



## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

# Fiscal Note

**Drafting Number:** LLS 23-0694  
**Prime Sponsors:** Sen. Hinrichsen

**Date:** February 3, 2023  
**Bill Status:** Senate Local Government  
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**Bill Topic:** **RESTRICTIONS ON BROKER ENGAGEMENT CONTRACTS**

**Summary of Fiscal Impact:**

- |   |  |
|---|--|
| <input type="checkbox"/> State Revenue                | <input type="checkbox"/> TABOR Refund            |
| <input checked="" type="checkbox"/> State Expenditure | <input type="checkbox"/> Local Government        |
| <input type="checkbox"/> State Transfer               | <input type="checkbox"/> Statutory Public Entity |

The bill establishes requirements for broker engagement contracts for the sale of residential premises. The bill minimally increase state workload on an ongoing basis.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** The fiscal note reflects the introduced bill.

## Summary of Legislation

With certain exceptions, the bill requires that a broker engagement contract for the sale of a residential premises must not:

- claim to be a covenant running with the land or to be binding on future owners of interests in the real property;
- allow for assignment of the right to provide service without notice and agreement of the owner of the residential premises; or
- claim to create a recordable lien, encumbrance, or other real property security interest

## State Expenditures

The bill will minimally increase workload for the Division of Real Estate in the Department of Regulatory Agencies (DORA) to adjust materials to comply with the bill.

## Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

**State and Local Government Contacts**

Law

Personnel

Regulatory Agencies