Second Regular Session Seventy-second General Assembly STATE OF COLORADO

REENGROSSED

This Version Includes All Amendments Adopted in the House of Introduction

LLS NO. 20-0635.01 Duane Gall x4335

HOUSE BILL 20-1201

HOUSE SPONSORSHIP

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A BILL FOR AN ACT

101	CONCERNING PROVIDING HOME OWNERS IN A MOBILE HOME PARK THI
102	OPPORTUNITY TO PURCHASE THE PARK UNDER SPECIFIEI
103	CIRCUMSTANCES.

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.)

The bill gives home owners in a mobile home park the opportunity to make an offer to buy the park if the landlord anticipates selling it or changing the use of the land. A landlord must give notice of a pending sale to the home owners, the applicable municipality or county, the division of housing in the department of local affairs, and each home HOUSE 3rd Reading Unamended March 3, 2020

> HOUSE Amended 2nd Reading March 2, 2020

Shading denotes HOUSE amendment. <u>Double underlining denotes SENATE amendment.</u>

Capital letters or bold & italic numbers indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

owners' association, residents' association, or similar body that represents the residents of the park. The home owners then have 90 days to make an offer to purchase and arrange financing if necessary. A purchase may be made by an association representing at least 51% of the home owners.

If a sale of a mobile home park occurs and the home owners are not the buyers, the landlord must send the municipality or county and the division of housing an affidavit of compliance with the requirements of the bill

The notice and purchase-option provisions do not apply if the proposed sale is to a family member of the landlord or to someone who is already a cotenant of the property or if a transfer occurs due to inheritance or eminent domain.

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

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2 **SECTION 1. Legislative declaration.** (1) The general assembly finds, determines, and declares that:

- (a) More than 100,000 Coloradans currently live in manufactured housing, including mobile homes, and that number is increasing;
- (b) Mobile homes, manufactured housing, and factory-built housing are important, unsubsidized, and effective ways to meet Colorado's affordable housing needs;
- (c) Because many people living in mobile home parks own their home but not the land upon which it sits, park owners can wield significant power over housing security. If a park owner pursues redevelopment of the park property, mobile home owners are at risk of losing their investment. The scarcity of vacancies in other parks and the high costs of relocating a mobile home make relocation of a mobile home nearly impossible. When a mobile home park closes, mobile home owners can find themselves pushed into poverty.
- (d) The department of regulatory agencies' "2018 Sunrise Review: Manufactured Housing Community Owners and Managers" states: "Clearly, harm is occurring in manufactured housing communities ... The

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- 1 harm largely stems from the lack of enforcement of existing laws, bad 2 actors exploiting a relatively loose regulatory structure, and the inevitable 3 tension that arises when the house belongs to one person but the land 4 beneath it belongs to someone else ... Conditions for Colorado owners of 5 manufactured homes could be improved by ... promoting opportunities 6 for homeowners to purchase the communities they live in; and increasing 7 political engagement at the local and the state level."; 8 (e) Existing statutory provisions requiring notice to mobile home 9 owners of a pending sale or change in use of a mobile home park 10 represent a positive step toward reducing the amount of economic 11 disruption experienced by mobile home owners in these circumstances; 12 and 13 (f) Building on these provisions by also giving mobile home 14 owners an opportunity to purchase the property, in accordance with this 15 act, can help to promote home ownership while preserving the benefits of 16 mobile home parks as affordable housing. 17 **SECTION 2.** In Colorado Revised Statutes, repeal and reenact, 18 with amendments, 38-12-217 as follows: 19 38-12-217. Notice of change of use - notice of sale or closure of 20 park - opportunity for home owners to purchase - procedures -21 **exemptions.** (1) EXCEPT AS SPECIFIED IN SUBSECTION (12) OF THIS 22 SECTION: 23 (a) A MOBILE HOME PARK OWNER SHALL NOTIFY THE OWNERS OF
 - PARK IS SITUATED OR, IF NONE, THE COUNTY IN WHICH THE PARK IS SITUATED OF THE PARK OWNER'S INTENT TO CHANGE THE USE OF THE LAND COMPRISING THE PARK OR TO SELL THE PARK.

ALL MOBILE HOMES IN THE PARK AND THE MUNICIPALITY IN WHICH THE

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1	(b) IF A MOBILE HOME PARK OWNER INTENDS TO CHANGE THE USE
2	OF THE LAND COMPRISING THE MOBILE HOME PARK, THE MOBILE HOME
3	PARK OWNER SHALL GIVE WRITTEN NOTICE TO EACH HOME OWNER AT
4	LEAST TWELVE MONTHS BEFORE THE CHANGE IN USE WILL OCCUR. THE
5	MOBILE HOME PARK OWNER SHALL MAIL THE WRITTEN NOTICE TO EACH
6	HOME OWNER AT THE HOME OWNER'S MOST RECENT ADDRESS AND SHALL
7	POST A COPY OF THE NOTICE IN A CONSPICUOUS PLACE ON THE MOBILE
8	HOME OR AT THE MAIN POINT OF ENTRY TO THE LOT.
9	(c) NO EARLIER THAN THIRTY DAYS AFTER GIVING THE NOTICE
10	REQUIRED BY THIS SUBSECTION (1) OR SUBSECTION (2) OF THIS SECTION,
11	A MOBILE HOME PARK OWNER MAY POST INFORMATION IN A PUBLIC SPACE
12	IN THE MOBILE HOME PARK DESCRIBING THE METHOD FOR PROVIDING A
13	SIGNED WRITING TO THE MOBILE HOME PARK OWNER RELATED TO THE
14	OPPORTUNITY TO PURCHASE. THE POSTING MAY INCLUDE STANDARD
15	FORMS RELATED TO THE OPPORTUNITY TO PURCHASE, INCLUDING A FORM
16	FOR PROVIDING NOTICE THAT A HOME OWNER DOES NOT WISH TO
17	PARTICIPATE IN EFFORTS TO PURCHASE A COMMUNITY.
18	(d) A MOBILE HOME PARK OWNER SHALL NOT SOLICIT OR REQUEST
19	A HOME OWNER'S INTENTION OR A SIGNED WRITING RELATED TO THE
20	OPPORTUNITY TO PURCHASE DURING THE INITIAL THIRTY DAYS AFTER
21	GIVING NOTICE PURSUANT TO THIS SUBSECTION (1) OR SUBSECTION (2) OF
22	THIS SECTION. AT NO TIME DURING THE TIME PERIOD FOR CONSIDERING AN
23	OPPORTUNITY TO PURCHASE SHALL A MOBILE HOME PARK OWNER
24	ATTEMPT TO COERCE OR PROVIDE ANY FINANCIAL OR IN-KIND INCENTIVES
25	TO A HOME OWNER TO INFLUENCE THE HOMEOWNER'S DECISION. ANY
26	COMPLAINTS ALLEGING VIOLATION OF THIS SUBSECTION (1) MAY BE
27	RESOLVED UNDER PART 11 OF THIS ARTICLE 12.

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1	(2) Notice - when required. IN ADDITION TO THE NOTICE
2	SPECIFIED IN SUBSECTION (1) OF THIS SECTION, AND EXCEPT AS SPECIFIED
3	IN SUBSECTION (12) OF THIS SECTION:
4	(a) A LANDLORD SHALL GIVE NOTICE TO EACH HOME OWNER IN THE
5	MOBILE HOME PARK UPON ANY OF THE FOLLOWING TRIGGERING EVENTS:
6	(I) THE LANDLORD LISTS THE PARK FOR SALE;
7	(II) THE LANDLORD INTENDS TO MAKE A FINAL, UNCONDITIONAL
8	ACCEPTANCE OF AN OFFER FOR THE SALE OR TRANSFER OF THE PARK; OR
9	(III) THE LANDLORD RECEIVES:
10	(A) A NOTICE OF ELECTION AND DEMAND OR LIS PENDENS
11	RELATED TO FORECLOSURE OF THE PARK PURSUANT TO PART 1 OF ARTICLE
12	38 of this title 38; or
13	(B) NOTICE THAT A CERTIFICATE OF LEVY HAS BEEN FILED
14	RELATED TO THE PARK PURSUANT TO SECTION 13-56-101.
15	(b) WITHIN FOURTEEN DAYS AFTER THE DATE ON WHICH ANY OF
16	THE EVENTS DESCRIBED IN SUBSECTION (2)(a) OF THIS SECTION OCCUR,
17	THE LANDLORD SHALL MAIL THE NOTICE REQUIRED BY THIS SECTION BY
18	CERTIFIED MAIL TO:
19	(I) EACH HOME OWNER, USING THE MOST RECENT ADDRESS OF THE
20	HOME OWNER, AND SHALL POST A COPY OF THE NOTICE IN A CONSPICUOUS
21	PLACE ON THE MOBILE HOME OR AT THE MAIN POINT OF ENTRY TO THE LOT;
22	(II) THE MUNICIPALITY OR, IF THE PARK IS IN AN UNINCORPORATED
23	AREA, THE COUNTY WITHIN WHICH THE PARK IS LOCATED;
24	(III) THE DIVISION OF HOUSING IN THE DEPARTMENT OF LOCAL
25	AFFAIRS; AND
26	(IV) EACH HOME OWNERS' ASSOCIATION, RESIDENTS'
27	ASSOCIATION, OR SIMILAR BODY THAT REPRESENTS THE RESIDENTS OF THE

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1	PARK.
2	(3) Contents of notice. The Notice given pursuant to
3	SUBSECTION (1) OR (2) OF THIS SECTION MUST INCLUDE NOTICE OF HOME
4	OWNERS' RIGHTS UNDER SUBSECTIONS (4) TO (9) OF THIS SECTION. IF THE
5	TRIGGERING EVENT INVOLVES A SALE, THE NOTICE MUST ALSO INCLUDE A
6	DESCRIPTION OF THE PROPERTY TO BE PURCHASED AND THE PRICE, TERMS,
7	AND CONDITIONS OF AN ACCEPTABLE OFFER THE LANDLORD HAS RECEIVED
8	TO SELL THE MOBILE HOME PARK OR THE PRICE OR TERMS AND CONDITIONS
9	FOR WHICH THE LANDLORD INTENDS TO SELL THE PARK. THE INFORMATION
10	REGARDING THE PROPOSED SALE AND THE PRICE, TERMS, AND CONDITIONS
11	OF AN ACCEPTABLE OFFER MAY BE SHARED FOR THE PURPOSES OF
12	EVALUATING OR OBTAINING FINANCING FOR THE PROSPECTIVE
13	TRANSACTION, BUT ALL PERSONS WHO RECEIVE THE INFORMATION SHALL
14	OTHERWISE KEEP IT CONFIDENTIAL IF THE PARK OWNER OR THE PARK
15	OWNER'S AGENT SO REQUESTS.
16	(4) Offer to purchase - who may submit - time limits. (a) A
17	GROUP OR ASSOCIATION OF HOME OWNERS OR THEIR ASSIGNEES HAVE
18	NINETY DAYS AFTER THE DATE THAT THE LANDLORD MAILS A NOTICE
19	UNDER SUBSECTION (1) OR (2) OF THIS SECTION TO:
20	(I) SUBMIT TO THE LANDLORD A PROPOSED PURCHASE AND SALE
21	AGREEMENT; AND
22	(II) OBTAIN A BINDING COMMITMENT FOR ANY NECESSARY
23	FINANCING OR GUARANTEES.
24	(b) NOTWITHSTANDING SUBSECTION (4)(a) OF THIS SECTION, IF A
25	FORECLOSURE SALE OF THE PARK IS SCHEDULED FOR LESS THAN NINETY
26	DAYS AFTER THE LANDLORD MAILS A NOTICE UNDER SUBSECTION (1) OR

(2) OF THIS SECTION, THE OPPORTUNITY GRANTED BY SUBSECTION (4)(a)

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1	OF THIS SECTION TERMINATES ON THE DATE OF THE FORECLOSURE SALE.
2	(c) A GROUP OR ASSOCIATION OF HOME OWNERS OR THEIR
3	ASSIGNEES HAS THE OPPORTUNITY GRANTED BY SUBSECTION (4)(a) OF
4	THIS SECTION IF THE GROUP OR ASSOCIATION OF HOME OWNERS OR THEIR
5	ASSIGNEES HAVE THE APPROVAL OF AT LEAST FIFTY-ONE PERCENT OF THE
6	HOME OWNERS IN THE PARK. THE GROUP OR ASSOCIATION OF HOME
7	OWNERS OR THEIR ASSIGNEES MUST SUBMIT TO THE LANDLORD
8	REASONABLE EVIDENCE THAT THE HOME OWNERS OF AT LEAST FIFTY-ONE
9	PERCENT OF THE OCCUPIED HOMES IN THE PARK HAVE APPROVED THE
10	GROUP OR ASSOCIATION PURCHASING THE PARK.
11	(5) Landlord's duty to consider offer. A LANDLORD THAT
12	RECEIVES AN OFFER PURSUANT TO THIS SECTION SHALL NOT
13	UNREASONABLY REFUSE TO:
14	(a) PROVIDE DOCUMENTS, DATA, AND OTHER INFORMATION IN
15	RESPONSE TO REASONABLE REQUESTS FOR INFORMATION FROM A GROUP
16	OR ASSOCIATION OF HOME OWNERS OR THEIR ASSIGNEES PARTICIPATING
17	IN THE OPPORTUNITY TO PURCHASE THAT WOULD ENABLE THEM TO
18	PREPARE AN OFFER. THE DOCUMENTS, DATA, AND OTHER INFORMATION
19	PROVIDED MAY BE SHARED FOR THE PURPOSES OF EVALUATING OR
20	OBTAINING FINANCING FOR THE PROSPECTIVE TRANSACTION, BUT ALL
21	PERSONS WHO RECEIVE THE INFORMATION SHALL OTHERWISE KEEP IT
22	CONFIDENTIAL IF THE PARK OWNER OR THE PARK OWNER'S AGENT SO
23	REQUESTS
24	(b) NEGOTIATE IN GOOD FAITH WITH A GROUP OR ASSOCIATION OF
25	HOME OWNERS OR THEIR ASSIGNEES; OR
26	(c) SCHEDULE A CLOSING DATE FOR A PURCHASE AND SALE
27	AGREEMENT.

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1	(6) Expiration of opportunity to purchase. (a) If the
2	$\label{eq:ninety-day-period-provided-for-in-subsection} \textbf{(4)(a)} \ \textbf{of this section}$
3	ELAPSES AND A GROUP OR ASSOCIATION OF HOME OWNERS OR THEIR
4	ASSIGNEES HAVE NOT SUBMITTED A PROPOSED PURCHASE AND SALE
5	AGREEMENT OR OBTAINED A BINDING FINANCIAL COMMITMENT, THE
6	GROUP'S OR ASSOCIATION'S OPPORTUNITIES PROVIDED BY THIS SECTION
7	TERMINATE.
8	(b) A LANDLORD SHALL GIVE A GROUP OR ASSOCIATION OF HOME
9	OWNERS OR THEIR ASSIGNEES AN ADDITIONAL NINETY DAYS AFTER THE
10	NINETY-DAY PERIOD PROVIDED BY SUBSECTION (4)(a) OF THIS SECTION TO
11	CLOSE ON THE PURCHASE OF THE MOBILE HOME PARK.
12	(7) Extension of time. The NINETY-DAY PERIODS DESCRIBED IN
13	SUBSECTIONS (4)(a) AND (6)(b) OF THIS SECTION MAY BE EXTENDED BY
14	WRITTEN AGREEMENT BETWEEN THE LANDLORD AND THE GROUP OR
15	ASSOCIATION OF HOME OWNERS OR THEIR ASSIGNEES.
16	(8) Assignment of right to purchase. A GROUP OR ASSOCIATION
17	OF HOME OWNERS OR THEIR ASSIGNEES THAT HAVE THE OPPORTUNITY TO
18	PURCHASE UNDER SUBSECTION (4) OF THIS SECTION MAY ASSIGN THEIR
19	PURCHASE RIGHT TO A LOCAL OR STATE GOVERNMENT, TRIBAL
20	GOVERNMENT, HOUSING AUTHORITY, OR NONPROFIT WITH EXPERTISE
21	RELATED TO HOUSING, OR TO AN AGENCY OF THE STATE, FOR THE PURPOSE
22	OF CONTINUING THE USE OF THE PARK.
23	(9) Independence of time limits and notice provisions.
24	(a) EACH OCCURRENCE OF A TRIGGERING EVENT LISTED IN SUBSECTION
25	(1) OR (2) OF THIS SECTION CREATES AN INDEPENDENT, NINETY-DAY
26	OPPORTUNITY TO PURCHASE FOR THE GROUP OR ASSOCIATION OF HOME
27	OWNERS OR THEIR ASSIGNEES. IF A NINETY-DAY OPPORTUNITY TO

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1	PURCHASE IS IN EFFECT AND A NEW TRIGGERING EVENT OCCURS, THE
2	ONGOING NINETY-DAY TIME PERIOD TERMINATES AND A NEW NINETY-DAY
3	TIME PERIOD BEGINS ON THE LATEST DATE ON WHICH THE LANDLORD
4	GIVES NOTICE, AS REQUIRED BY SUBSECTION (1) OR (2) OF THIS SECTION,
5	OF THE NEW TRIGGERING EVENT.
6	(b) A NOTICE REQUIRED UNDER THIS SECTION IS IN ADDITION TO,
7	AND DOES NOT SUBSTITUTE FOR OR AFFECT, ANY OTHER NOTICE
8	REQUIREMENT UNDER THIS PART 2.
9	(10) A LANDLORD SHALL NOT MAKE A FINAL, UNCONDITIONAL
10	ACCEPTANCE OF ANY OFFER FOR THE SALE OR TRANSFER OF THE PARK
11	UNTIL:
12	(a) THE LANDLORD HAS CONSIDERED AN OFFER MADE BY A GROUP
13	OR ASSOCIATION OF HOME OWNERS OR THEIR ASSIGNEES PURSUANT TO
14	SUBSECTIONS (4) AND (5) OF THIS SECTION; OR
15	(b) The applicable period for exercise of the opportunity
16	TO PURCHASE HAS EXPIRED PURSUANT TO SUBSECTION (6) OF THIS
17	SECTION.
18	$(11) \ \ \textbf{Failure to complete transaction - affidavit of compliance.}$
19	IF THE GROUP OR ASSOCIATION OF HOME OWNERS OR THEIR ASSIGNEES ARE
20	NOT THE SUCCESSFUL PURCHASER OF THE PARK, THE LANDLORD SHALL
21	PROVIDE EVIDENCE OF COMPLIANCE WITH THIS SECTION BY FILING AN
22	AFFIDAVIT OF COMPLIANCE WITH:
23	(a) THE MUNICIPALITY OR, IF THE PARK IS IN AN UNINCORPORATED
24	AREA, THE COUNTY, WITHIN WHICH THE PARK IS LOCATED; AND
25	(b) The division of housing in the department of local
26	AFFAIRS.
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2	ANY PROVISION TO THE CONTRARY, A LANDLORD IS NOT REQUIRED TO GIVE
3	NOTICE OR EXTEND AN OPPORTUNITY TO PURCHASE TO A GROUP OR
4	ASSOCIATION OF HOME OWNERS OR THEIR ASSIGNEES IF THE SALE,
5	TRANSFER, OR CONVEYANCE OF THE MOBILE HOME PARK IS:
6	(a) TO A SPOUSE, A PARTNER IN A CIVIL UNION, OR A PARENT,
7	SIBLING, AUNT, UNCLE, FIRST COUSIN, OR LEGALLY RECOGNIZED CHILD OF
8	THE LANDLORD;
9	(b) To a trust the beneficiaries of which are the spouse,
10	PARTNER IN A CIVIL UNION, OR LEGALLY RECOGNIZED CHILDREN OF THE
11	LANDLORD;
12	(c) (I) To a business entity or trust that the transferring
13	BUSINESS ENTITY OR TRUST CONTROLS, DIRECTLY OR INDIRECTLY.
14	(II) AS USED IN THIS SUBSECTION (13)(c), "CONTROLS" MEANS:
15	(A) OWNS ENTIRELY AS A SUBSIDIARY;
15 16	(A) OWNS ENTIRELY AS A SUBSIDIARY;(B) OWNS A MAJORITY INTEREST IN; OR
16	(B) OWNS A MAJORITY INTEREST IN; OR
16 17	(B) Owns a majority interest in; or (C) Owns as large an ownership interest as any other
16 17 18	(B) Owns a majority interest in; or (C) Owns as large an ownership interest as any other owner, with a minimum ownership interest of twenty-five
16 17 18 19	(B) Owns a majority interest in; or (C) Owns as large an ownership interest as any other owner, with a minimum ownership interest of twenty-five percent.
16 17 18 19 20	(B) OWNS A MAJORITY INTEREST IN; OR (C) OWNS AS LARGE AN OWNERSHIP INTEREST AS ANY OTHER OWNER, WITH A MINIMUM OWNERSHIP INTEREST OF TWENTY-FIVE PERCENT. (d) TO A FAMILY MEMBER WHO IS INCLUDED WITHIN THE LINE OF
16 17 18 19 20 21	(B) Owns a majority interest in; or (C) Owns as large an ownership interest as any other owner, with a minimum ownership interest of twenty-five percent. (d) To a family member who is included within the line of intestate succession if the landlord dies intestate;
16 17 18 19 20 21 22	(B) Owns a majority interest in; or (C) Owns as large an ownership interest as any other owner, with a minimum ownership interest of twenty-five percent. (d) To a family member who is included within the line of intestate succession if the landlord dies intestate; (e) Between joint tenants or tenants in common; or
16 17 18 19 20 21 22 23	(B) Owns a majority interest in; or (C) Owns as large an ownership interest as any other owner, with a minimum ownership interest of twenty-five percent. (d) To a family member who is included within the line of intestate succession if the landlord dies intestate; (e) Between joint tenants or tenants in common; or (f) Pursuant to eminent domain.
16 17 18 19 20 21 22 23 24	(B) Owns a majority interest in; or (C) Owns as large an ownership interest as any other owner, with a minimum ownership interest of twenty-five percent. (d) To a family member who is included within the line of intestate succession if the landlord dies intestate; (e) Between joint tenants or tenants in common; or (f) Pursuant to eminent domain. (13) Triggering events not essential. (a) A Group or
16 17 18 19 20 21 22 23 24 25	(B) Owns a majority interest in; or (C) Owns as large an ownership interest as any other owner, with a minimum ownership interest of twenty-five percent. (d) To a family member who is included within the line of intestate succession if the landlord dies intestate; (e) Between joint tenants or tenants in common; or (f) Pursuant to eminent domain. (13) Triggering events not essential. (a) A group or association of home owners or their assignees may submit an

(12) Exemptions from notice requirement. NOTWITHSTANDING

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1	(b) THE LANDLORD SHALL CONSIDER IN GOOD FAITH ANY OFFER
2	MADE IN ACCORDANCE WITH SUBSECTION (13)(a) OF THIS SECTION.
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4	SECTION 3. In Colorado Revised Statutes, 38-12-1105, amend
5	(1) as follows:
6	38-12-1105. Dispute resolution program - complaint process.
7	(1) Beginning May 1, 2020, any aggrieved party may file a complaint
8	with the division alleging a violation of the act or this part 11,
9	REGARDLESS OF WHETHER THE PROVISION ALLEGEDLY VIOLATED
10	CONTAINS A SPECIFIC REFERENCE TO THIS SECTION.
11	SECTION 4. Applicability. This act applies to conduct occurring
12	on or after the effective date of this act.
13	SECTION 5. Safety clause. The general assembly hereby finds,
14	determines, and declares that this act is necessary for the immediate
15	preservation of the public peace, health, or safety.

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