12 GOVERNMENT;
- 13 (IX) THAT DOES NOT INVOLVE THE SALE, TRANSFER, OR
- 14 CONVEYANCE OF ALL OR SUBSTANTIALLY ALL OF THE QUALIFYING
- 15 PROPERTY; OR
- 16 (X) THAT IS A SALE, TRANSFER, OR CONVEYANCE, DIRECTLY OR
- 17 INDIRECTLY, OF OWNERSHIP INTERESTS IN THE RESIDENTIAL SELLER.

18 (b) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE DECEMBER 31,

19 2029.

20 **29-4-1206. Remedies for noncompliance.**

21 (1) (a) NOTWITHSTANDING SUBSECTION (1)(b) OF THIS SECTION AND

22 SUBJECT TO THE AVAILABILITY OF RESOURCES, IT IS THE RESPONSIBILITY

23 OF THE ATTORNEY GENERAL'S OFFICE TO ENFORCE THE PROVISIONS OF THIS

24 PART 12, AND THE ATTORNEY GENERAL MAY INTERVENE IN ANY ACTION

25 BROUGHT PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION.

26

27 (b) THE ATTORNEY GENERAL'S OFFICE, THE LOCAL GOVERNMENT,

1 OR THE LOCAL GOVERNMENT'S ASSIGNEE MAY BRING A CIVIL ACTION
2 AGAINST A RESIDENTIAL SELLER FOR ANY VIOLATION OF THIS PART 12.

3 (c) THE REMEDIES FOR ANY ACTION BROUGHT PURSUANT TO THIS
4 SUBSECTION (1) ARE LIMITED TO MONETARY DAMAGES AND STATUTORY
5 PENALTIES AGAINST THE RESIDENTIAL SELLER. ANY PERSON CLAIMING AN
6 INTEREST IN AN APPLICABLE QUALIFYING PROPERTY THROUGH A
7 RESIDENTIAL SELLER SHALL TAKE TITLE TO THE APPLICABLE QUALIFYING
8 PROPERTY FREE OF ANY RIGHTS OR CLAIMS SET FORTH IN THIS PART 12.

9
10 (2) IF A COURT FINDS THAT A RESIDENTIAL SELLER IS IN MATERIAL
11 VIOLATION OF THIS PART 12, THE COURT SHALL AWARD A STATUTORY
12 PENALTY THAT IS NOT LESS THAN TEN THOUSAND DOLLARS FOR A FIRST
13 OFFENSE AND NOT LESS THAN THIRTY THOUSAND DOLLARS FOR ANY
14 SUBSEQUENT OFFENSES; EXCEPT THAT THE COURT SHALL NOT AWARD A
15 STATUTORY PENALTY THAT IS MORE THAN ONE HUNDRED THOUSAND
16 DOLLARS.

17 (3) A COURT MAY ALSO AWARD REASONABLE ATTORNEY FEES AND
18 COSTS TO A PREVAILING PARTY.

19 (4) THE REMEDIES PROVIDED IN THIS SECTION ARE THE SOLE
20 AND EXCLUSIVE REMEDIES PURSUANT TO A CIVIL ACTION BROUGHT
21 PURSUANT TO THIS SECTION FOR A VIOLATION OF THIS PART 12 BY A
22 RESIDENTIAL SELLER.

23 **29-4-1207. Termination of right of first offer.** THE RIGHT OF
24 FIRST OFFER ESTABLISHED IN THIS PART 12 TERMINATES ON DECEMBER 31,
25 2029.

26 **SECTION 2.** In Colorado Revised Statutes, 24-31-101, **amend**
27 (1)(i)(XVII) and (1)(i)(XVIII); and **add** (1)(i)(XIX) as follows:

1 **24-31-101. Powers and duties of attorney general.** (1) The
2 attorney general:

3 (i) May independently initiate and bring civil and criminal actions
4 to enforce state laws, including actions brought pursuant to:

5 (XVII) The "Rental Application Fairness Act", part 9 of article 12
6 of title 38; ~~and~~

7 (XVIII) The "Reproductive Health Equity Act", part 4 of article
8 6 of title 25; AND

9 (XIX) PART 12 OF ARTICLE 4 OF TITLE 29.

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

20 (2) This act applies to all qualifying properties for the right of first
21 refusal that are listed for sale on or after the effective date of this act but
22 for which a residential seller has not accepted an offer to purchase the
23 qualifying property and executed the necessary agreements in connection
24 with accepting the offer and to all qualifying properties for the right of
25 first offer on or after the effective date of this act that do not have active
26 listings as of the effective date of this act.