

LEGISLATIVE REVIEW 2019



colorado association of
REALTORS®



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Message from John Mitchell

2019 CAR Legislative Policy Committee Chair



The 2019 legislative session by many accounts, was an intense and emotionally charged session that significantly impacted Coloradans, with new legislation to fund full-day kindergarten, reform oil and gas operations, and create health care transparency. The Democrats took complete control over the Senate, the House, and the Governor's Office after historic elections last fall. These new democratic majorities made 2019 a challenging legislative session for the business community to navigate. However, the Colorado Association of REALTORS® Legislative Policy Committee (LPC) worked hard to educate new policymakers on how potential legislation could affect Colorado homeowners, small business owners, property rights, the housing industry, and the state's economic vitality. Moreover, CAR diligently worked with bill sponsors to find common ground on several pieces of legislation, and even when some legislators were pressured to hold their ground, they listened to CAR's concerns and made meaningful amendments that will protect homeowners.

The 2019 LPC adhered to goals set forth by the Board of Directors from the legislative policy statements. The approved 2019 policy statements determine priority areas and establish guidelines to support legislation that ensures business competitiveness and economic vitality, provides jobs and housing opportunities, preserves the environment, protects property owners, and builds better communities. There were 44 active and dedicated REALTOR® members on the LPC this year, representing local boards and associations across the state including both commercial and residential REALTOR® perspectives in subcommittees. As the gavel came down on May 3, 2019, in each chamber of the General Assembly, over 654 bills were introduced and the LPC reviewed 89 bills and took a position on 52 of them.

We are proud of the significant strides made to address the full spectrum of affordable housing needs across the state this year. CAR was on the frontlines fighting for Colorado REALTORS®, and worked with the House and Senate leadership of both parties, industry partners, and the business community to

enact key pieces of priority legislation and deter passage of policies harmful to the industry and well-being of Colorado's economy.

A prime example of public policy harmful to the creation of affordable housing was SB-225, which would have repealed current statute and allowed local jurisdictions to pursue rent control and stabilization policies within their communities. Rent control or stabilization does not help us solve the affordable housing problem we are facing in Colorado, but instead it deters investments in our communities and decrease home building, adding further stress to the insufficient supply of housing inventory across the state. If we take the right steps to improve affordability, we can give Coloradans a better future.

And our work to meaningfully address affordable housing for everyone has only just begun. CAR is already focusing on 2020 legislation, including expansion of the First-Time Homebuyer Savings Accounts program to give employers an opportunity to match employee's savings account contributions. This legislation would enable both the employer and the employee to contribute money and empower first-time homebuyers to save much faster for that critical down payment. We will also continue to work on some unresolved issues in 2019, such as consumer protection and data privacy issues.

Thank you to the dedicated and hardworking members of the LPC and to the state legislators we have had the privilege of working with in the 2019 legislative session. Among our many thanks to the hard working REALTOR® Champions, we would like to give special thanks to two-time CAR Legislator of the Year, Representative Matt Gray, and Senator Pete Lee for sponsoring HB-1098, common sense legislation that fixes a long standing problem on deed drafting authority to convey real property in a real estate transactions. On behalf of REALTORS® across Colorado, thank you for your leadership!

It is absolutely crucial that we take proactive stances on the

issues that are important to us as we continue to be the voice for real estate in Colorado. We will continue to work to protect our industry, promote business-friendly ideas, and support innovative solutions to address housing needs across the state. To all of our members who answered the calls to actions to communicate the importance of these issues to state legislators, we salute your passionate involvement.

We continue to build relationships with our elected officials, find compromise, and work toward effective policy development in 2020 because each step forward is a win for Colorado.



John Mitchell
Chair, 2019 CAR Legislative Policy Committee

How does public policy affect your day-to-day business?

Take a look at the top legislative issues that CAR engaged in during the 2019 legislative session:

Business & Taxation:



HB-1167: Remote Notaries Protect Privacy

Rep. Duran (D-Wheat Ridge), Rep. Carver (R-Colorado Springs), Sen. Rodriguez (D-Denver) and Sen. Holbert (R-Parker)

Position: SUPPORT

Status: Died on the Senate Calendar on Second Reading

Consumer protection and data privacy are top priorities for states across the country. As our National Association, continues to advocate for consumer protection on the federal level, CAR continues to work with state legislators from both sides of the

aisle and stakeholders to find a meaningful compromise for the utilization of remote notarization technology while also protecting consumer's sensitive personal information. HB-1167 would have authorized notaries public to perform a notarial act through use of audio-visual communication. Existing law requires an individual to appear in-person in order to get a document notarized.

In today's digital economy, data privacy is very important for consumers. REALTORS® have ethical duties to respect the clients they represent and protect the sensitive and personal information that is exchanged in a real estate transaction. If passed, this bill would have provided guardrails around this new technology to limit the sharing of consumer personal information and confine the data collected during the process to be used only for completing the notarial act and processing the transaction for which the information was originally provided.

If the legislation passed, it would have provided consumers confidence that their data is not being shared with third-party marketing affiliates outside the immediate business transaction. Consumer protection and data privacy will continue to be a top priority for CAR in 2020 so that we may embrace emerging technological advancements without sacrificing consumer protection.

Housing:



Improving housing affordability for all Coloradans requires us to take steps to increase the supply of housing availability for every spectrum of need. The main catalyst that drives home prices up and out of reach for anyone is a lack of housing inventory. In the last six years, home prices have increased 44% while housing inventory has decreased by 13%. In 2019, CAR proudly partnered with Speaker KC Becker (D-Boulder) and other legislators to take significant strides to invest in short and long-term affordable housing solutions to build sustainable communities across our state by passing a package of innovative, market-driven affordable housing bills.

HB-1228: Expansion of Low-Income Housing Tax Credit

Rep. Bird (D-Westminster), Rep. Titone (D-Arvada),
Sen. Zenzinger (D-Aurora) and Sen. Tate (R-Centennial)

Position: SUPPORT

Status: Signed by the Governor

As the cost of living continues to rise and wages do not increase, the dire need for rental and for-sale housing continues to grow. Federal housing tax credits fill the necessary funding gaps to build low income housing. Tax credits are tied to qualified projects that allow investors to raise capital to build affordable housing units. This bill doubles the existing cap of total allowed state tax credits for the Low-Income Housing Tax Credit program (LIHTC) from the current annual \$5 million to \$10 million, and raises private sector equity to further support the development and preservation of existing affordable housing.

HB-1245: Affordable Housing Funding from Vendor Fee Changes

Rep. Mike Weissman (D-Aurora), Sen. Julie Gonzales
(D-Denver), Sen. Mike Foote (D-Lafayette)

Position: SUPPORT

Status: Signed by the Governor

HB-1245 is an innovative affordable housing funding idea that came to fruition. It changes the sales and uses taxes collected by vendors by increasing the existing state vendor fee from 3.33% to 4%. This increase in sales taxes attributable to the

vendor fee is allocated for the development of affordable housing administered under the Department of Local Affairs (DOLA). DOLA is required to award at least one-third of the money collected for affordable housing projects for households whose annual income is less than or equal to 30% of the area median income (AMI). The bill will also allocate funding to the re-insurance program created under separate legislation that will be used to reduce the costs of insurance in fiscal years 2020 and 2021.

HB-1322: Expand the Supply of Affordable Housing

Rep. Roberts (D-Avon), Rep. Will (R-Windsor),
Sen. Moreno (D-Commerce City) and Sen. Coram (R-Montrose)

Position: SUPPORT

Status: Signed by the Governor

HB-1322 establishes a new state fund in the Division of Housing in the Department of Local Affairs (DOLA) to provide sustainable funding for programs and projects that improve, preserve, or expand the supply of workforce housing in Colorado. The revenue sources could include the General Fund, the Unclaimed Property Trust Fund, Marijuana Cash Funds, as well as Gifts, Grants, and Donations. Utilizing funding sources like the Unclaimed Property Trust Fund, provides a new revenue stream to construct or maintain affordable housing for Colorado residents. DOLA is required to consult with community stakeholders to determine how to most effectively meet the needs of Colorado's underserved populations and communities.

HB-1319: Flexible Funding Opportunities and Incentives for Developers

Rep. Bird (D-Westminster), Rep. McKean (R-Loveland),
Sen. Winter (D-Westminster), Sen. Hisey (R-Fountain)

Position: SUPPORT

Status: Signed by the Governor

This bill creates two policy changes to support private and nonprofit developers that want to build affordable housing projects. Affordable housing developers often have difficulty obtaining financing from lenders because the existing property tax rules created a regulatory obstacle for lenders. HB-1319 requires the Legislative Council to publish an inventory of public lands suitable for affordable housing development and limits the claw back of the current property tax exemption rules to enable lenders to finance affordable housing more robustly in the future.

SB-225: Expand the Supply of Affordable Housing

Sen. Gonzales (D-Denver), Sen. Rodriguez (D-Denver), Rep. Lontine (R-Littleton), Rep. Gonzales-Gutierrez (D-Denver)

Position: OPPOSE

Status: Died on the Senate Calendar on Second Reading

This bill would have repealed current Colorado statute prohibiting rent control on residential real property and allowed local jurisdictions to impose rent control or stabilization policies within their communities. Economists agree that controlling the housing market in such an arbitrary mode is a blunt method that is a completely ineffective tool to increase the supply of housing. And it creates entrenched policy that divides communities into haves and have-nots.

Thank you to all our Colorado REALTORS® who answered the call for action loud and clear. These important advocacy actions helped ensure our Colorado senators understood the unintended consequences of bad public policy like rent control and stopped the legislation dead in its tracks. Thank you for your passionate engagement on this critically important issue.

Land Use:



HB-1006: Wildfire Mitigation Wildland-Urban Interface Areas

Rep. McLachlan (D-Durango), Rep. Carver (R-Colorado Springs), Sen. Fields (D-Aurora)

Position: SUPPORT

Status: Signed by the Governor

CAR actively works with a multitude of stakeholders across the state to address wildfire prevention and property mitigation through Colorado Project Wildfire because it protects our

environment and ensures strong property values in our wildland urban interface communities.

HB-1006 creates a state grant program to fund proactive forest management and fuel reduction projects to reduce the impacts of wildfires to life, property and critical infrastructure. The increased funding in this legislation enables homeowners and communities together to tackle forest management and fuels reduction projects that reduce the life-threatening and destructive impacts of fire on Colorado citizens and local governments each year. This important aid lessens the devastating impact of wildfires and equips our communities with the tools and resources necessary to give residents more adequate risk mitigation funding to protect private property and the lives of our Colorado families, hardworking firefighters, and emergency personnel.

HB-1264: Conservation Easement Tax Credit Modifications

Rep. Roberts (D-Avon), Rep. Wilson (R-Salida), Sen. Winter (D-Westminster), Sen. Donovan (D-Vail)

Position: SUPPORT

Status: Signed by the Governor

Conservation easements allow property owners to agree to limit the use of their land in order to protect a specified conservation purpose. HB-1264 extends the lifetime of the Conservation Easement Oversight Commission to provide proper administration and regulatory oversight of the conservation easement tax credit program. The bill also increases transparency of existing conservation easements and establishes a workgroup to address the appraisal process to certify easements and develop criteria for retroactive tax remedies for previously denied tax credit claimants.

The public benefits of conservation easements, include addressing the negative impacts of climate change, improving clean water and clean air, giving citizens access to produced food by local farms and ranches, establishing and expanding wildlife habitats, and preserving our scenic vistas throughout Colorado. CAR supports the continuation of the program with important changes that will protect future open space and environmentally conscious land use while simultaneously providing previous property owners who were harmed some tax credit remedies.

Regulatory:



HB-1098: Deeds to Convey Real Property

Rep. Gray (D-Broomfield),
Sen. Lee (D-Colorado Springs)

Position: SUPPORT

Status: Signed by the Governor

CAR championed this common-sense public policy solution that fixes a longstanding problem concerning deed drafting authority to convey real property. Under previous law, only a licensed real estate broker was authorized to prepare a deed, but the broker could delegate this limited authority to a title company who then completed the deed under the direction and review of a broker. Now, under this new law, a title company is authorized to prepare a deed directly.

This legislation is important because it will lessen disputes arising from the current statutory deed process, reduce confusion related to transferring real property, and provide a clear public record of the real estate transaction. CAR is proud to be a part of the group of housing industry stakeholders to enact a solution that protects parties involved in real estate transactions.

HB-1118: Time Period to Cure Lease Violation

Rep. Jackson (D-Aurora), Rep. Galindo (D-Greeley),
Sen. Williams (D-Denver)

Position: OPPOSE

Status: Signed by the Governor

This bill changes existing law to require a landlord or property manager to provide tenants a ten-day notice to cure a violation for unpaid rent or lease agreement violation before

the property manager terminates the lease and initiates an eviction proceeding. Under prior law, a landlord was required to provide a tenant only three days of notice to remedy a violation.

CAR worked to secure amendments that enable single-family homes owned by a property owner with five or fewer units to receive leniency under the new law. These amendments allow our vulnerable military and senior citizen families the ability to protect their savings and investments whether they are on a fixed income or experience a sudden change in circumstances that require them to relocate quickly as they honorably serve our nation.

HB-1170: Residential Tenants Health and Safety Act

Rep. Jackson (D-Aurora), Rep. Weissman (D-Aurora),
Sen. Williams (D-Denver) and Sen. Bridges (D-Greenwood Village)

Position: NEUTRAL

Status: Signed by the Governor

HB-1170 makes changes to the warranty of habitability statutes. Before this bill previous statute established the concept that every rental agreement between a landlord and a tenant carries an implicit guarantee that a residential property is fit for human habitation. HB-1170 modifies the conditions that trigger a breach of the warranty of habitability and sets forth a process for the tenant and landlord to remedy any potential safety or defect conditions with the premises within a reasonable time frame.

CAR worked overtime with legislators to find common ground on defining the types of conditions that would trigger property owner responsibilities to mitigate any safety concerns for the resident. We also helped to define the time period that allows the property owner adequate time to properly address these mitigation concerns within reasonable normal operating business practices so that any potential work can be completed to improve the habitability for a resident.

SB-107: Broadband Infrastructure Installation

Sen. Donovan (D-Vail),
Rep. Roberts (D-Avon)

Position: NEUTRAL

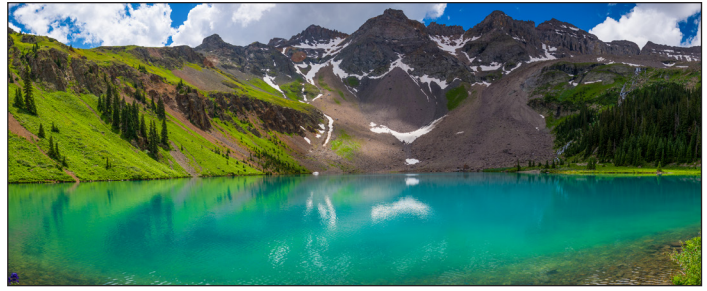
Status: Signed by the Governor

SB-107 allows an electric utility or commercial broadband provider to install, maintain, or lease broadband infrastructure within the electric easement. Only after providing advanced notice to the landowner or interest holders can an electric cooperative now enter the premises and install broadband infrastructure.

CAR strongly supports the state’s efforts to expand broadband access to all of Colorado. It is particularly important to our rural and underserved areas because all Colorado communities should be able to enjoy the opportunity for economic development, business recruitment, and job creation. However, after receiving legal analysis through NAR’s Land Use Initiative, CAR discovered that the bill as initially drafted negatively impacted private property owners by taking away their legal remedies if damages occurred or the installation infringed on property owners ability to receive communication about changes to their property prior to initiation of broadband deployment.

CAR worked with several stakeholders and the bill sponsors to amend the bill to add adequate notice protections before entering onto property in connection with construction of commercial broadband. The final legislation allows property owners to seek remedy of damages or injury to property incurred as a result of negligence by a broadband supplier through the court process while providing access to the internet and digital communication services that we have all become accustomed to in our modern way of living.

Water:



SB-221: Colorado Water Conservation Board Construction Fund Project

Sen. Donovan (D-Vail),
Rep. Roberts (D-Avon)

Position: SUPPORT

Status: Signed by the Governor

The bill appropriates funds from the Colorado Water Conservation Board Construction Fund in the Department of Natural Resources for specified water projects to implement the Colorado Water Plan, including the continuation of the Colorado floodplain mapping modernization program. When Colorado residents have up to date information regarding floodplains, it plays a huge role in the homebuying and insurance process by allowing residents and all parties involved to have a better understanding of the landscape and potential risks. And using updated technology such as LiDAR mapping enables the state to also improve wildfire mitigation techniques that save lives.



CAR Chair Justin Knoll honors Rep. Matt Gray as the 2018 CAR Legislator of the Year.



CAR members enjoy a presentation by Chris Brown, Director of Policy and Research with the Common Sense Policy Roundtable (CSPR), at the 2019 REALTOR® Day at the Capitol.

Thank You Leaders!



Justin Knoll
2019 CAR Chair

SPECIAL THANK YOU TO LPC MEMBERS, LEADERSHIP, AND STAFF

Forty-four active and committed REALTOR® members worked hard this year to protect your industry. These members of LPC come from all corners of the state and actively participate in various subcommittees to review and recommend action on specific bills.

At CAR, we lead the charge by building key relationships that give REALTORS® a seat at the table to ensure Colorado REALTORS® have the tools to succeed. But we couldn't do all of this without the countless volunteer hours from the LPC. The work you do in the community each and every day, the experience you bring to the table, and your passion truly make a big difference.



Janene Johnson
2019 CAR Chair-Elect

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