

HOUSE COMMITTEE OF REFERENCE REPORT

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Chair of Committee

February 28, 2023  
Date

Committee on Transportation, Housing & Local Government.

After consideration on the merits, the Committee recommends the following:

HB23-1190 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

- 1 Amend printed bill, page 4, line 5, strike "CAP." and substitute "CAP;  
2 EXCEPT THAT THE RENT INCREASE CAP SHALL NOT APPLY TO UNITS OF  
3 HOUSING REGULATED BY FAIR MARKET RENTS PUBLISHED BY THE UNITED  
4 STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OR ANY  
5 OTHER FEDERAL OR STATE PROGRAMS THAT RESTRICT OR LIMIT  
6 ALLOWABLE RENTS."
- 7 Page 4, line 13, before "PROPERTY" insert "RENTAL".
- 8 Page 4, strike lines 18 through 27.
- 9 Page 5, strike lines 1 through 11 and substitute:  
10 "(b) "QUALIFYING PROPERTY" DOES NOT INCLUDE A MOBILE HOME  
11 PARK AS DEFINED IN SECTION 38-12-201.5 (6)."
- 12 Page 6, line 8, strike "ENTITY" and substitute "ENTITY, A PRIVATE ENTITY,  
13 OR ANOTHER GOVERNMENTAL ENTITY".
- 14 Page 7, line 24, strike "A RESIDENTIAL SELLER IS".
- 15 Page 7, strike lines 25 through 27.
- 16 Page 8, strike lines 1 through 3 and substitute "A RESIDENTIAL SELLER  
17 SHALL NOT COLLUDE WITH A POTENTIAL BUYER FOR THE PRIMARY  
18 PURPOSE OF INFLATING A SALES PRICE ABOVE THE MARKET PRICE OF A  
19 QUALIFYING PROPERTY."

- 1 Page 8, line 6, strike "OR ANY HOUSING AUTHORITY IN THE STATE" and  
2 substitute "ANY HOUSING AUTHORITY IN THE STATE, OR THE COLORADO  
3 HOUSING AND FINANCE AUTHORITY, CREATED IN SECTION 29-4-704 (1),".
- 4 Page 9, line 25, after "PROPERTY;" add "EXCEPT THAT ANY ACTION TAKEN  
5 TO ENGAGE WITH A POLITICAL SUBDIVISION OR A HOUSING AUTHORITY IN  
6 THE STATE TO FACILITATE NEGOTIATIONS BETWEEN THE RESIDENTIAL  
7 SELLER AND A THIRD-PARTY TO CREATE OR PRESERVE LONG-TERM  
8 AFFORDABLE HOUSING FOR A QUALIFYING PROPERTY IS NOT CONSIDERED  
9 A TRIGGERING EVENT UNTIL ANOTHER ACTION SET FORTH IN THIS  
10 SUBSECTION (2)(b) OCCURS;".
- 11 Page 10, line 16, after "HAND" insert "OR ELECTRONIC MAIL".
- 12 Page 11, line 20, after "ASSIGNEES" insert "OR A PROSPECTIVE ENTITY THE  
13 LOCAL GOVERNMENT PARTNERS WITH PURSUANT TO SUBSECTION (1)(a)(II)  
14 OF THIS SECTION".
- 15 Page 12, after line 2 insert:  
16 "(e) (I) PRIOR TO THE SALE OF A QUALIFYING PROPERTY, A  
17 RESIDENTIAL SELLER SHALL EXECUTE AND RECORD IN THE REAL PROPERTY  
18 RECORDS OF THE COUNTY IN WHICH THE QUALIFYING PROPERTY IS  
19 LOCATED AN AFFIDAVIT CERTIFYING UNDER PENALTY OF PERJURY THAT  
20 THEY HAVE COMPLIED WITH THE REQUIREMENTS OF THIS PART 12.  
21 (II) ANY PARTY THAT ACQUIRES AN INTEREST IN THE QUALIFYING  
22 PROPERTY AND A TITLE INSURANCE ENTITY AS DEFINED IN SECTION  
23 10-11-102 (11) SHALL HAVE AN ABSOLUTE RIGHT TO RELY ON THE TRUTH  
24 AND ACCURACY OF ALL STATEMENTS IN THE AFFIDAVIT MADE PURSUANT  
25 TO SUBSECTION (2)(e)(I) OF THIS SECTION AND SHALL NOT BE HELD LIABLE  
26 OR RESPONSIBLE FOR ANY DAMAGES RELATED TO A RESIDENTIAL SELLER'S  
27 MISREPRESENTATION IN THE AFFIDAVIT.".
- 28 Page 12, line 11, after "HAND" insert "OR ELECTRONIC MAIL".
- 29 Page 14, line 27, after "SELLER." add "NOTWITHSTANDING ANY OTHER  
30 PROVISION IN THIS PART 12 TO THE CONTRARY, A POLITICAL SUBDIVISION  
31 OR A HOUSING AUTHORITY IN THE STATE THAT ENGAGES IN ACTIVITIES TO  
32 CREATE OR PRESERVE LONG-TERM AFFORDABLE HOUSING FOR A  
33 QUALIFYING PROPERTY IS NOT CONSIDERED AN AGENT WORKING ON  
34 BEHALF OF A RESIDENTIAL SELLER FOR PURPOSES OF THIS PART 12.".
- 35 Page 15, strike lines 5 and 6 and substitute "AUCTION.".

- 1 Page 15, line 7, strike "TRUSTEE."
- 2 Page 15, line 8, strike "NINETY" and substitute "THIRTY".
- 3 Page 15, line 17, strike "INCOME; EXCEPT THAT RESIDENTS AT THE" and  
4 substitute "INCOME."
- 5 Page 15, strike lines 18 through 27.
- 6 Page 16, strike lines 1 through 3 and substitute:
- 7           "(b) NOTWITHSTANDING SECTION 29-4-1201 (4), RESIDENTS AT  
8 THE QUALIFYING PROPERTY AT THE TIME IT IS ACQUIRED BY THE LOCAL  
9 GOVERNMENT PURSUANT TO THIS SECTION MAY CONTINUE TO RESIDE AT  
10 THE QUALIFYING PROPERTY IRRESPECTIVE OF THEIR INCOME LEVEL FOR AT  
11 LEAST THE DURATION OF THEIR TENANCY AGREEMENT UNDER THE  
12 TENANCY AGREEMENT'S TERMS IN EFFECT AT THE TIME THE LOCAL  
13 GOVERNMENT ACQUIRES THE QUALIFYING PROPERTY.
- 14           (c) A RESIDENT'S INCOME MAY ONLY EXCEED THE APPLICABLE  
15 AREA MEDIAN INCOME IF THAT RESIDENT HAS A PRE-EXISTING TENANCY  
16 AGREEMENT IN ACCORDANCE WITH SUBSECTION (8)(b) OF THIS SECTION.
- 17           (d) ONLY IN ACCORDANCE WITH SUBSECTION (8)(c) OF THIS  
18 SECTION MAY THE LOCAL GOVERNMENT DECLINE TO RENEW A RESIDENT'S  
19 PRE-EXISTING TENANCY AGREEMENT ONCE IT ENDS IN ORDER TO BRING  
20 THE QUALIFYING PROPERTY INTO COMPLIANCE WITH SUBSECTION (8)(a) OF  
21 THIS SECTION."
- 22 Page 17, line 1, strike "THE LOCAL GOVERNMENT MAY" and substitute "IN  
23 ADDITION TO NOT RESPONDING TO A RESIDENTIAL SELLER'S NOTICE AS SET  
24 FORTH IN SECTION 29-4-1202 (3)(a)(III), THE LOCAL GOVERNMENT MAY  
25 ALSO".
- 26 Page 17, line 20, after "PROPERTY;" strike "AND".
- 27 Page 18, line 5, strike "LAW." and substitute "LAW; AND".
- 28 Page 18, after line 5 insert:
- 29           "(C) THE THIRD-PARTY BUYER SHALL CERTIFY ITS COMPLIANCE  
30 WITH SUBSECTION (2)(b)(II)(B) OF THIS SECTION AT LEAST ONCE EVERY  
31 TWO YEARS BY SUBMITTING DOCUMENTATION TO THE LOCAL  
32 GOVERNMENT IN A FORM AND MANNER DEEMED ACCEPTABLE BY THE  
33 LOCAL GOVERNMENT."

1 Page 19, line 15, strike "(1) (a)" and substitute "(1) (a) (I)".

2 Page 19, after line 24 insert:

3 "(II) NOTWITHSTANDING SUBSECTION (1)(a)(I) OF THIS SECTION,  
4 AND IN ADDITION TO THE REMEDIES SET FORTH IN SUBSECTION (3) OF THIS  
5 SECTION, IF A COURT FINDS THAT A RESIDENTIAL SELLER HAS MADE A  
6 MISREPRESENTATION IN AN AFFIDAVIT MADE IN ACCORDANCE WITH  
7 SECTION 29-4-1202 (2)(e), THE SOLE REMEDY AVAILABLE IS AGAINST THE  
8 RESIDENTIAL SELLER. THE INTEREST IN THE QUALIFYING PROPERTY  
9 TRANSFERRED IN RELIANCE ON THE AFFIDAVIT SHALL NOT BE TREATED AS  
10 DEFECTIVE OR AFFECTED IN ANY OTHER WAY."

11 Page 20, after line 10 insert:

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

20 Renumber succeeding subsections accordingly.

21 Before "DAYS" insert "CALENDAR" on: **Page 8**, line 26; **Page 15**, lines 4  
22 and 8; and **Page 18**, line 20.

23 Strike "BUSINESS" and substitute "CALENDAR" on: **Page 12**, line 5; and  
24 **Page 14**, lines 2 and 6.

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