

HB1175_L.006

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Transportation, Housing & Local Government.

HB24-1175 be amended as follows:

1 Amend printed bill, page 3, after line 8 insert:

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

12 Renumber succeeding subsections accordingly.

13 Page 3, line 17, strike "PUBLISHED" and substitute "ESTABLISHED".

14 Page 3, lines 18 and 19, strike "DEVELOPMENT, THE COLORADO HOUSING
15 AND FINANCE AUTHORITY, OR THE DIVISION." and substitute
16 "DEVELOPMENT."

17 Page 4, strike lines 4 through 7.

18 Renumber succeeding subsections accordingly.

19 Page 4, strike lines 9 and 10 and substitute "IS SUBJECT TO ONE OR MORE
20 RESTRICTED USE COVENANTS OR SIMILAR RECORDED AGREEMENTS TO
21 ENSURE AFFORDABILITY AND THAT IS CONSISTENT WITH AFFORDABLE
22 HOUSING FINANCIAL ASSISTANCE REQUIREMENTS."

23 Page 4, strike lines 11 through 17.

24 Renumber succeeding subsections accordingly.

25 Page 4, strike lines 24 through 27.

26 Page 5, strike lines 1 through 20 and substitute:

27 "(8) "LOCAL OR REGIONAL HOUSING AUTHORITY" MEANS A
28 HOUSING AUTHORITY CREATED PURSUANT TO SECTION 29-4-204 (1),
29 29-4-306 (1), 29-4-402, OR 29-4-503 (1).

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

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

23 Renumber succeeding subsections accordingly.

24 Page 6, line 11, strike "AN" and substitute "THE FEE SIMPLE".

25 Page 6, line 12, after "PROPERTY." add "If THERE IS MORE THAN ONE FEE
26 SIMPLE OWNER OF AN APPLICABLE QUALIFYING PROPERTY, EACH FEE
27 SIMPLE OWNER IS REFERRED TO IN THIS PART 12 JOINTLY AND SEVERALLY
28 AS THE "RESIDENTIAL SELLER".

29 Page 6, strike lines 13 through 22.

30 Page 7, line 25, strike "FINANCED." and substitute "FINANCED IF THE
31 LOCAL GOVERNMENT HAS SECURED THE FINANCING OR DEMONSTRATES
32 APPROVAL OF THE FINANCING IN CONNECTION WITH MAKING THE OFFER."

33 Page 8, line 10, after "METHOD;" insert "EXCEPT THAT, THE LOCAL
34 GOVERNMENT MUST BE ABLE TO DEMONSTRATE THAT ITS FINANCING OR
35 PAYMENT METHOD HAS BEEN APPROVED;"

36 Page 9, line 4, after "PRIVATE ENTITY," insert "A QUASI-GOVERNMENTAL

1 ENTITY,".

2 Page 9, line 9, strike "PROPERTY." and substitute "PROPERTY EITHER
3 DIRECTLY OR THROUGH A SPECIAL PURPOSE ENTITY OR AFFILIATE.".

4 Page 9, line 18, strike "UPON" and substitute "If THE PROPOSED ASSIGNEE
5 ACCEPTS THE ASSIGNMENT OF THE RIGHT OF FIRST REFUSAL IN WRITING,
6 UPON".

7 Page 9, strike lines 26 and 27.

8 Page 10, strike lines 1 through 11 and substitute:

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

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

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

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

24 Page 10, line 12, strike "(I)" and substitute "(I) (A)".

25 Page 10, line 13, strike "AN" and substitute "THE LAST REMAINING".

26 Page 10, line 15, after "THE" add "COLORADO HOUSING AND FINANCE
27 AUTHORITY AND THE".

28 Page 10, strike lines 18 through 25 and substitute: "NOTICE MUST INCLUDE
29 THE DATE OF EXPIRATION OF THE LAST REMAINING AFFORDABILITY
30 RESTRICTION AND CONTACT INFORMATION FOR THE RESIDENTIAL SELLER.

31 (B) NOTWITHSTANDING SUBSECTION (3)(a)(I)(A) OF THIS SECTION,
32 WHETHER NOTICE IS PROVIDED PURSUANT TO SUBSECTION (3)(a)(I)(A) OF
33 THIS SECTION IS NOT RELEVANT TO DETERMINING A RESIDENTIAL SELLER'S
34 OR LOCAL GOVERNMENT'S COMPLIANCE WITH THE REQUIREMENTS OF THIS

1 PART 12 AND IS NOT SUBJECT TO ANY PROVISIONS SET FORTH IN SECTION
2 29-4-1206. PROVISION OF THE NOTICE REQUIRED BY SUBSECTION
3 (3)(a)(I)(A) OF THIS SECTION IS NOT A TRIGGERING EVENT PURSUANT TO
4 SUBSECTION (3)(b)(I) OF THIS SECTION."

5 Page 10, line 27, strike "AN" and substitute "THE LAST REMAINING".

6 Page 11, strike lines 2 through 5 and substitute "PROVIDE NOTICE TO THE
7 COLORADO HOUSING AND FINANCE AUTHORITY AND THE GOVERNING
8 BODY OF THE LOCAL GOVERNMENT IN WHICH THE QUALIFYING PROPERTY
9 IS LOCATED OF THE EXPIRATION OF SUCH RESTRICTIONS. THE NOTICE MUST
10 INDICATE WHETHER THE RESIDENTIAL SELLER ANTICIPATES THAT IT WILL
11 EITHER RECAPITALIZE AND CONTINUE TO OPERATE THE QUALIFYING
12 PROPERTY AT AFFORDABILITY LEVELS AT LEAST ON AVERAGE EQUAL TO
13 WHAT HAS BEEN PROVIDED AT THE QUALIFYING PROPERTY, RETAIN
14 OWNERSHIP OF THE QUALIFYING PROPERTY AND LET AFFORDABILITY
15 REQUIREMENTS EXPIRE, OR SELL THE QUALIFYING PROPERTY UPON
16 EXPIRATION OF THE RESTRICTIONS.

17 (III) THE NOTICES PROVIDED TO THE COLORADO HOUSING AND
18 FINANCE AUTHORITY PURSUANT TO THIS SUBSECTION (3)(a) DO NOT
19 CREATE AN OBLIGATION OR REQUIREMENT FOR THE COLORADO HOUSING
20 AND FINANCE AUTHORITY TO TAKE ACTION WITH RESPECT TO THE
21 QUALIFYING PROPERTY OR TO PROVIDE ANY ENFORCEMENT OR
22 COMPLIANCE MONITORING OF ANY REQUIREMENTS OF THIS PART 12."

23 Page 11, line 10, strike "LOCATED." and substitute "LOCATED AND SHALL
24 MAKE A GOOD FAITH EFFORT TO ENSURE THE NOTICE IS RECEIVED BY THE
25 LOCAL GOVERNMENT."

26 Page 12, line 7, after "PROPERTY;" add "EXCEPT THAT, ANY ACTION TAKEN
27 TO ENGAGE WITH A POLITICAL SUBDIVISION OR A HOUSING AUTHORITY IN
28 THE STATE TO FACILITATE NEGOTIATIONS BETWEEN THE RESIDENTIAL
29 SELLER AND A THIRD-PARTY TO CREATE OR PRESERVE AFFORDABLE
30 HOUSING FOR A QUALIFYING PROPERTY IS NOT A TRIGGERING EVENT UNTIL
31 ANOTHER ACTION SET FORTH IN THIS SUBSECTION (3)(b)(I) OCCURS."

32 Page 13, line 24, after "DELIVERED" add "TO THE APPLICABLE
33 REPRESENTATIVE OF THE COLORADO HOUSING AND FINANCE AUTHORITY
34 AND".

35 Page 13, line 25, strike "GOVERNMENT" and substitute "GOVERNMENT, AS
36 APPLICABLE,".

- 1 Page 13, line 26, after "FOR" insert "THE APPLICABLE REPRESENTATIVE
2 OR".
- 3 Page 14, line 19, after "SHALL" add "MAKE A GOOD FAITH EFFORT TO".
- 4 Page 14, line 20, strike "WITHIN" and substitute "AS SOON AS POSSIBLE
5 BUT NOT LATER THAN".
- 6 Page 14, line 22, strike "INTENT TO" and substitute "INTENT, WITH
7 RESPECT TO THE QUALIFYING PROPERTY THAT IS THE SUBJECT OF THE
8 NOTICE, TO EITHER".
- 9 Page 14, strike lines 23 through 26 and substitute "REFUSAL PROVIDED IN
10 THIS SECTION OR DISCLAIM ITS RIGHT OF FIRST REFUSAL. THE NOTICE MUST
11 BE DELIVERED BY".
- 12 Page 15, after line 12 add:
- 13 "(IV) IF THE LOCAL GOVERNMENT INTENDS TO ASSIGN ITS RIGHT
14 OF FIRST REFUSAL IN ACCORDANCE WITH SUBSECTION (2)(f) OF THIS
15 SECTION, THE LOCAL GOVERNMENT MUST DISCLOSE THE POTENTIAL
16 ASSIGNEE IN THE NOTICE REQUIRED PURSUANT TO SUBSECTION (4)(a)(I) OF
17 THIS SECTION AND PROVIDE A COPY OF THE NOTICE TO THE PROPOSED
18 ASSIGNEE, FOR THE PROPOSED ASSIGNEE'S CONSIDERATION IN
19 DETERMINING WHETHER TO ACCEPT THE ASSIGNMENT."
- 20 Page 17, line 24, strike "SELLER." and substitute "SELLER OR THE LOCAL
21 GOVERNMENT'S ASSIGNEE AND THE RESIDENTIAL SELLER."
- 22 Page 18, line 2, strike "OBTAINING FINANCING" and substitute "CLOSING
23 ON FINANCING THAT THE LOCAL GOVERNMENT OR ITS ASSIGNEE HAS
24 ALREADY BEEN APPROVED FOR".
- 25 Page 18, line 4, strike "DELAY;" and substitute "DELAY SUBJECT TO THE
26 REQUIREMENTS SET FORTH IN SUBSECTION (6)(c) OF THIS SECTION;"
- 27 Page 18, lines 5 through 6, strike "THE ATTORNEY GENERAL, OR A
28 MISSION-DRIVEN ORGANIZATION" and substitute "OR THE ATTORNEY
29 GENERAL".
- 30 Page 18, after line 10 add:
- 31 "(c) (I) FOR THE TOLLING PERIOD SET FORTH IN SUBSECTION

1 (6)(b)(I) OF THIS SECTION TO EXTEND TO THE FULL PERIOD OF A
2 REASONABLE DELAY, A LOCAL GOVERNMENT OR ITS ASSIGNEE SHALL
3 DELIVER WITHIN FIVE BUSINESS DAYS OF THE FIRST DAY OF THE TOLLING
4 PERIOD EARNEST MONEY IN AN AMOUNT NOT TO EXCEED ONE HUNDRED
5 THOUSAND DOLLARS THAT IS PAYABLE TO THE RESIDENTIAL SELLER AND
6 HELD BY A TITLE COMPANY, UNLESS THE PARTIES MUTUALLY AGREE TO AN
7 ALTERNATIVE DEADLINE FOR THE PAYMENT OF THE EARNEST MONEY. THE
8 LOCAL GOVERNMENT OR ITS ASSIGNEE AND THE RESIDENTIAL SELLER ARE
9 NOT REQUIRED TO HAVE ENTERED INTO A CONTRACT TO BUY AND SELL
10 REAL ESTATE FOR EARNEST MONEY TO BE DELIVERED. FAILURE TO TIMELY
11 DELIVER THE EARNEST MONEY IN ACCORDANCE WITH THIS SUBSECTION
12 (6)(c)(I) CONSTITUTES WAIVER OF THE LOCAL GOVERNMENT'S RIGHT OF
13 FIRST REFUSAL TO PURCHASE THE QUALIFYING PROPERTY.

14 (II) IF THE LOCAL GOVERNMENT OR ITS ASSIGNEE WAIVES ITS
15 RIGHT OF FIRST REFUSAL IN ACCORDANCE WITH SUBSECTION (6)(c)(I) OF
16 THIS SECTION OR TERMINATES THE SALE OF THE QUALIFYING PROPERTY
17 DURING THE TOLLING PERIOD, THE LOCAL GOVERNMENT OR ITS ASSIGNEE
18 FORFEITS THE EARNEST MONEY IN FULL AND THE LOCAL GOVERNMENT OR
19 ITS ASSIGNEE SHALL EXECUTE AND RETURN TO THE RESIDENTIAL SELLER
20 AN EARNEST MONEY RELEASE FORM WITHIN FIVE BUSINESS DAYS OF THE
21 LOCAL GOVERNMENT OR ITS ASSIGNEE PROVIDING NOTICE OF THE WAIVER
22 OR TERMINATION TO THE RESIDENTIAL SELLER. THE TITLE COMPANY THAT
23 IS HOLDING THE EARNEST MONEY IN ESCROW SHALL RELEASE THE EARNEST
24 MONEY TO THE RESIDENTIAL SELLER UPON RECEIPT OF A FULLY EXECUTED
25 EARNEST MONEY RELEASE FORM.

26 (III) IF THE TOLLING PERIOD SET FORTH IN SUBSECTION (6)(b)(I) OF
27 THIS SECTION ENDS AND THE PERIODS SET FORTH IN SUBSECTION (5)(a) OF
28 THIS SECTION RESUME, THEN THE LOCAL GOVERNMENT OR ITS ASSIGNEE
29 AND THE RESIDENTIAL SELLER SHALL AUTHORIZE THE EARNEST MONEY TO
30 BE DELIVERED FOR DEPOSIT TO THE ENTITY THAT IS CONDUCTING THE
31 TRANSACTION FOR CLOSING ON THE QUALIFYING PROPERTY AT OR BEFORE
32 THE DATE OF THE CLOSING.

33 (IV) THE TITLE COMPANY THAT HOLDS THE EARNEST MONEY IN
34 ESCROW PURSUANT TO THIS SUBSECTION (6)(c) SHALL TRANSMIT ANY
35 INTEREST THAT ACCRUES IN CONNECTION WITH THE ESCROW MONEY TO
36 THE STATE TREASURER, WHO SHALL CREDIT THE INTEREST TO A FUND
37 THAT IS ESTABLISHED FOR THE PURPOSES OF PROVIDING AFFORDABLE
38 HOUSING TO COLORADO RESIDENTS, AND THE LOCAL GOVERNMENT OR ITS
39 ASSIGNEE AND THE RESIDENTIAL SELLER HAVE NO RIGHT TO THE INTEREST
40 THAT ACCRUES IN CONNECTION WITH THE MONEY THAT IS HELD IN
41 ESCROW.

42 (7) **Certificate of compliance.** WITHIN FOURTEEN CALENDAR
43 DAYS OF RECEIPT OF NOTICE REQUIRED BY EITHER SUBSECTION (3)(b) OR

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

18 Renumber succeeding subsection accordingly.

19 Page 18, lines 12 and 13, strike "EQUAL OR GREATER AFFORDABILITY
20 LEVELS TO" and substitute "AFFORDABILITY LEVELS THAT ARE ON
21 AVERAGE EQUAL TO OR GREATER THAN".

22 Page 18, lines 15 and 16, strike "TENANT QUALIFICATIONS FOR A GIVEN
23 AREA MEDIAN INCOME." and substitute "THE AREA MEDIAN INCOMES USED
24 TO DETERMINE RENT AND INCOME LIMITS.".

25 Page 19, strike lines 21 through 25.

26 Reletter succeeding paragraphs accordingly.

27 Page 20, line 11, after "PRIVATE ENTITY," insert "A
28 QUASI-GOVERNMENTAL ENTITY,".

29 Page 20, line 16, strike "PROPERTY." and substitute "PROPERTY EITHER
30 DIRECTLY OR THROUGH A SPECIAL PURPOSE ENTITY OR AFFILIATE.".

31 Page 20, line 18, before "HOUSING" insert "LOCAL OR REGIONAL".

32 Page 20, strike lines 19 and 20.

33 Page 20, line 21, strike "JURISDICTION," and substitute "AUTHORITY".

1 Page 20, line 25, strike "UPON" and substitute "THE ASSIGNEE MUST
2 IMMEDIATELY NOTIFY THE RESIDENTIAL SELLER OF ANY ASSIGNMENT
3 PURSUANT TO THIS SUBSECTION (2)(d), AND THE NOTICE MUST INCLUDE
4 THE ASSIGNEE'S ADDRESS TO RECEIVE ANY NOTICES THAT THE
5 RESIDENTIAL SELLER IS REQUIRED TO SEND IN ACCORDANCE WITH THIS
6 SECTION. THE LOCAL GOVERNMENT REMAINS LIABLE FOR OBLIGATIONS
7 PURSUANT TO THIS PART 12 ACCRUING PRIOR TO THE ASSIGNMENT AND
8 UPON".

9 Page 21, line 1, strike "12" and substitute "12, IN EACH CASE ACCRUING
10 FROM AND AFTER THE ASSIGNMENT,".

11 Page 21, after line 3 add:

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

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

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

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

27 (f) NOTWITHSTANDING ANYTHING IN THIS SECTION TO THE
28 CONTRARY, AT ANY TIME PRIOR TO THE RESIDENTIAL SELLER AND THE
29 LOCAL GOVERNMENT ENTERING INTO A CONTRACT FOR THE PURCHASE OF
30 THE QUALIFYING PROPERTY BY THE LOCAL GOVERNMENT, THE
31 RESIDENTIAL SELLER MAY REJECT THE LOCAL GOVERNMENT'S OFFER AND
32 OTHERWISE TERMINATE NEGOTIATIONS WITH THE LOCAL GOVERNMENT.

33 (g) IF THE LOCAL GOVERNMENT WAIVES OR IS DEEMED TO HAVE
34 WAIVED ITS RIGHT OF FIRST OFFER IN ACCORDANCE WITH SUBSECTION
35 (2)(e) OF THIS SECTION OR IF A RESIDENTIAL SELLER REJECTS THE LOCAL
36 GOVERNMENT'S OFFER IN ACCORDANCE WITH SUBSECTION (2)(f) OF THIS
37 SECTION, THE RESIDENTIAL SELLER HAS NO OBLIGATION TO PROVIDE
38 INITIAL OR ADDITIONAL NOTICE, AS APPLICABLE, TO THE LOCAL
39 GOVERNMENT OR OTHERWISE OFFER OR RE-OFFER, AS APPLICABLE, THE
40 QUALIFYING PROPERTY TO THE LOCAL GOVERNMENT PURSUANT TO ANY

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

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

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

26 (b) ANY NOTICES PROVIDED TO THE RESIDENTIAL SELLER
27 PURSUANT TO THIS SECTION MUST BE DELIVERED TO THE PHYSICAL
28 ADDRESS PROVIDED BY THE RESIDENTIAL SELLER IN ACCORDANCE WITH
29 SUBSECTION (4)(a)(II) OF THIS SECTION OR, UPON ELECTION BY THE
30 RESIDENTIAL SELLER, BY ELECTRONIC MAIL TO THE ELECTRONIC MAILING
31 ADDRESS PROVIDED BY THE RESIDENTIAL SELLER TO THE LOCAL
32 GOVERNMENT.

33 (c) ANY NOTICE PROVIDED PURSUANT TO THIS SECTION IS DEEMED
34 DELIVERED ON THE DATE IT IS SENT BY ELECTRONIC MAIL, THE DATE IT IS
35 HAND DELIVERED, THE DATE AFTER THE DAY IT IS DEPOSITED FOR
36 DELIVERY BY OVERNIGHT DELIVERY, OR THE DATE THAT IS TWO BUSINESS
37 DAYS AFTER THE DAY IT IS DEPOSITED IN THE UNITED STATES MAIL, AS
38 APPLICABLE."

39 Renumber succeeding subsections accordingly.

40 Page 21, line 4, strike "seller." and substitute "seller, local government's
41 intent, and nondisclosure agreement."

1 Page 21, line 5, after "SELLER" insert "ENTERS INTO AN AGREEMENT WITH
2 A LICENSED BROKER TO SOLICIT AND PROCURE PURCHASERS FOR A
3 QUALIFYING PROPERTY OR OTHERWISE" and strike "SALE," and substitute
4 "SALE ON THE MULTIPLE LISTING SERVICE,".

5 Page 21, strike lines 9 through 15 and substitute:

6 "(b) THE LOCAL GOVERNMENT HAS SEVEN CALENDAR DAYS FROM
7 THE DATE OF RECEIVING THE NOTICE REQUIRED BY SUBSECTION (3)(a)(II)
8 OF THIS SECTION TO PROVIDE A WRITTEN RESPONSE TO THE RESIDENTIAL
9 SELLER INDICATING THAT THE LOCAL GOVERNMENT EITHER:

10 (I) IS INTERESTED IN RECEIVING DUE DILIGENCE INFORMATION ON
11 THE QUALIFYING PROPERTY SO THAT IT CAN EVALUATE WHETHER IT
12 WANTS TO MAKE AN OFFER TO PURCHASE THE QUALIFYING PROPERTY,
13 WHICH RESPONSE MUST CONTAIN A NONDISCLOSURE AGREEMENT IN A
14 FORM ACCEPTABLE TO THE RESIDENTIAL SELLER THAT THE LOCAL
15 GOVERNMENT HAS EXECUTED; OR

16 (II) WAIVES ANY RIGHT OF THE LOCAL GOVERNMENT TO PURCHASE
17 THE QUALIFYING PROPERTY.

18 (c) IF THE LOCAL GOVERNMENT DOES NOT RESPOND WITHIN THE
19 SEVEN-DAY PERIOD REQUIRED BY SUBSECTION (3)(b) OF THIS SECTION, IT
20 IS DEEMED TO HAVE WAIVED ITS RIGHT OF FIRST OFFER WITH RESPECT TO
21 THE QUALIFYING PROPERTY.

22 (5) **Residential seller's notice of terms.** (a) IF THE LOCAL
23 GOVERNMENT PROVIDES NOTICE IN ACCORDANCE WITH SUBSECTION
24 (3)(b)(I) OF THIS SECTION, THE RESIDENTIAL SELLER HAS FIVE CALENDAR
25 DAYS FROM RECEIPT OF THE NOTICE TO PROVIDE A NOTICE TO THE LOCAL
26 GOVERNMENT THAT INCLUDES:

27 (I) THE ADDRESS AND NAME OF THE PROPERTY, IF ANY, AND THE
28 LEGAL DESCRIPTION OF THE QUALIFYING PROPERTY;".

29 Renumber succeeding subsections accordingly.

30 Page 21, strike lines 19 through 27.

31 Page 22, strike lines 1 through 10 and substitute:

32 "(III) A RENT ROLL FOR THE QUALIFYING PROPERTY SHOWING THE
33 AMOUNT OF RENT CHARGED TO TENANTS AT THE QUALIFYING PROPERTY;

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

36 (V) ANY MARKETING MATERIALS THAT THE RESIDENTIAL SELLER
37 HAS PREPARED ON OR BEFORE THE DATE OF SUCH NOTICE AND

- 1 ANTICIPATES USING IN CONNECTION WITH LISTING THE QUALIFYING
2 PROPERTY FOR SALE;
3 (VI) A CURRENT TITLE COMMITMENT; AND
4 (VII) THE RESIDENTIAL SELLER'S EXECUTED VERSION OF THE
5 NONDISCLOSURE AGREEMENT."
- 6 Reletter succeeding paragraphs accordingly.
- 7 Page 22, line 11, strike "THE" and substitute "SUBJECT TO AND PURSUANT
8 TO THE NONDISCLOSURE AGREEMENT EXECUTED IN ACCORDANCE WITH
9 SUBSECTION (4)(b) OF THIS SECTION, THE".
- 10 Page 22, strike lines 18 through 22 and substitute "MUST BE KEPT
11 CONFIDENTIAL AND IS CONFIDENTIAL INFORMATION NOT SUBJECT TO
12 PUBLIC DISCLOSURE."
- 13 Page 23, line 10, strike "(3)(a)" and substitute "(4)(a)".
- 14 Page 23, strike lines 13 through 18 and substitute "SETTING FORTH THE
15 PRICE, TERMS, AND CONDITIONS OF THE OFFER; OR".
- 16 Page 23, strike lines 21 through 26 and substitute:
- 17 "(b) IF THE LOCAL GOVERNMENT DOES NOT PROVIDE A RESPONSE
18 WITHIN THE FOURTEEN-DAY PERIOD SET FORTH IN SUBSECTION (6)(a) OF
19 THIS SECTION, THE LOCAL GOVERNMENT'S RIGHT OF FIRST OFFER IS
20 DEEMED WAIVED."
- 21 Page 24, strike lines 1 though 3 and substitute "FOURTEEN CALENDAR
22 DAYS AFTER RECEIPT OF THE LOCAL GOVERNMENT'S OFFER MADE
23 PURSUANT TO SUBSECTION (6)(a)(I) OF THIS SECTION TO NOTIFY THE
24 LOCAL GOVERNMENT THAT IT EITHER ACCEPTS OR REJECTS THE OFFER.
25 DURING THIS".
- 26 Page 24, line 7, after the period add "IF THE RESIDENTIAL SELLER DOES
27 NOT PROVIDE NOTICE OF ITS ACCEPTANCE OR REJECTION OF THE LOCAL
28 GOVERNMENT'S OFFER IN THE FOURTEEN DAY PERIOD PURSUANT TO THIS
29 SUBSECTION (7)(a), THE OFFER IS DEEMED REJECTED."
- 30 Page 24, strike lines 10 through 27.
- 31 Page 25, strike lines 1 through 18 and substitute "LOCAL GOVERNMENT,
32 THE LOCAL GOVERNMENT AND THE RESIDENTIAL SELLER HAVE THIRTY

1 CALENDAR DAYS AFTER THE DATE OF THE RESIDENTIAL SELLER'S RECEIPT
2 OF THE LOCAL GOVERNMENT'S NOTICE PROVIDED IN ACCORDANCE WITH
3 SUBSECTION (6)(a)(I) OF THIS SECTION TO NEGOTIATE AND EXECUTE A
4 CONTRACT FOR THE PURCHASE OF THE QUALIFYING PROPERTY BY THE
5 LOCAL GOVERNMENT. THE CONTRACT MUST REQUIRE THE TRANSACTION
6 TO CLOSE NO LATER THAN THIRTY DAYS AFTER ITS EXECUTION.

7 (8) **Certificate of compliance.** WITHIN FOURTEEN CALENDAR
8 DAYS OF RECEIPT OF NOTICE REQUIRED BY SUBSECTION (3)(a) OF THIS
9 SECTION UNLESS THE LOCAL GOVERNMENT PROVIDES NOTICE PURSUANT
10 TO SUBSECTION (3)(b) OF THIS SECTION AND THEN WITHIN FOURTEEN
11 CALENDAR DAYS OF RECEIPT OF THE NOTICE REQUIRED BY SUBSECTION
12 (4)(a) OF THIS SECTION, THE LOCAL GOVERNMENT OR ITS ASSIGNEE SHALL
13 EXECUTE AND RECORD A CERTIFICATE OF COMPLIANCE IN THE REAL
14 PROPERTY RECORDS OF THE COUNTY IN WHICH THE QUALIFYING PROPERTY
15 IS SITUATED. THE CERTIFICATE OF COMPLIANCE MUST INCLUDE THE NAME
16 OF THE RESIDENTIAL SELLER, A LEGAL DESCRIPTION OF THE QUALIFYING
17 PROPERTY, AND A STATEMENT THAT THE RESIDENTIAL SELLER HAS
18 COMPLIED WITH ALL THE APPLICABLE PROVISIONS OF THIS SECTION. THE
19 RECORDED CERTIFICATE OF COMPLIANCE IS PRIMA FACIE EVIDENCE OF THE
20 RESIDENTIAL SELLER'S COMPLIANCE WITH THIS SECTION AND MAY BE
21 RELIED UPON BY A RESIDENTIAL SELLER, ANY PERSON CLAIMING AN
22 INTEREST IN THE QUALIFYING PROPERTY THROUGH A RESIDENTIAL SELLER,
23 AND A TITLE INSURANCE ENTITY, AS DEFINED IN SECTION 10-11-102 (11).".

24 Renumber succeeding subsection accordingly.

25 page 26, line 13, strike "LONG-TERM".

26 Page 26, line 24, after the period insert "NOTHING IN THIS PART 12
27 OVERRIDES ANY LOCAL AFFORDABLE HOUSING LAWS.".

28 Page 27, strike lines 1 through 5 and substitute:

29 "(a) MADE TO, IF WHOLLY OR MAJORITY OWNED BY, BENEFICIALLY
30 HELD, ALL OR IN PART, IN COMMON WITH, OR UNDER COMMON OWNERSHIP
31 OR CONTROL WITH THE RESIDENTIAL SELLER, ONE OR MORE PARTNERSHIPS,
32 LIMITED LIABILITY COMPANIES, CORPORATIONS, OR OTHER ENTITIES, OR
33 MADE FOR TAX OR ESTATE PURPOSES BETWEEN CLOSELY HELD PARTNERS,
34 MEMBERS OF ONE OR MORE LIMITED LIABILITY COMPANIES, MEMBERS OF
35 ONE OR MORE CORPORATIONS, OR MEMBERS, TRUSTEES, MANAGERS, OR
36 PARTNERS OF ONE OR MORE OTHER ENTITIES;".

37 Page 27, line 9, strike "A NOT-FOR-PROFIT, MISSION-DRIVEN" and

- 1 substitute "AN".
- 2 Page 27, strike lines 11 through 14 and substitute "THE APPLICABLE
3 QUALIFYING PROPERTY AND COMMITS TO PROVIDING LONG-TERM
4 AFFORDABLE HOUSING;".
- 5 Page 27, strike lines 20 through 25 and substitute "DEED IN LIEU OF
6 FORECLOSURE; OR
7 (e) IF, AT THE TIME OF THE EFFECTIVE DATE OF THIS PART 12, THE".
- 8 Page 27, line 27, strike "REFUSAL" and substitute "REFUSAL, RIGHT OF
9 FIRST OFFER,".
- 10 Page 28, strike lines 4 through 12 and substitute "PROPERTY BY THE
11 RESIDENTIAL SELLER; OR
12 (f) IF THE RESIDENTIAL SELLER HAS APPLIED FOR, IS IN THE
13 PROCESS OF, OR HAS SUCCESSFULLY RESYNDICATED OR RECAPITALIZED
14 THE QUALIFYING PROPERTY IN CONNECTION WITH AN AFFORDABLE
15 HOUSING PROGRAM OFFERED BY THE FEDERAL, STATE, OR LOCAL
16 GOVERNMENT OR A POLITICAL SUBDIVISION OR ANY PUBLIC ENTITY, AND
17 THE RESIDENTIAL SELLER PROVIDES NOTICE AND DEMONSTRABLE
18 EVIDENCE OF THIS TO THE LOCAL GOVERNMENT; EXCEPT THAT, IF THE
19 RESIDENTIAL SELLER IS NOT SUCCESSFUL IN RESYNDICATING OR
20 RECAPITALIZING A QUALIFYING PROPERTY IN CONNECTION WITH AN
21 AFFORDABLE HOUSING PROGRAM OFFERED BY THE FEDERAL, STATE, OR
22 LOCAL GOVERNMENT OR A POLITICAL SUBDIVISION OR ANY PUBLIC ENTITY
23 THEN THE RIGHT OF FIRST REFUSAL OR THE RIGHT OF FIRST OFFER, AS
24 APPLICABLE, AND THE REQUIREMENTS SET FORTH IN THIS PART 12 APPLY.".
- 25 Renumber succeeding subsection accordingly.
- 26 Page 28, line 24, strike "DOMAIN;" and substitute "DOMAIN OR IN
27 RESPONSE TO A THREAT OF EMINENT DOMAIN;".
28
- 29 Page 28, line 26, strike "OR".
- 30 Page 29, line 1, strike "TWENTY" and substitute "THIRTY".
- 31 Page 29, line 3, strike "SALE." and substitute "SALE;".
- 32 Page 29, after line 3 add:
- 33 "(VIII) IF THE QUALIFYING PROPERTY IS BEING SOLD,

- 1 TRANSFERRED, OR CONVEYED AS PART OF A TRANSACTION INVOLVING
2 MULTIPLE PROPERTIES WHICH INCLUDES AT LEAST ONE PROPERTY
3 LOCATED IN A JURISDICTION THAT IS OUTSIDE OF THE JURISDICTION OF THE
4 LOCAL GOVERNMENT;
5 (IX) THAT DOES NOT INVOLVE THE SALE, TRANSFER, OR
6 CONVEYANCE OF ALL OR SUBSTANTIALLY ALL OF THE QUALIFYING
7 PROPERTY; OR
8 (X) THAT IS A SALE, TRANSFER, OR CONVEYANCE, DIRECTLY OR
9 INDIRECTLY, OF OWNERSHIP INTERESTS IN THE RESIDENTIAL SELLER."
- 10 Page 29, line 4, strike "(3)" and substitute "(2)".
- 11 Page 29, strike lines 12 through 14.
- 12 Reletter succeeding paragraph accordingly.
- 13 Page 29, strike lines 16 and 17 and substitute "OR THE LOCAL
14 GOVERNMENT'S ASSIGNEE MAY BRING A CIVIL ACTION".
- 15 Page 29, lines 18 and 19, strike "OR A PERSON CLAIMING AN INTEREST IN
16 AN APPLICABLE QUALIFYING PROPERTY THROUGH A RESIDENTIAL SELLER".
- 17 Page 29, after line 20 insert:
- 18 "(c) THE REMEDIES FOR ANY ACTION BROUGHT PURSUANT TO THIS
19 SUBSECTION (1) ARE LIMITED TO MONETARY DAMAGES AND STATUTORY
20 PENALTIES AGAINST THE RESIDENTIAL SELLER. ANY PERSON CLAIMING AN
21 INTEREST IN AN APPLICABLE QUALIFYING PROPERTY THROUGH A
22 RESIDENTIAL SELLER SHALL TAKE TITLE TO THE APPLICABLE QUALIFYING
23 PROPERTY FREE OF ANY RIGHTS OR CLAIMS SET FORTH IN THIS PART 12."
- 24 Page 29, strike lines 21 through 27.
- 25 Page 30, strike line 1.
- 26 Renumber succeeding subsections accordingly.
- 27 Page 30, strike lines 3 through 5 and substitute "VIOLATION OF THIS PART
28 12, THE COURT SHALL AWARD A STATUTORY PENALTY THAT IS NOT LESS
29 THAN TEN THOUSAND DOLLARS FOR A FIRST OFFENSE AND NOT LESS THAN
30 THIRTY THOUSAND DOLLARS FOR ANY SUBSEQUENT OFFENSES; EXCEPT
31 THAT THE COURT SHALL NOT AWARD A STATUTORY PENALTY THAT IS
32 MORE THAN ONE HUNDRED THOUSAND DOLLARS."

- 1 Page 30, lines 6 and 7, strike "DAMAGES, REASONABLE ATTORNEY FEES,"
2 and substitute "REASONABLE ATTORNEY FEES".
- 3 Page 30, line 7, strike "PARTY; EXCEPT THAT," and substitute "PARTY.".
- 4 Page 30, strike lines 8 through 16.
- 5 Page 30, line 17, strike "INDEPENDENT".
- 6 Page 30, strike lines 18 through 20 and substitute "THE SOLE AND
7 EXCLUSIVE REMEDIES PURSUANT TO A CIVIL ACTION BROUGHT PURSUANT
8 TO THIS SECTION FOR A VIOLATION OF THIS PART 12 BY A RESIDENTIAL
9 SELLER.".
- 10 Strike "(7)(a)" and substitute "(8)(a)" on: **Page 18**, line 21; and **Page 19**,
11 line 3.
- 12 Strike "(3)" and substitute "(4)" on: **Page 22**, lines 12 and 24.
- 13 Strike "(1)(c)" and substitute "(1)(b)" on: **Page 29**, lines 7 and 11.

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