What has RPAC Done for Me Lately?

July 2016

- **First-time Homebuyers Savings Account:**
  - CAR championed legislation that creates first-time homebuyer savings accounts, and starting tax year 2017, allows an income tax deduction for account holders on the interest earned on the accounts. A First-time Homebuyer Savings Account (FHSA) allows any Coloradan to set aside up to $50,000 toward the costs of purchasing a new home.
  - The earnings on those funds — interest and capital gains — are free from Colorado state taxes forever. FHSAs are a great way for future homeowners to start saving early for the costs of buying a home. These accounts will be simple and easy to set up. Not only can you open a new one, you can also transfer money from one existing savings account to a FHSA.
  - To create an FHSA, a consumer simply includes a form (promulgated by the Department of Revenue) when they file their state taxes designating the qualified beneficiary. A qualified beneficiary can be a child or grandchild, or the account holder may designate himself or herself as the qualified beneficiary.
  - The qualifying beneficiary of the account must have never owned a single-family, owner-occupied residence (including a condo, manufactured home or mobile home), or must have been off of the title for such a residence for at least three years due to the dissolution of marriage. The beneficiary may be changed at any time and there is a caveat for active duty military that may be transferred and purchase a home outside the state.

  Given the lack of affordable housing in Colorado and especially in the Denver Metro area, coupled with the Consumer Financial Protection Bureau’s desire to implement rules that could make financing more difficult to obtain, and the desire of some in Congress to dismantle FHA, CAR believed that this environment demanded a policy solution. Accounts that help encourage responsible saving for a down payment and closing costs, as well as any expenses commonly included for a first time home purchase, is that policy solution. States that have established first-time homebuyer savings accounts in recent years recognize the social benefits of citizens owning their first home, beginning to plant roots in a community, and becoming active and contributing members of their communities. Colorado is a great place to live with a thriving economy and innovative, passionate citizens and this legislation helps us encourage those citizens to stay in Colorado and invest in growing roots here.

  **Status:** Signed by the Governor

- **Wildfire Mitigation Tax Deduction:**
  - HB-1286, Increase Wildfire Mitigation Income Tax Deduction, increases the percentage of the wildfire mitigation state income tax deduction from 50 percent to 100 percent of the costs incurred for performing wildfire mitigation on a taxpayer’s property up to $2,500 per tax year. The increased income tax deduction will be available for tax years 2017 through 2019.
CAR worked diligently with the sponsors and committee chairs to find a reasonable compromise to help reduce the bill’s fiscal impact and keep this bill alive after an initial procedural hurdle in committee. Unfortunately, a 2015 bill died in the Senate Appropriations Committee. This year we brought back an identical bill to the legislature because we are committed to educating homeowners on how to properly mitigate their properties, the benefits to doing so, and helping them realize the ability to utilize the current Wildfire Mitigation Tax Deduction.

Despite a difficult fiscal climate in the legislature this year, made more difficult after a joint budget committee compromise lowered the discretionary spending that each chamber could spend on legislative priorities, CAR was successful in getting this legislation through the appropriations committee hurdles and over the finish line this year.

CAR initiated HB-1286 because it is a targeted and reasonable policy solution that provides financial resources for homeowners to better prepare for and mitigate wildfire risks. This policy focuses on incentivizing activities that reduce the risk of wildfire and have a long-term impact in changing property owner behavior, leading to increased protection of homeowner property.

**Status: Signed by the Governor**

- **Intentional Misrepresentation of Assistance Animal**
  - HB-1426 creates class 2 petty offenses for intentional misrepresentation of an assistance animal service animal.
  
  - Specifically for assistance animals, the bill requires designated medical professionals to sign-off on patients requiring an assistance animal as a reasonable accommodation in housing; determining whether the patient has a disability as defined by the federal Americans with Disabilities Act of 1990 (“ADA”).
  
  - For service animals the legislation creates an offense if a person intentionally misrepresents an animal in his or her possession as a service animal or service-animal-in-training in order to obtain any of the rights afforded to individuals with service animals under federal disabilities law. The legislation also authorizes education of the public through public service announcements and a website that addresses: a) the definitions of both types of animals and the associated criminal penalties, b) complaint processes for those encountering discrimination, c) newly created uniform signage for public accommodations, and d) newly created forms for landlords, healthcare providers, and individuals with a disability to use in making the disability determinations. Finally, it creates a training program for law enforcement officers around these offenses.

CAR supported this legislation because of the volume of feedback we receive from our members and property owners confused with the seemingly infinite expansion of the use of these animals. This legislation is a reasonable attempt to instill some guidelines for landlords and property managers on whether they can approve or deny requests from tenants who want to have an assistance animal without running afoul of federal fair housing and disability law.

The legislation also potentially deters people from exploiting the confusion related to service animals to attempt to bring their assistance animals into places where they are not otherwise allowed under Colorado and federal disability law. By addressing the misrepresentation of ineligible utilization of service animals, the bill prevents public
mistrust in a lawfully abiding citizens’ proper use of a disability-required service animal in the proper place and manner.

**Status: Signed by the Governor**

**NAR Update**

- **Call for Action: Tell the Senate to Get to Work for Future Homebuyers**
  - Click here to take action now!
  - H.R. 3700 was passed by the U.S. House 427-0. Despite passing with NO OBJECTIONS, the U.S. Senate has not acted on H.R. 3700. This legislation provides significant benefits to taxpayers, homebuyers and the real estate market by:
    - Removing a burdensome and expensive FHA Condo approval process
    - Reducing FHA restrictions on the number of condos available to homebuyers
    - Permanently streamlining Rural Housing Service loan processing
  - More Information on NAR's efforts to pass H.R. 3700:
    - Letter Urging the Senate to Pass H.R. 3700
    - NAR testified last year in support of H.R. 3700 before the U.S. House Financial Services Subcommittee on Housing and Insurance.
    - House Passage Press Release
  - S. 3083 is the Senate companion bill which mirrors the House version, H.R. 3700.

- **Sign up for REALTOR® Party Mobile Alerts**
  More than 50,000 REALTORS® from across the country have already signed up for REALTOR® Party Mobile Alerts - have you? Text CO REALTORS to 30644 to sign up! You'll be among the first to know about NAR Calls for Action and more! Click here for more information.

**Colorado Project Wildfire**

- Developed by the Colorado Association of REALTORS®, Project Wildfire is designed to help reduce the destruction of land, property, and lives. Working in partnership with other like-minded fire prevention organizations across the state, local REALTOR® associations are bringing education and awareness, as well as access to resources, directly to residents in their local communities. To learn more about Colorado Project Wildfire, click here.