

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

PREAMENDED

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

LLS NO. 24-0096.02 Megan McCall x4215

HOUSE BILL 24-1175

HOUSE SPONSORSHIP

Boesenecker and Sirota,

SENATE SPONSORSHIP

Winter F. and Jaquez Lewis,

House Committees

Transportation, Housing & Local Government

Senate Committees

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.*

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 AN OWNER OF THE FEE SIMPLE
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 THAT IS EXISTING AFFORDABLE HOUSING, EXCLUDING A MOBILE
26 HOME PARK AS DEFINED IN SECTION 38-12-201.5 (6).

27 (2) **Local government's right of first refusal.** (a) IN

1 ACCORDANCE WITH THIS PART 12, THE LOCAL GOVERNMENT FOR THE
2 JURISDICTION IN WHICH A QUALIFYING PROPERTY IS LOCATED HAS A RIGHT
3 OF FIRST REFUSAL TO PURCHASE THE QUALIFYING PROPERTY WITH AN
4 OFFER THAT IS ECONOMICALLY OR SUBSTANTIALLY IDENTICAL TO ANY
5 OTHER OFFER A RESIDENTIAL SELLER RECEIVES AND IS WILLING TO ACCEPT
6 ON THE QUALIFYING PROPERTY.

7 (b) (I) ANY PURCHASE AND SALE AGREEMENT FOR THE
8 CONVEYANCE OF A QUALIFYING PROPERTY BY A RESIDENTIAL SELLER IS
9 CONTINGENT UPON THE RIGHT OF FIRST REFUSAL SET FORTH IN THIS
10 SECTION.

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

20 (III) FOR THE PURPOSE OF DETERMINING WHETHER THE TERMS OF
21 AN OFFER BY A THIRD PARTY AND AN OFFER BY THE LOCAL GOVERNMENT
22 ARE ECONOMICALLY OR SUBSTANTIALLY IDENTICAL, IT IS IMMATERIAL
23 HOW THE OFFER WOULD BE FINANCED IF THE LOCAL GOVERNMENT HAS
24 SECURED THE FINANCING OR DEMONSTRATES APPROVAL OF THE
25 FINANCING IN CONNECTION WITH MAKING THE OFFER. FOR PURPOSES OF
26 THIS SECTION, A RESIDENTIAL SELLER SHALL NEGOTIATE IN GOOD FAITH
27 WITH THE LOCAL GOVERNMENT THAT MAKES AN OFFER THAT IS

1 ECONOMICALLY OR SUBSTANTIALLY IDENTICAL TO AN ACCEPTABLE OFFER
2 ON THE QUALIFYING PROPERTY THAT IS IDENTIFIED BY THE RESIDENTIAL
3 SELLER PURSUANT TO SUBSECTION (3)(b)(II)(D) OF THIS SECTION FOR THE
4 SALE OF THE QUALIFYING PROPERTY. THIS INCLUDES, BUT IS NOT LIMITED
5 TO, EVALUATING AN OFFER FROM THE LOCAL GOVERNMENT OR ITS
6 ASSIGNEE WITHOUT CONSIDERATION OF:

7 (A) THE PERIOD FOR CLOSING;

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

9 (C) WHETHER OR NOT THE OFFER IS CONTINGENT ON A
10 PARTICULAR FINANCING OR PAYMENT METHOD; EXCEPT THAT, THE LOCAL
11 GOVERNMENT MUST BE ABLE TO DEMONSTRATE THAT ITS FINANCING OR
12 PAYMENT METHOD HAS BEEN APPROVED; AND

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

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

19 (c) THE LOCAL GOVERNMENT'S RIGHT OF FIRST REFUSAL
20 CONCERNING THE QUALIFYING PROPERTY IS LIMITED TO PRESERVING OR
21 CONVERTING THE QUALIFYING PROPERTY TO LONG-TERM AFFORDABLE
22 HOUSING DIRECTLY OR THROUGH ANOTHER ENTITY TO WHICH THE LOCAL
23 GOVERNMENT ASSIGNS ITS RIGHTS PURSUANT SUBSECTION (2)(f) OF THIS
24 SECTION OR TRANSFERS THE QUALIFYING PROPERTY.

25 (d) IF A QUALIFYING PROPERTY IS CLASSIFIED AS MIXED-USE, THE
26 LOCAL GOVERNMENT'S RIGHT OF FIRST REFUSAL ONLY EXTENDS TO THE
27 PORTION OF THE QUALIFYING PROPERTY THAT IS RESIDENTIAL, BUT

1 NOTHING IN THIS SECTION EXCLUDES THE LOCAL GOVERNMENT FROM
2 INCLUDING THE PURCHASE OF ANY COMMERCIAL PORTION OF THE
3 QUALIFYING PROPERTY BY THE LOCAL GOVERNMENT IN ITS OFFER OR IN
4 THE TERMS OF THE SALE AT THE DISCRETION OF THE LOCAL GOVERNMENT.

5 (e) THE LOCAL GOVERNMENT, IN EXERCISING ITS RIGHT OF FIRST
6 REFUSAL, MAY PARTNER WITH A NONPROFIT ENTITY, A PRIVATE ENTITY, A
7 QUASI-GOVERNMENTAL ENTITY, OR ANOTHER GOVERNMENTAL ENTITY TO
8 CO-FINANCE, LEASE, OR MANAGE THE QUALIFYING PROPERTY FOR THE
9 PUBLIC PURPOSE OF MAINTAINING THE QUALIFYING PROPERTY AS
10 LONG-TERM AFFORDABLE HOUSING AS LONG AS THE LOCAL GOVERNMENT
11 OR ITS ASSIGNEE MAINTAINS OWNERSHIP OF THE QUALIFYING PROPERTY
12 EITHER DIRECTLY OR THROUGH A SPECIAL PURPOSE ENTITY OR AFFILIATE.

13 (f) AT ANY TIME, THE LOCAL GOVERNMENT MAY ASSIGN THE RIGHT
14 OF FIRST REFUSAL REGARDING A QUALIFYING PROPERTY TO A HOUSING
15 AUTHORITY THAT IS WITHIN THE LOCAL GOVERNMENT'S JURISDICTION, A
16 REGIONAL HOUSING AUTHORITY THAT SERVES THE LOCAL GOVERNMENT'S
17 JURISDICTION, OR THE COLORADO HOUSING AND FINANCE AUTHORITY,
18 SUBJECT TO THE REQUIREMENTS THAT THE QUALIFYING PROPERTY IS USED
19 TO PRESERVE OR BE CONVERTED TO LONG-TERM AFFORDABLE HOUSING
20 AND THAT ALL OTHER PROVISIONS OF THIS PART 12 APPLY TO THE
21 ASSIGNEE. IF THE PROPOSED ASSIGNEE ACCEPTS THE ASSIGNMENT OF THE
22 RIGHT OF FIRST REFUSAL IN WRITING, UPON ASSIGNMENT, THE ASSIGNEE
23 ASSUMES ALL LIABILITY OF THE LOCAL GOVERNMENT REGARDING THE
24 EXERCISE OF THE RIGHT OF FIRST REFUSAL AND IS RESPONSIBLE FOR
25 PERFORMING ALL REQUIREMENTS PURSUANT TO THIS PART 12 WITH
26 RESPECT TO A QUALIFYING PROPERTY AS IF THE ASSIGNEE WERE THE
27 LOCAL GOVERNMENT. THE ASSIGNEE MUST NOTIFY THE RESIDENTIAL

1 SELLER OF THE ASSIGNMENT IF THE LOCAL GOVERNMENT HAS ALREADY
2 SENT THE RESIDENTIAL SELLER NOTICE PURSUANT TO SUBSECTION (4)(a)(I)
3 OF THIS SECTION.

4
5 (g) (I) THE GOVERNING BODY OF A LOCAL GOVERNMENT HAS THE
6 RIGHT TO WAIVE THE RIGHT OF FIRST REFUSAL PROVIDED IN THIS SECTION.

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

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

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

20 (3) **Notices by residential seller.** (a) (I) (A) NOT LESS THAN TWO
21 YEARS BEFORE THE FINAL EXPIRATION OF THE LAST REMAINING EXISTING
22 AFFORDABILITY RESTRICTION INCUMBENT TO A QUALIFYING PROPERTY'S
23 FUNDING SOURCES, A RESIDENTIAL SELLER SHALL PROVIDE NOTICE TO THE
24 COLORADO HOUSING AND FINANCE AUTHORITY AND THE GOVERNING
25 BODY OF THE LOCAL GOVERNMENT IN WHICH THE QUALIFYING PROPERTY
26 IS LOCATED OF THE EXPIRATION OF SUCH RESTRICTIONS. THE NOTICE MUST
27 INCLUDE THE DATE OF EXPIRATION OF THE LAST REMAINING

1 AFFORDABILITY RESTRICTION AND CONTACT INFORMATION FOR THE
2 RESIDENTIAL SELLER.

3 (B) NOTWITHSTANDING SUBSECTION (3)(a)(I)(A) OF THIS SECTION,
4 WHETHER NOTICE IS PROVIDED PURSUANT TO SUBSECTION (3)(a)(I)(A) OF
5 THIS SECTION IS NOT RELEVANT TO DETERMINING A RESIDENTIAL SELLER'S
6 OR LOCAL GOVERNMENT'S COMPLIANCE WITH THE REQUIREMENTS OF THIS
7 PART 12 AND IS NOT SUBJECT TO ANY PROVISIONS SET FORTH IN SECTION
8 29-4-1206. PROVISION OF THE NOTICE REQUIRED BY SUBSECTION
9 (3)(a)(I)(A) OF THIS SECTION IS NOT A TRIGGERING EVENT PURSUANT TO
10 SUBSECTION (3)(b)(I) OF THIS SECTION.

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

25 (III) THE NOTICES PROVIDED TO THE COLORADO HOUSING AND
26 FINANCE AUTHORITY PURSUANT TO THIS SUBSECTION (3)(a) DO NOT
27 CREATE AN OBLIGATION OR REQUIREMENT FOR THE COLORADO HOUSING

1 AND FINANCE AUTHORITY TO TAKE ACTION WITH RESPECT TO THE
2 QUALIFYING PROPERTY OR TO PROVIDE ANY ENFORCEMENT OR
3 COMPLIANCE MONITORING OF ANY REQUIREMENTS OF THIS PART 12.

4 (b) (I) WITHIN FOURTEEN CALENDAR DAYS OF A TRIGGERING
5 EVENT, A RESIDENTIAL SELLER SHALL PROVIDE NOTICE IN ACCORDANCE
6 WITH THIS SUBSECTION (3)(b) AND SUBSECTION (3)(d) OF THIS SECTION TO
7 THE GOVERNING BODY OF THE LOCAL GOVERNMENT IN WHICH THE
8 QUALIFYING PROPERTY IS LOCATED AND SHALL MAKE A GOOD FAITH
9 EFFORT TO ENSURE THE NOTICE IS RECEIVED BY THE LOCAL GOVERNMENT.

10 A TRIGGERING EVENT IS ANY TIME THE RESIDENTIAL SELLER:

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

15 (B) SIGNS A CONTRACT WITH A REAL ESTATE BROKER OR
16 BROKERAGE FIRM TO LIST THE QUALIFYING PROPERTY FOR SALE OR TO
17 SELL OR TRANSFER THE QUALIFYING PROPERTY;

18 (C) SIGNS A LETTER OF INTENT, OPTION TO SELL OR BUY, OR OTHER
19 CONDITIONAL WRITTEN AGREEMENT WITH A POTENTIAL BUYER FOR THE
20 SALE OR TRANSFER OF THE QUALIFYING PROPERTY, WHICH INCLUDES THE
21 ESTIMATED PRICE, TERMS, AND CONDITIONS OF THE PROPOSED SALE OR
22 TRANSFER, EVEN IF THE PRICE, TERMS, OR CONDITIONS ARE SUBJECT TO
23 CHANGE;

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

27 (E) PROVIDES A SIGNED PROPERTY DISCLOSURE FORM FOR THE

1 QUALIFYING PROPERTY TO A POTENTIAL BUYER;

2 (F) LISTS THE QUALIFYING PROPERTY FOR SALE;

3 (G) MAKES A CONDITIONAL ACCEPTANCE OF AN OFFER FOR THE

4 SALE OR TRANSFER OF THE QUALIFYING PROPERTY;

5 (H) TAKES ANY OTHER ACTION DEMONSTRATING AN INTENT TO

6 SELL THE QUALIFYING PROPERTY; EXCEPT THAT, ANY ACTION TAKEN TO

7 ENGAGE WITH A POLITICAL SUBDIVISION OR A HOUSING AUTHORITY IN THE

8 STATE TO FACILITATE NEGOTIATIONS BETWEEN THE RESIDENTIAL SELLER

9 AND A THIRD-PARTY TO CREATE OR PRESERVE AFFORDABLE HOUSING FOR

10 A QUALIFYING PROPERTY IS NOT A TRIGGERING EVENT UNTIL ANOTHER

11 ACTION SET FORTH IN THIS SUBSECTION (3)(b)(I) OCCURS, OR

12 (I) RECEIVES A NOTICE THAT A CERTIFICATE OF LEVY HAS BEEN

13 FILED RELATED TO THE QUALIFYING PROPERTY PURSUANT TO SECTION

14 13-56-101.

15 (II) THE NOTICE REQUIRED PURSUANT TO THIS SUBSECTION (3)(b)

16 MUST INCLUDE:

17 (A) A GENERAL DESCRIPTION OF THE QUALIFYING PROPERTY TO BE

18 SOLD, INCLUDING THE ADDRESS AND NAME OF THE PROPERTY, IF ANY, AND

19 ANY ADDITIONAL DESCRIPTIONS OF THE QUALIFYING PROPERTY ON FILE

20 WITH THE OFFICE OF THE ASSESSOR IN THE COUNTY IN WHICH THE

21 QUALIFYING PROPERTY IS LOCATED;

22 (B) THE RESIDENTIAL SELLER'S ADDRESS AND, IF AVAILABLE,

23 ELECTRONIC MAILING ADDRESS TO RECEIVE NOTICES FROM THE LOCAL

24 GOVERNMENT;

25 (C) THE NAMES AND MAILING ADDRESSES THAT THE RESIDENTIAL

26 SELLER HAS ON RECORD FOR EVERY TENANT RESIDING AT THE QUALIFYING

27 PROPERTY;

1 (D) THE PRICE, TERMS, AND CONDITIONS OF AN ACCEPTABLE OFFER
2 THE RESIDENTIAL SELLER HAS RECEIVED TO SELL THE QUALIFYING
3 PROPERTY OR THE PRICE, TERMS, AND CONDITIONS FOR WHICH THE
4 RESIDENTIAL SELLER INTENDS TO SELL THE QUALIFYING PROPERTY;

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

9 (F) IF THE RESIDENTIAL SELLER HAS ENTERED INTO A CONTINGENT
10 PURCHASE AND SALE AGREEMENT WITH A PROSPECTIVE BUYER, A COPY OF
11 THE AGREEMENT.

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

19 (c) IF THE PRICE, TERMS, OR CONDITIONS AS REQUIRED TO BE
20 PROVIDED IN THE RESIDENTIAL SELLER'S NOTICE PURSUANT TO
21 SUBSECTIONS (3)(b)(II)(C) AND (3)(b)(II)(D) OF THIS SECTION
22 MATERIALLY CHANGE, THE RESIDENTIAL SELLER SHALL WITHIN SEVEN
23 DAYS OF THE CHANGE PROVIDE NOTICE TO THE LOCAL GOVERNMENT OF
24 THE CHANGE AND THE LOCAL GOVERNMENT MAY EXERCISE, OR
25 RE-EXERCISE, ITS RIGHT OF FIRST REFUSAL IN ACCORDANCE WITH THIS
26 SECTION.

27 (d) THE NOTICES GIVEN PURSUANT TO THIS SUBSECTION (3) MUST

1 BE DELIVERED TO THE APPLICABLE REPRESENTATIVE OF THE COLORADO
2 HOUSING AND FINANCE AUTHORITY AND TO THE CLERK OF THE GOVERNING
3 BODY OF THE LOCAL GOVERNMENT, AS APPLICABLE, BY ELECTRONIC MAIL;
4 EXCEPT THAT, IF THERE IS NOT AN ELECTRONIC MAILING ADDRESS
5 AVAILABLE FOR THE APPLICABLE REPRESENTATIVE OR THE CLERK, THEN
6 BY HAND DELIVERY, UNITED STATES FIRST CLASS MAIL, OR OVERNIGHT
7 DELIVERY.

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

24 (4) (a) **Notice by the local government to the residential seller.**
25 (I) THE LOCAL GOVERNMENT SHALL MAKE A GOOD FAITH EFFORT TO
26 PROVIDE NOTICE TO THE RESIDENTIAL SELLER AS SOON AS POSSIBLE BUT
27 NOT LATER THAN FOURTEEN CALENDAR DAYS OF RECEIPT OF THE NOTICE

1 REQUIRED PURSUANT TO SUBSECTION (3)(b) OR (3)(c) OF THIS SECTION OF
2 THE LOCAL GOVERNMENT'S INTENT, WITH RESPECT TO THE QUALIFYING
3 PROPERTY THAT IS THE SUBJECT OF THE NOTICE, TO EITHER PRESERVE ITS
4 RIGHT OF FIRST REFUSAL PROVIDED IN THIS SECTION OR WAIVE ITS RIGHT
5 OF FIRST REFUSAL. THE NOTICE MUST BE DELIVERED BY ELECTRONIC MAIL;
6 EXCEPT THAT, IF THE RESIDENTIAL SELLER HAS NOT PROVIDED AN
7 ELECTRONIC MAILING ADDRESS, THEN BY HAND DELIVERY, UNITED
8 STATES FIRST CLASS MAIL, OR OVERNIGHT DELIVERY TO THE ADDRESS
9 PROVIDED BY THE RESIDENTIAL SELLER PURSUANT TO SUBSECTION
10 (3)(c)(I)(B) OF THIS SECTION.

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

13 (III) IF NO NOTICE IS GIVEN BY THE LOCAL GOVERNMENT, IF THE
14 LOCAL GOVERNMENT FAILS TO MAKE AN OFFER WITHIN THE TIME PERIOD
15 PROVIDED IN SUBSECTION (5) OF THIS SECTION, OR IF THE OFFER IS
16 OTHERWISE NOT MADE IN ACCORDANCE WITH SUBSECTION (5) OF THIS
17 SECTION, THE RESIDENTIAL SELLER MAY PROCEED WITH THE SALE OF THE
18 QUALIFYING PROPERTY TO ANY BUYER.

19 (IV) IF THE LOCAL GOVERNMENT INTENDS TO ASSIGN ITS RIGHT OF
20 FIRST REFUSAL IN ACCORDANCE WITH SUBSECTION (2)(f) OF THIS SECTION,
21 THE LOCAL GOVERNMENT MUST DISCLOSE THE POTENTIAL ASSIGNEE IN
22 THE NOTICE REQUIRED PURSUANT TO SUBSECTION (4)(a)(I) OF THIS
23 SECTION AND PROVIDE A COPY OF THE NOTICE TO THE PROPOSED
24 ASSIGNEE, FOR THE PROPOSED ASSIGNEE'S CONSIDERATION IN
25 DETERMINING WHETHER TO ACCEPT THE ASSIGNMENT.

26 (b) **Notice by the local government to residents of the**
27 **qualifying property.** (I) (A) UPON GIVING NOTICE TO A RESIDENTIAL

1 SELLER PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION, THE LOCAL
2 GOVERNMENT SHALL PROVIDE NOTICE TO EACH RESIDENT OF THE
3 QUALIFYING PROPERTY WHO IS IDENTIFIED PURSUANT TO SUBSECTION
4 (3)(b)(II)(C) OF THIS SECTION IN THE SELLER'S NOTICE INFORMING THE
5 RESIDENT THAT THERE IS INTEREST BY THE LOCAL GOVERNMENT OR AN
6 ASSIGNEE IN PURCHASING THE QUALIFYING PROPERTY AND PROVIDING A
7 DATE, TIME, AND LOCATION THAT THE LOCAL GOVERNMENT WILL HOLD A
8 MEETING FOR RESIDENTS TO ATTEND FOR INFORMATION REGARDING A
9 POTENTIAL PURCHASE OF THE PROPERTY BY THE LOCAL GOVERNMENT.

10 (B) THE LOCAL GOVERNMENT SHALL PROVIDE A SECOND NOTICE
11 TO THE RESIDENTS OF A QUALIFYING PROPERTY UPON THE ACCEPTANCE BY
12 A RESIDENTIAL SELLER OF THE LOCAL GOVERNMENT'S OFFER TO PURCHASE
13 THE QUALIFYING PROPERTY AND THE EXECUTION OF THE NECESSARY
14 AGREEMENTS IN CONNECTION WITH ACCEPTANCE OF THE OFFER.

15 (C) THE LOCAL GOVERNMENT SHALL PROVIDE A THIRD NOTICE TO
16 THE RESIDENTS OF A QUALIFYING PROPERTY UPON CLOSING ON THE
17 QUALIFYING PROPERTY AND EXECUTING THE NECESSARY AGREEMENTS TO
18 FINALIZE THE SALE OF THE QUALIFYING PROPERTY TO THE LOCAL
19 GOVERNMENT. THE NOTICE MUST INCLUDE CONTACT INFORMATION FOR
20 THE ENTITY THAT WILL PROVIDE MANAGEMENT SERVICES TO THE
21 QUALIFYING PROPERTY.

22 (II) THE LOCAL GOVERNMENT SHALL MAIL THE NOTICES REQUIRED
23 PURSUANT TO SUBSECTION (4)(b)(I) OF THIS SECTION TO THE RESIDENTS
24 OF A QUALIFYING PROPERTY USING THE MOST RECENT ADDRESS OF EACH
25 RESIDENT. THE RESIDENTIAL SELLER SHALL PROVIDE UPDATED MAILING
26 ADDRESSES FOR RESIDENTS UPON REQUEST BY THE LOCAL GOVERNMENT.
27 THE LOCAL GOVERNMENT SHALL ALSO POST A COPY OF THE NOTICES IN A

1 CONSPICUOUS PLACE IN THE QUALIFYING PROPERTY. THE MAILED AND
2 POSTED NOTICES MUST BE PROVIDED IN ENGLISH, SPANISH, AND ANY
3 OTHER LANGUAGE KNOWN TO BE SPOKEN BY RESIDENTS AT THE
4 QUALIFYING PROPERTY.

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

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

22 (b) IF A RESIDENTIAL SELLER REJECTS AN OFFER MADE BY THE
23 LOCAL GOVERNMENT EXERCISING ITS RIGHT OF FIRST REFUSAL, THE
24 RESIDENTIAL SELLER SHALL PROVIDE A WRITTEN EXPLANATION OF THE
25 REJECTION AND SHALL INVITE THE LOCAL GOVERNMENT TO MAKE A
26 SUBSEQUENT OFFER WITHIN FOURTEEN DAYS BY IDENTIFYING THE TERMS
27 AND CONDITIONS THAT MUST BE INCLUDED IN THE SUBSEQUENT OFFER IN

1 ORDER FOR THE RESIDENTIAL SELLER TO POTENTIALLY ACCEPT THE
2 SUBSEQUENTLY MADE OFFER BY THE LOCAL GOVERNMENT AND THE LOCAL
3 GOVERNMENT MAY RE-EXERCISE ITS RIGHT OF FIRST REFUSAL IN
4 ACCORDANCE WITH THIS SECTION BY PROVIDING NOTICE OF THE ITS INTENT
5 TO PRESERVE ITS RIGHT OF FIRST REFUSAL IN ACCORDANCE WITH
6 SUBSECTION (4)(a) OF THIS SECTION.

7 (6) **Extension of time and tolling.** (a) THE PERIODS SET FORTH IN
8 SUBSECTION (5)(a) OF THIS SECTION MAY BE EXTENDED AND ANY TERMS
9 OR CONDITIONS OF SALE MAY BE MODIFIED BY WRITTEN AGREEMENT
10 BETWEEN THE LOCAL GOVERNMENT AND THE RESIDENTIAL SELLER OR THE
11 LOCAL GOVERNMENT'S ASSIGNEE AND THE RESIDENTIAL SELLER.

12 (b) THE LOCAL GOVERNMENT OR ITS ASSIGNEE IS ENTITLED TO
13 TOLLING OF THE PERIODS SET FORTH IN SUBSECTION (5)(a) OF THIS
14 SECTION IN ANY OF THE FOLLOWING CIRCUMSTANCES:

15 (I) IF THERE IS A REASONABLE DELAY NOT WITHIN THE CONTROL
16 OF THE LOCAL GOVERNMENT OR ITS ASSIGNEE IN CLOSING ON FINANCING
17 THAT THE LOCAL GOVERNMENT OR ITS ASSIGNEE HAS ALREADY BEEN
18 APPROVED FOR OR A REQUIRED INSPECTION OR SURVEY OF THE
19 QUALIFYING PROPERTY, THE PERIOD IS TOLLED FOR THE DURATION OF THE
20 DELAY SUBJECT TO THE REQUIREMENTS SET FORTH IN SUBSECTION (6)(c)
21 OF THIS SECTION; AND

22 (II) IF THE LOCAL GOVERNMENT, ITS ASSIGNEE, OR THE ATTORNEY
23 GENERAL FILES A NONFRIVOLOUS CIVIL ACTION ALLEGING A VIOLATION OF
24 THIS SECTION, THE PERIOD IS TOLLED UNTIL THE ACTION REACHES FINAL
25 RESOLUTION OR THE PARTIES REACH A RESOLUTION, INCLUDING THE
26 RESOLUTION OF ANY APPEALS, BY SIGNING A SETTLEMENT AGREEMENT.

27 (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 PURCHASE OF THE QUALIFYING
17 PROPERTY DURING THE TOLLING PERIOD, THE LOCAL GOVERNMENT OR ITS
18 ASSIGNEE FORFEITS THE EARNEST MONEY IN FULL AND THE LOCAL
19 GOVERNMENT OR ITS ASSIGNEE SHALL EXECUTE AND RETURN TO THE
20 RESIDENTIAL SELLER AN EARNEST MONEY RELEASE FORM WITHIN FIVE
21 BUSINESS DAYS OF THE LOCAL GOVERNMENT OR ITS ASSIGNEE PROVIDING
22 NOTICE OF THE WAIVER OR TERMINATION TO THE RESIDENTIAL SELLER.
23 THE TITLE COMPANY THAT IS HOLDING THE EARNEST MONEY IN ESCROW
24 SHALL RELEASE THE EARNEST MONEY TO THE RESIDENTIAL SELLER UPON
25 RECEIPT OF A FULLY EXECUTED 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

1 THIS SECTION RESUME, THEN THE LOCAL GOVERNMENT OR ITS ASSIGNEE
2 AND THE RESIDENTIAL SELLER SHALL AUTHORIZE THE EARNEST MONEY TO
3 BE DELIVERED FOR DEPOSIT TO THE ENTITY THAT IS CONDUCTING THE
4 TRANSACTION FOR CLOSING ON THE QUALIFYING PROPERTY AT OR BEFORE
5 THE DATE OF THE CLOSING.

6 (IV) THE TITLE COMPANY THAT HOLDS THE EARNEST MONEY IN
7 ESCROW PURSUANT TO THIS SUBSECTION (6)(c) SHALL TRANSMIT ANY
8 INTEREST THAT ACCRUES IN CONNECTION WITH THE ESCROW MONEY TO
9 THE STATE TREASURER, WHO SHALL CREDIT THE INTEREST TO THE
10 HOUSING DEVELOPMENT GRANT FUND THAT IS CREATED IN SECTION
11 24-32-721 (1), AND THE LOCAL GOVERNMENT OR ITS ASSIGNEE AND THE
12 RESIDENTIAL SELLER HAVE NO RIGHT TO THE INTEREST THAT ACCRUES IN
13 CONNECTION WITH THE MONEY THAT IS HELD IN ESCROW.

14 (7) **Certificate of compliance.** WITHIN FOURTEEN CALENDAR
15 DAYS OF RECEIPT OF NOTICE REQUIRED BY EITHER SUBSECTION (3)(b) OR
16 (3)(c) OF THIS SECTION OR, IF THE LOCAL GOVERNMENT INTENDS TO
17 EXERCISE ITS RIGHT OF FIRST REFUSAL, WITHIN FOURTEEN CALENDAR
18 DAYS OF EITHER ACCEPTANCE BY A RESIDENTIAL SELLER OF THE LOCAL
19 GOVERNMENT'S OFFER OR REJECTION BY A RESIDENTIAL SELLER OF THE
20 LOCAL GOVERNMENT'S OFFER IN ACCORDANCE WITH SUBSECTION (5)(b) OF
21 THIS SECTION, THE LOCAL GOVERNMENT OR ITS ASSIGNEE SHALL EXECUTE
22 AND RECORD A CERTIFICATE OF COMPLIANCE IN THE REAL PROPERTY
23 RECORDS OF THE COUNTY IN WHICH THE QUALIFYING PROPERTY IS
24 SITUATED. THE CERTIFICATE OF COMPLIANCE MUST INCLUDE THE NAME OF
25 THE RESIDENTIAL SELLER, A LEGAL DESCRIPTION OF THE QUALIFYING
26 PROPERTY, AND A STATEMENT THAT THE RESIDENTIAL SELLER HAS
27 COMPLIED WITH ALL APPLICABLE PROVISIONS OF THIS SECTION. THE

1 RECORDED CERTIFICATE OF COMPLIANCE IS PRIMA FACIE EVIDENCE OF THE
2 RESIDENTIAL SELLER'S COMPLIANCE WITH THIS SECTION AND MAY BE
3 RELIED UPON BY A RESIDENTIAL SELLER, ANY PERSON CLAIMING AN
4 INTEREST IN THE QUALIFYING PROPERTY THROUGH A RESIDENTIAL SELLER,
5 AND A TITLE INSURANCE ENTITY, AS DEFINED IN SECTION 10-11-102 (11).


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

14 (b) NOTWITHSTANDING THE REQUIREMENTS AROUND LONG-TERM
15 AFFORDABLE HOUSING SET FORTH IN THIS SECTION OR THE REQUIREMENTS
16 IN SUBSECTION (8)(a) OF THIS SECTION, RESIDENTS AT THE QUALIFYING
17 PROPERTY AT THE TIME IT IS ACQUIRED BY THE LOCAL GOVERNMENT
18 PURSUANT TO THIS SECTION MAY CONTINUE TO RESIDE AT THE QUALIFYING
19 PROPERTY IRRESPECTIVE OF THEIR INCOME LEVEL FOR AT LEAST THE
20 DURATION OF THEIR TENANCY AGREEMENT PURSUANT TO THE TENANCY
21 AGREEMENT'S TERMS IN EFFECT AT THE TIME THE LOCAL GOVERNMENT
22 ACQUIRES THE QUALIFYING PROPERTY. A LOCAL GOVERNMENT OR ITS
23 ASSIGNEE MAY ONLY DECLINE TO RENEW A TENANT'S LEASE IN ORDER TO
24 COMPLY WITH GREATER AFFORDABILITY RESTRICTIONS AT THE PROPERTY
25 IN ACCORDANCE WITH SUBSECTION (8)(a) OF THIS SECTION OR IF THE
26 RESIDENT IS DEMONSTRABLY VIOLATING ANY TERMS OF THE LEASE.

27 **29-4-1203. Right of first offer - eligibility - process - notice -**

1 **definition - repeal. (1) Definition of qualifying property.** AS USED IN
2 THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "QUALIFYING
3 PROPERTY" MEANS A MULTIFAMILY RESIDENTIAL OR MIXED-USE RENTAL
4 PROPERTY CONSISTING OF NOT MORE THAN ONE HUNDRED UNITS AND NOT
5 LESS THAN FIVE UNITS IN URBAN COUNTIES AND THREE UNITS IN RURAL OR
6 RURAL RESORT COUNTIES, AS SUCH COUNTIES ARE CLASSIFIED IN
7 ACCORDANCE WITH THE DIVISION OF HOUSING'S MOST RECENT
8 CLASSIFICATIONS PURSUANT TO SECTION 29-4-1107 (1)(d), AND
9 EXCLUDING EXISTING AFFORDABLE HOUSING AND A MOBILE HOME PARK
10 AS DEFINED IN SECTION 38-12-201.5 (6).

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

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

1 (c) THE LOCAL GOVERNMENT, IN EXERCISING ITS RIGHT OF FIRST
2 OFFER, MAY PARTNER WITH A NONPROFIT ENTITY, A PRIVATE ENTITY, A
3 QUASI-GOVERNMENTAL ENTITY, OR ANOTHER GOVERNMENTAL ENTITY TO
4 CO-FINANCE, LEASE, OR MANAGE THE QUALIFYING PROPERTY FOR THE
5 PUBLIC PURPOSE OF MAINTAINING THE QUALIFYING PROPERTY AS
6 LONG-TERM AFFORDABLE HOUSING OR A MIXED-INCOME DEVELOPMENT IF
7 THE LOCAL GOVERNMENT OR ITS ASSIGNEE MAINTAINS OWNERSHIP OF THE
8 QUALIFYING PROPERTY EITHER DIRECTLY OR THROUGH A SPECIAL PURPOSE
9 ENTITY OR AFFILIATE.

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

1 PROPERTY AS IF THE ASSIGNEE WERE THE LOCAL GOVERNMENT.

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

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

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

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

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

23 (g) IF THE LOCAL GOVERNMENT WAIVES OR IS DEEMED TO HAVE
24 WAIVED ITS RIGHT OF FIRST OFFER IN ACCORDANCE WITH SUBSECTION
25 (2)(e) OF THIS SECTION OR IF A RESIDENTIAL SELLER REJECTS THE LOCAL
26 GOVERNMENT'S OFFER IN ACCORDANCE WITH SUBSECTION (2)(f) OF THIS
27 SECTION, THE RESIDENTIAL SELLER HAS NO OBLIGATION TO PROVIDE

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

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

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

1 STATES FIRST CLASS MAIL, OR OVERNIGHT DELIVERY.

2 (b) ANY NOTICES PROVIDED TO THE RESIDENTIAL SELLER
3 PURSUANT TO THIS SECTION MUST BE DELIVERED TO THE PHYSICAL
4 ADDRESS PROVIDED BY THE RESIDENTIAL SELLER IN ACCORDANCE WITH
5 SUBSECTION (4)(a)(II) OF THIS SECTION OR, UPON ELECTION BY THE
6 RESIDENTIAL SELLER, BY ELECTRONIC MAIL TO THE ELECTRONIC MAILING
7 ADDRESS PROVIDED BY THE RESIDENTIAL SELLER TO THE LOCAL
8 GOVERNMENT.

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

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

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

1 (I) IS INTERESTED IN RECEIVING DUE DILIGENCE INFORMATION ON
2 THE QUALIFYING PROPERTY SO THAT IT CAN EVALUATE WHETHER IT
3 WANTS TO MAKE AN OFFER TO PURCHASE THE QUALIFYING PROPERTY,
4 WHICH RESPONSE MUST CONTAIN A NONDISCLOSURE AGREEMENT IN A
5 FORM ACCEPTABLE TO THE RESIDENTIAL SELLER THAT THE LOCAL
6 GOVERNMENT HAS EXECUTED; OR

7 (II) WAIVES ANY RIGHT OF THE LOCAL GOVERNMENT TO PURCHASE
8 THE QUALIFYING PROPERTY.

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

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

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

20 (II) THE RESIDENTIAL SELLER'S ADDRESS AND, IF AVAILABLE,
21 ELECTRONIC MAILING ADDRESS TO RECEIVE NOTICES FROM THE LOCAL
22 GOVERNMENT;

23 (III) A RENT ROLL FOR THE QUALIFYING PROPERTY SHOWING
24 THE AMOUNT OF RENT CHARGED TO TENANTS AT THE QUALIFYING
25 PROPERTY;

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

1 (V) ANY MARKETING MATERIALS THAT THE RESIDENTIAL SELLER
2 HAS PREPARED ON OR BEFORE THE DATE OF SUCH NOTICE AND
3 ANTICIPATES USING IN CONNECTION WITH LISTING THE QUALIFYING
4 PROPERTY FOR SALE;

5 (VI) A CURRENT TITLE COMMITMENT; AND

6 (VII) THE RESIDENTIAL SELLER'S EXECUTED VERSION OF THE
7 NONDISCLOSURE AGREEMENT.

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

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

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

25 (II) WAIVES ANY RIGHT OF THE LOCAL GOVERNMENT TO PURCHASE
26 THE QUALIFYING PROPERTY.

27 (b) IF THE LOCAL GOVERNMENT DOES NOT PROVIDE A RESPONSE

1 WITHIN THE FOURTEEN-DAY PERIOD SET FORTH IN SUBSECTION (6)(a) OF
2 THIS SECTION, THE LOCAL GOVERNMENT'S RIGHT OF FIRST OFFER IS
3 DEEMED WAIVED.

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

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

25 **(8) Certificate of compliance.** WITHIN FOURTEEN CALENDAR
26 DAYS OF RECEIPT OF NOTICE REQUIRED BY SUBSECTION (4)(a) OF THIS
27 SECTION UNLESS THE LOCAL GOVERNMENT PROVIDES NOTICE PURSUANT

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

15 (9) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31,
16 2029.

17 **29-4-1204. General provisions applicable to a local**
18 **government's right of first refusal and right of first offer.**

19 (1) NOTHING IN THIS PART 12 REQUIRES A LOCAL GOVERNMENT TO
20 EXERCISE ITS RIGHT OF FIRST REFUSAL SET FORTH IN SECTION 29-4-1202
21 OR ITS RIGHT OF FIRST OFFER SET FORTH IN SECTION 29-4-1203 AND A
22 LOCAL GOVERNMENT MUST PROMPTLY NOTIFY A RESIDENTIAL SELLER OF
23 ITS INTENT NOT TO EXERCISE ITS RIGHT OF FIRST OFFICE AS SET FORTH IN
24 SECTION 29-4-1203 (4)(a)(II).

25 (2) ANY ACTION BY THE LOCAL GOVERNMENT REQUIRED OR
26 PERMITTED PURSUANT TO THIS PART 12 MAY BE PERFORMED, AS IS
27 APPLICABLE AND TO THE EXTENT PERMITTED BY LAW, BY THE COUNTY

1 MANAGER OF A COUNTY, THE MAYOR OR CITY MANAGER OF A CITY OR
2 TOWN, OR ANOTHER OFFICER DESIGNATED BY THE GOVERNING BODY OF
3 THE LOCAL GOVERNMENT.

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

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

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

21 **29-4-1205. Exemptions - repeal.** (1) THIS PART 12 DOES NOT
22 APPLY TO ANY SALE, TRANSFER, OR CONVEYANCE OF AN APPLICABLE
23 QUALIFYING PROPERTY BY A RESIDENTIAL SELLER:

24 (a) MADE TO, IF WHOLLY OR MAJORITY OWNED BY, BENEFICIALLY
25 HELD, ALL OR IN PART, IN COMMON WITH, OR UNDER COMMON OWNERSHIP
26 OR CONTROL WITH THE RESIDENTIAL SELLER, ONE OR MORE PARTNERSHIPS,
27 LIMITED LIABILITY COMPANIES, CORPORATIONS, OR OTHER ENTITIES, OR

1 MADE FOR TAX OR ESTATE PURPOSES BETWEEN CLOSELY HELD PARTNERS,
2 MEMBERS OF ONE OR MORE LIMITED LIABILITY COMPANIES, MEMBERS OF
3 ONE OR MORE CORPORATIONS, OR MEMBERS, TRUSTEES, MANAGERS, OR
4 PARTNERS OF ONE OR MORE OTHER ENTITIES;

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 OR IF THE APPLICABLE QUALIFYING PROPERTY IS
15 SOLD, 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

18 (e) IF, AT THE TIME OF THE EFFECTIVE DATE OF THIS PART 12, THE
19 QUALIFYING PROPERTY HAS A PREEXISTING AGREEMENT THAT BESTOWS
20 A RIGHT OF FIRST REFUSAL, RIGHT OF FIRST OFFER, OR OTHER CONTINGENT
21 PROPERTY RIGHT REGARDING THE QUALIFYING PROPERTY TO A THIRD
22 PARTY; EXCEPT THAT, UPON EXPIRATION OF THE AGREEMENT, THE
23 PROVISIONS OF THIS PART 12 APPLY TO ANY SALE, TRANSFER, OR
24 CONVEYANCE OF THE QUALIFYING PROPERTY BY THE RESIDENTIAL SELLER;
25 OR

26 (f) IF THE RESIDENTIAL SELLER HAS APPLIED FOR, IS IN THE
27 PROCESS OF, OR HAS SUCCESSFULLY RESYNDICATED OR RECAPITALIZED

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

12 (2) (a) THE RIGHT OF FIRST OFFER SET FORTH IN SECTION
13 29-4-1203 DOES NOT APPLY TO ANY SALE, TRANSFER, OR CONVEYANCE OF
14 A QUALIFYING PROPERTY, AS DEFINED IN SECTION 29-4-1203 (1), BY A
15 RESIDENTIAL SELLER:

16 (I) MADE TO A FAMILY MEMBER, AS DEFINED IN SECTION
17 8-13.3-503 (11), OF THE RESIDENTIAL SELLER;

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

21 (III) MADE PURSUANT TO A WILL, DESCENT, OR INTESTATE
22 DISTRIBUTION;

23 (IV) MADE PURSUANT TO AN ACTION IN EMINENT DOMAIN OR IN
24 RESPONSE TO A THREAT OF EMINENT DOMAIN;

25 (V) MADE PURSUANT TO A COURT ORDER;

26 (VI) MADE BETWEEN JOINT TENANTS OR TENANTS IN COMMON;

27 (VII) IF THE FIRST CERTIFICATE OF OCCUPANCY FOR THE

1 QUALIFYING PROPERTY WAS ISSUED WITHIN THIRTY YEARS PRECEDING THE
2 DATE THAT THE RESIDENTIAL SELLER WILL LIST THE QUALIFYING
3 PROPERTY FOR SALE;

4 (VIII) IF THE QUALIFYING PROPERTY IS BEING SOLD, TRANSFERRED,
5 OR CONVEYED AS PART OF A TRANSACTION INVOLVING MULTIPLE
6 PROPERTIES WHICH INCLUDES AT LEAST ONE PROPERTY LOCATED IN A
7 JURISDICTION THAT IS OUTSIDE OF THE JURISDICTION OF THE LOCAL
8 GOVERNMENT;

9 (IX) THAT DOES NOT INVOLVE THE SALE, TRANSFER, OR
10 CONVEYANCE OF ALL OR SUBSTANTIALLY ALL OF THE QUALIFYING
11 PROPERTY; OR

12 (X) THAT IS A SALE, TRANSFER, OR CONVEYANCE, DIRECTLY OR
13 INDIRECTLY, OF OWNERSHIP INTERESTS IN THE RESIDENTIAL SELLER.

14 (b) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE DECEMBER 31,
15 2029.

16 **29-4-1206. Remedies for noncompliance.**

17 (1) (a) NOTWITHSTANDING SUBSECTION (1)(b) OF THIS SECTION AND
18 SUBJECT TO THE AVAILABILITY OF RESOURCES, IT IS THE RESPONSIBILITY
19 OF THE ATTORNEY GENERAL'S OFFICE TO ENFORCE THE PROVISIONS OF THIS
20 PART 12, AND THE ATTORNEY GENERAL MAY INTERVENE IN ANY ACTION
21 BROUGHT PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION.

22
23 (b) THE ATTORNEY GENERAL'S OFFICE, THE LOCAL GOVERNMENT,
24 OR THE LOCAL GOVERNMENT'S ASSIGNEE MAY BRING A CIVIL ACTION
25 AGAINST A RESIDENTIAL SELLER FOR ANY VIOLATION OF THIS PART 12.

26 (c) THE REMEDIES FOR ANY ACTION BROUGHT PURSUANT TO THIS
27 SUBSECTION (1) ARE LIMITED TO MONETARY DAMAGES AND STATUTORY

1 PENALTIES AGAINST THE RESIDENTIAL SELLER. ANY PERSON CLAIMING AN
2 INTEREST IN AN APPLICABLE QUALIFYING PROPERTY THROUGH A
3 RESIDENTIAL SELLER SHALL TAKE TITLE TO THE APPLICABLE QUALIFYING
4 PROPERTY FREE OF ANY RIGHTS OR CLAIMS SET FORTH IN THIS PART 12.

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

13 (3) A COURT MAY ALSO AWARD REASONABLE ATTORNEY FEES AND
14 COSTS TO A PREVAILING PARTY. [REDACTED]

15 (4) THE REMEDIES PROVIDED IN THIS SECTION ARE [REDACTED] THE SOLE
16 AND EXCLUSIVE REMEDIES PURSUANT TO A CIVIL ACTION BROUGHT
17 PURSUANT TO THIS SECTION FOR A VIOLATION OF THIS PART 12 BY A
18 RESIDENTIAL SELLER.

19 **29-4-1207. Termination of right of first offer.** THE RIGHT OF
20 FIRST OFFER ESTABLISHED IN THIS PART 12 TERMINATES ON DECEMBER 31,
21 2029.

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

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

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

1 (XVII) The "Rental Application Fairness Act", part 9 of article 12
2 of title 38; and

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

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

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

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