

Government Affairs Update

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LOCAL

Larimer County

REALTOR® in County Commissioner Primary: REALTOR® Sean Dougherty received enough votes at the GOP Larimer County Assembly to make the June Primary ballot. Dougherty will compete against fellow Republican Chalon Kintzley, who owns a construction company. The winner of the primary will face John Kefalas, who currently serves in the Colorado Senate in the November general election.

Berthoud

Election Results: Will Karspeck will become the Mayor of Berthoud as of April 17, with his resounding victory over opponent and fellow trustee Jeff Hindman. Pete Tomassi, Tim Hardy and Maureen Dower were elected to the Board of Trustees. Now the question is, who will take Will Karspeck's seat on the Board? Berthoud is a statutory town, which means its election laws are governed by State statute, unlike home rule towns that create their own election laws in town charters.

According to Colorado law*, the Board of Trustees has two choices, it can appoint someone to fill the vacancy (typically the next highest vote-getter in the election) or hold another election for that seat. If the Board chooses the candidate with the highest number of votes, it would be Kevin Pischke. An election would take time and money, so often that option isn't preferable.

There are rumors in Berthoud <http://www.berthoudsurveyor.com/backroom-politics-berthoud-trustees-possibly-violate-ethics-code/that> Jeff Hindman and some of his supporters would like to appoint Paul Alaback to the seat, rather than Pischke. Once the new Board is sworn in, it will decide how to deal with the vacancy. A decision that must be made in an open meeting. Note: LBAR endorsed Karspeck, Tomassi, Hardy and Pischke after interviewing all candidates.

- * The board of trustees has the power, by appointment, to fill all vacancies in the board or any other office, and the person so appointed shall hold his office until the next regular election and until his successor is elected and has complied with [section 31-4-401](#). The board also has the power to fill a vacancy in the board or in any other elective office of the town by ordering an election to fill the vacancy until the next regular election and until a successor has been elected and has complied with [section 31-4-401](#). If a vacancy in the board or in such other elective office is not filled by appointment or an election is not ordered within sixty days after the vacancy occurs, the board shall order an election, subject to the municipal election code, to be held as soon as practicable to fill the vacancy until the next regular election and until a successor has been elected and has complied with [section 31-4-401](#).

Fort Collins

Bonds Approved for Broadband Network: The Fort Collins City Council, acting as the Electric Utility Enterprise Board, unanimously approved an ordinance that will fund the creation of the City's new broadband network. Ordinance Number three approves the financing and construction of a Municipal Broadband System to provide telecommunication facilities and services by authorizing the issuance of tax-exempt bonds. The ordinance limits the aggregate principal amount of the bonds to \$150 million. There was no staff presentation and the only member of Council to comment was Mayor Wade Troxell, who called the decision "an important milestone." **Note:** Loveland's City Council is also considering the creation of a city broadband network and will likely make a final decision sometime this year.

COLORADO ASSOCIATION OF REALTORS®

CAR Statement on Anti-Growth Initiative: Colorado's economy has grown rapidly in recent years fueled by a strong job market, and an enviable quality of life that defines the Colorado experience. This potential statewide ballot initiative proposes placing arbitrary limits on growth that could cripple future economic prosperity and create new growth burdens on the already low inventory of housing available to Colorado consumers. This initiative would have a very significant detrimental effect on affordability of housing in Colorado. We cannot increase affordability of housing by decreasing the supply of housing.

The supply of affordable housing is a vital component to a regional economy. The availability of affordable housing is critical to retaining a skilled workforce, keeping local business competitive, and reducing urban sprawl. It also gives young people the chance to purchase rather than rent, allowing them to begin building valuable home equity.

Businesses also need to be able to continue to attract and retain talented workers that can afford to live and thrive in the communities where they work. A lack of affordable housing near employment centers pushes workers farther from their jobs, forces them to commute longer distances, puts undue strain on local roadways and public transportation, and dis-incentivizes workers and their employers to locate in Colorado.

**PLEASE TELL YOUR FRIENDS, COLLEAGUES, AND NEIGHBORS NOT TO SIGN THE PETITION TO PUT
ARBITRARY HOUSING LIMITS ON THE BALLOT IN COLORADO!**

Legislative Update:

SB-001 "Transportation Infrastructure Funding" CAR Position – Support. Status – Passed Senate, introduced in House. Sponsored by Senator Cooke (Greeley) and Rep. Buck (Windsor)

SB-001 would allow CDOT to issue \$3.5 billion in transbonds over the next three (fiscal) years. The bill allocates \$250 million a year to transportation for the next 20 years. Unfortunately, in order to get support from Senate Democrats, the bill was amended to delay voter approval of the bonding to 2019. This is problematic because interest rates are rising and there is no guarantee Democrats will refer the measure to voters if they hold the majority in the House and the Senate after the November 2018 election. Democrats support the delayed vote because they support the Denver Metro Chamber's proposed transportation sales tax initiative which the DMC hopes to get on the November ballot. However, this is the first time in four attempts that the transportation bonding measure has passed the Senate AND been assigned to a non-kill committee in the House. (See more information, below.)

HB-1227 "Real Estate Commission Flexibility in License Period" CAR Position – Support Status – Has passed House and Senate.

HB-1227 is a clean-up bill for the 2017 real estate sunset bill. In the sunset bill, the expiration date of real estate licenses changed from an anniversary date to a calendar renewal on December 31st of the third year after issuance. However, the legislative legal services committee had a few concerns about some rules promulgated to effect this change and therefore a clean-up bill this year will address those concerns to ensure that real estate licenses can be renewed on the calendar date instead of the anniversary date. CAR's LPC and the Division of Real Estate support this legislation.

CAR says, "Several of our rural members and local boards previously did not have the same access to a quality transition course. Some do not have offerings because only one type of education service provider can offer the course and this would mean members would have to travel long distances to meet their requirements. Additionally, depending on the timing of their renewal date during that transition period,

some transitioning licensees could be closer to a more current annual update course offering and the transition course would be dated since it is only updated once in five years. The number of continuing education requirements will remain the same under the amendments, but in the transition license period two annual update courses will be required and the rest of the requirements can be met with elective courses. As amended in the House and Senate committees the bill now will allow for calendar renewals of licenses and clear up some of the confusion around the transition period.”

STATE

Colorado Succeeds to Survey Gubernatorial Candidates: Colorado Succeeds (CS) is a business-driven advocacy organization that is pushing to improve Colorado schools to prepare students for the workforce. According to its website, CS “puts business to work for schools, providing a perspective that paves the way to a better public education system. We connect business leaders to the education system and legislative processes – *we’re the only organization in Colorado to bring together these critical players to reimagine our schools.*”

Colorado Succeeds wants to heighten education in the gubernatorial election. It will survey the top 12 candidates on their positions regarding education and release the information later this spring. CS focuses on education outcomes and wants to get government out of the way, allow schools to get more efficient with school funding. Note: CAR is a member of CS. www.coloradosucceeds.org/

Partisan Battle Over Transportation Bill: According to the *Denver Business Journal*, hours after the Colorado Senate unanimously passed a formerly divisive transportation-funding bill Wednesday that sets up a potential \$3.5 bonding initiative on the 2019 ballot, House Democrats signaled that the bipartisan agreement may not survive their chamber.

During an all-day budget debate, the House approved an amendment to move the majority of the roughly \$500 million in one-time funds that the Senate had put toward state highway expansion to city and county roadway needs and to multi-modal projects instead. House leaders also said repeatedly that they do not want to tie up future state budgets in what they call irresponsible bond repayments for fear that it will cause funding shortfalls in other areas of the government when the next recession hits.

The House vote seems to leave in peril a bipartisan agreement on how to address what is considered by many business leaders to be the most important issue of the 2018 legislative session — addressing the \$9 billion backlog in transportation funding that has left major arteries like Interstate 25. The Denver Metro Chamber of Commerce continues to look at running a ballot initiative in November that would raise sales taxes to fund roads and transit and is considering multiple ballot titles in that quest.

SB-01 would make that fix by putting \$500 million in the upcoming fiscal year toward new highway construction — a one-time payment requested by Democratic Gov. John Hickenlooper. Then, the bill proposes that voters be asked for permission to sell \$3.5 billion in bonds to address the state’s biggest highway pinch points, paying that back with an annual general-fund allocation of \$250 million.

House Speaker Crisanta Duran, resisted calls from some in her caucus to move some or all of the transportation-funding money to education, but she insisted it be divided between the state, local governments and a fund for transit to bike lane projects. An amendment added by Duran and Rep. Faith Winter, Chair of the Transportation Committee, divides the allotted \$495 million 35 percent to the state, 25 percent to cities, 25 percent to counties and 15 percent to the multi-modal project fund.

Duran said the division is necessary in order to get the money into the hands of local officials who understand their transportation needs the best. And she continued to argue that the one-time funding proposal is superior to the long-term funding commitment imagined through bonding in SB-01. SB-01 has

been assigned to the transportation, finance and appropriations committees but will not be scheduled for hearings until the House completes its budget deliberations.

Note: If Colorado wants to be eligible for federal funding under the proposed infrastructure plan, it must show "skin in the game" (see below). That's why the Democrats plan to move funding in SB-01 to local governments is dangerous. In addition, pushing the referred vote on bonding to 2019 will cost the State more because of rising interest rates. Finally, if the Dems take both chambers in the November election it is entirely feasible they could decide not to refer the measure to the voters at all.

Appraisal Qualifications in Colorado: The Appraisal Qualifications Board of the Appraisal Foundation has recently changed the Real Property Appraiser Qualification Criteria. As of May 1, no college level education is required for licensed residential appraisers. Certified appraisers are still required to have a bachelor's degree

The Division of Real Estate will be undertaking Emergency Rule-Making before the Colorado Board of Real Estate Appraisers on April 30, 2018, in order to incorporate and be in compliance with these new appraiser qualifications. Once those rules are adopted, the Division will incorporate the new qualifications on its site.

NATION

2018 Flood Insurance Rates Will Increase: On April 1, 2018, National Flood Insurance Program (NFIP) premium rates are set to rise an average of 8%. This increase is slightly more than last year but consistent with the annual 5-10% increases prior to the 2012 Biggert-Waters Act, which made significant reforms to the NFIP.

Under 2014 Flood Insurance Affordability amendments, individual property owners could see a rate increase up to 18% for newer properties and 25% for older ones. With these April 1 changes, FEMA is also continuing to implement the next round of increases and other technical changes for the newly mapped and preferred risk properties.

NAR Analysis of Infrastructure Plan: In this recording of March 28, 2018, live webcast, NAR's Advocacy Group looks at the Trump administration's \$1.5 trillion infrastructure plan. What has to happen next? And will there be opportunities for real estate professionals if all or part of the plan is enacted?
<https://www.youtube.com/watch?v=Pz1jUDI06mM&feature=youtu.be>

NAR Supports Short Sale Bill: On March 26, 2018, NAR submitted a letter of support for H.R. 5237, the "Fast Help for Homeowners Act," introduced by Reps. McNerney (CA-D) and Jones (NC-R). The legislation H.R. 5237 would help to streamline the short sale process by requiring a lender holding a second mortgage on a property to review and make a decision on a short sale agreement within 30 days. If the lender does not make a decision within that time frame, the short sale will be deemed approved on the 30th day.

Enormous amounts of time are spent on potential short sales that result in foreclosures. Even if successful, the process still takes many months and countless hours and often requires re-marketing of the property because buyers lose patience and terminate the contract. The short sale process is even more challenging to complete if the property owner has two mortgages loans on the property. In these situations, cooperation of the first lender and second mortgage lender are needed for the process to move forward, creating unnecessary difficulty and frustration for the property owner.

Establishing a time frame for responding to potential buyer offers will reduce the amount of time it takes to sell the property, improve the likelihood the transaction will close, and reduce the number of foreclosures. This will benefit the lender, the seller, the buyer, and more importantly, the community.

NAR Supports CFPB Structure Change: On March 28, 2018, NAR sent a letter thanking a bipartisan group of legislators for introducing H.R. 5266, the "Financial Product Safety Commission Act of 2018." This legislation would transition the governance structure of the Consumer Financial Protection Bureau (CFPB) from a sole director to a five-person, bipartisan commission.

Due to its critical mission of consumer protection related to financial products and services, the CFPB's authority is too important and vast to be controlled by a single individual. With every new presidential administration, rules, guidance, and other decisions made by a sole director at the CFPB may be unendingly overturned by each new director. This creates enormous regulatory uncertainty for financial services and real estate industries, which ultimately harms consumers, small businesses, and the overall economy.

A bipartisan commission at the CFPB would strengthen the governance of the CFPB, prevent it from becoming a political football, allow for a diverse set of voices regardless of who sits in the White House, and ensure its longevity.

Furthermore, in order to safeguard consumers and continue encouraging responsible lending practices, NAR believes the CFPB should remain independent from the Congressional appropriations process, preserving the existing funding from the Federal Reserve. Such independence shields the agency from political pressures and bureaucratic impediments that may inhibit agency operations and protection of consumer financial interests.

In conclusion, H.R. 5266 will improve accountability, transparency and policy consistency at the CFPB. A more reliable consumer financial advocacy agency would bolster real estate professionals' role as trusted advisors to advance our nation's pursuit of responsible homeownership.