

**Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 20-0850.01 Thomas Morris x4218

SENATE BILL 20-047

SENATE SPONSORSHIP

Williams A. and Tate, Holbert, Woodward

HOUSE SPONSORSHIP

Kraft-Tharp and Van Winkle,

Senate Committees

Business, Labor, & Technology

House Committees

Business Affairs & Labor

A BILL FOR AN ACT

101 **CONCERNING AN EXEMPTION FROM THE DEFINITION OF A REAL ESTATE**
102 **APPRAISAL OF ANALYSES PREPARED BY AGENTS OF FINANCIAL**
103 **INSTITUTIONS FOR THE INSTITUTIONS' INTERNAL USE ONLY.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Current law exempts from the definition of a "real estate appraisal" certain analyses prepared by an officer, director, or regularly salaried employee of a financial institution or its affiliate when the analyses are used for internal purposes only. Federal law also exempts such analyses when they are prepared by an agent of a financial institution or its

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
2nd Reading Unamended
February 25, 2020

SENATE
3rd Reading Unamended
January 31, 2020

SENATE
2nd Reading Unamended
January 30, 2020

affiliate. The bill adds these agents to the list of people who can make these exempt analyses.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 12-10-602, **amend**
3 (1)(b), (9)(b)(VII), and (9)(b)(VIII) as follows:

4 **12-10-602. Definitions.** As used in this part 6, unless the context
5 otherwise requires:

6 (1) (b) The terms do not include an analysis, valuation, opinion,
7 conclusion, notation, or compilation of data by an officer, director, ~~or~~
8 regularly salaried employee, OR AGENT of a financial institution or its
9 affiliate, made for internal use only by the financial institution or affiliate,
10 concerning an interest in real estate that is owned or held as collateral by
11 the financial institution or affiliate and that is not represented or deemed
12 to be an appraisal except to the financial institution, the agencies
13 regulating the financial institution, and any secondary markets that
14 purchase real estate secured loans. An appraisal prepared by an officer,
15 director, ~~or~~ regularly salaried employee, OR AGENT of a financial
16 institution who is not licensed or certified under this part 6 ~~shall~~ MUST
17 contain a written notice that the preparer is not licensed or certified as an
18 appraiser under this part 6.

19 (9) (b) "Real estate appraiser" or "appraiser" does not include:

20 (VII) An officer, director, ~~or~~ regularly salaried employee, OR
21 AGENT of a financial institution or its affiliate who makes, for internal use
22 only by the financial institution or affiliate, an analysis, evaluation,
23 opinion, conclusion, notation, or compilation of data with respect to an
24 appraisal so long as the person does not make a written adjustment of the
25 appraisal's conclusion as to the value of the subject real property;

1 (VIII) An officer, director, ~~or~~ regularly salaried employee, OR
2 AGENT of a financial institution or its affiliate who makes an internal
3 analysis, valuation, opinion, conclusion, notation, or compilation of data
4 concerning an interest in real estate that is owned or held as collateral by
5 the financial institution or its affiliate; or

6 **SECTION 2.** In Colorado Revised Statutes, 12-10-623, **amend**
7 (1)(a)(I) as follows:

8 **12-10-623. Scope of article - regulated financial institutions -**
9 **de minimis exemption.** (1) (a) This article 10 does not apply to an
10 appraisal relating to any real-estate-related transaction or loan made or to
11 be made by a financial institution or its affiliate if the real-estate-related
12 transaction or loan is excepted from appraisal regulations established by
13 the primary federal regulator of the financial institution and the appraisal
14 is performed by:

15 (I) An officer, director, ~~or~~ regularly salaried employee, OR AGENT
16 of the financial institution or its affiliate; or

17 **SECTION 3. Act subject to petition - effective date -**
18 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
19 the expiration of the ninety-day period after final adjournment of the
20 general assembly (August 5, 2020, if adjournment sine die is on May 6,
21 2020); except that, if a referendum petition is filed pursuant to section 1
22 (3) of article V of the state constitution against this act or an item, section,
23 or part of this act within such period, then the act, item, section, or part
24 will not take effect unless approved by the people at the general election
25 to be held in November 2020 and, in such case, will take effect on the
26 date of the official declaration of the vote thereon by the governor.

1 (2) This act applies to appraisals made on or after the applicable
2 effective date of this act.