

CHAPTER 6

GOVERNMENT - LOCAL

HOUSE BILL 23B-1001

BY REPRESENTATIVE(S) Lindsay and Herod, Duran, Brown, Dickson, English, Epps, García, Hernández, Mabrey, Martinez, McCluskie, McLachlan, Rutinel, Sirota, Velasco, Vigil, Weissman, Amabile, Bacon, Bird, Boesenecker, Daugherty, deGruy Kennedy, Froelich, Hamrick, Jodeh, Joseph, Kipp, Lieder, Lindstedt, Marshall, Mauro, McCormick, Ortiz, Sharbini, Snyder, Story, Titone, Valdez, Willford, Young;
also SENATOR(S) Gonzales and Buckner, Marchman, Bridges, Coleman, Cutter, Exum, Fields, Jaquez Lewis, Danielson, Ginal, Hansen, Hinrichsen, Kolker, Michaelson Jenet, Mullica, Priola, Rodriguez, Sullivan, Winter F., Zenzinger, Fenberg.

AN ACT

CONCERNING THE CREATION OF THE EMERGENCY RENTAL ASSISTANCE GRANT PROGRAM WITHIN THE DEPARTMENT OF LOCAL AFFAIRS FOR THE PURPOSE OF PROVIDING EMERGENCY RENTAL ASSISTANCE DURING THE 2023-2024 STATE FISCAL YEAR.

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

SECTION 1. Legislative declaration. (1) The general assembly finds that:

(a) Home values are rising at historic rates across Colorado, and with the failure of Proposition HH, Coloradans now face an unprecedented and immediate crisis with an anticipated forty-percent average increase in property tax bills unless the legislature enacts a solution to reduce pending increases in property tax bills;

(b) Increased property taxes impact not only homeowners but also renters, who invariably bear the burden of increased costs on landlords in the form of increased rent; in fact, renters are most vulnerable to increased property taxes, because unlike landlords they do not benefit from the corresponding gain in equity, making it harder for hardworking Colorado renters to thrive and achieve economic freedom;

(c) Skyrocketing home values reduce renters' opportunities to purchase homes and escape the cycle of renting; and

(d) An inflationary economy with higher interest rates makes it even more difficult for low-income tenants, including fixed-income seniors, to stay in homes that were once affordable.

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(2) Therefore, the general assembly declares that it is in the best interests of the state for the state to immediately provide assistance to tenants who are at risk of eviction or displacement in order to reduce the number of such tenants who will be evicted or displaced and to reduce the costs associated with any displacement that occurs as a result of the impact of seemingly inevitable and substantial property tax increases in the near future.

SECTION 2. In Colorado Revised Statutes, 24-32-721, **amend** (1); and **add** (7) as follows:

24-32-721. Colorado affordable housing construction grants and loans - housing development grant fund - creation - housing assistance for persons with behavioral, mental health, or substance use disorders - cash fund - appropriation - report to general assembly - rules - definitions - repeal.

(1) There is hereby created in the state treasury the housing development grant fund, which fund is administered by the division and is referred to in this section as the "fund". The fund consists of money credited to the fund in accordance with section 39-26-123 (3)(b); money transferred to the fund in accordance with section 24-22-118 (2); money appropriated to the fund by the general assembly; all money transferred to the fund from the marijuana tax cash fund created in section 39-28.8-501 (1) and any other cash fund maintained by the state; all money transferred to the fund from the general fund AND THE REVENUE LOSS RESTORATION CASH FUND CREATED IN SECTION 24-75-227 (2) pursuant to ~~subsection (6)~~ SUBSECTIONS (6) AND (7) of this section; all money collected by the division for purposes of this section from federal grants, from other contributions, gifts, grants, and donations received from any other organization, entity, or individual, public or private; and from any fees or interest earned on such money. The division is hereby authorized and directed to solicit, accept, expend, and disburse all money collected for the fund from the sources specified in this subsection (1) for the purpose of making grants, loans, or other forms of assistance that may be awarded under section 24-32-721.7 and for program administration as provided in this section. All such money must be transmitted to the state treasurer to be credited to the fund. The money in the fund is continuously appropriated to the division for the purposes of this section.

(7) (a) AS USED IN THIS SUBSECTION (7), UNLESS THE CONTEXT OTHERWISE REQUIRES:

(I) "AT RISK OF EVICTION OR DISPLACEMENT" MEANS THAT A TENANT HAS RECEIVED FROM A LANDLORD A NOTICE OF LATE PAYMENT OF RENT OR A DEMAND FOR PAYMENT OF RENT.

(II) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS.

(III) "GRANT PROGRAM" MEANS THE EMERGENCY RENTAL ASSISTANCE GRANT PROGRAM CREATED IN SUBSECTION (7)(b) OF THIS SECTION.

(IV) "RESIDENTIAL PREMISES" MEANS:

(A) A RESIDENTIAL PREMISES, AS DEFINED IN SECTION 38-12-502 (8); OR

(B) A MOBILE HOME, AS DEFINED IN SECTION 38-12-201.5 (5), THAT IS SUBJECT TO A TENANCY IN A MOBILE HOME PARK UNDER A RENTAL AGREEMENT.

(V) "STATEWIDE APPLICATION PORTAL" MEANS THE STATEWIDE APPLICATION PORTAL THAT THE DIVISION MAINTAINS ON ITS PUBLIC WEBSITE FOR THE PURPOSE OF ADMINISTERING THE GRANT PROGRAM.

(VI) "TENANT" MEANS:

(A) A TENANT, AS DEFINED IN SECTION 38-12-502 (9); OR

(B) A HOME OWNER, AS DEFINED IN SECTION 38-12-201.5 (2).

(b) THE EMERGENCY RENTAL ASSISTANCE GRANT PROGRAM IS CREATED IN THE DIVISION TO PROVIDE GRANTS TO TENANTS WHO HAVE A HOUSEHOLD INCOME OF EIGHTY PERCENT OR LESS THAN THE AREA MEDIAN INCOME AND WHO ARE AT RISK OF EVICTION OR DISPLACEMENT.

(c) THE DIVISION SHALL ADMINISTER THE GRANT PROGRAM AND, SUBJECT TO AVAILABLE FUNDING, SHALL CONTRACT WITH COLORADO-BASED NONPROFIT ORGANIZATIONS TO AWARD GRANTS AS PROVIDED IN THIS SUBSECTION (7). SUBJECT TO AVAILABLE FUNDING, GRANTS SHALL BE PAID OUT OF THE FUND.

(d) THE DIVISION SHALL ESTABLISH FORMS AND PROCEDURES TO IMPLEMENT THE GRANT PROGRAM, INCLUDING THE TIME FRAMES FOR APPLYING FOR GRANTS, THE FORM OF THE GRANT PROGRAM APPLICATION, AND THE TIME FRAMES FOR DISTRIBUTING GRANT MONEY. THE DIVISION SHALL MAKE THE FORMS AVAILABLE IN ENGLISH AND SPANISH.

(e) IN ORDER TO BE ELIGIBLE TO RECEIVE A GRANT FROM THE GRANT PROGRAM, AN APPLICANT MUST:

(I) BE A TENANT OF A RESIDENTIAL PREMISES IN COLORADO THAT IS THE APPLICANT'S PRIMARY RESIDENCE;

(II) HAVE AN ANNUAL HOUSEHOLD INCOME OF EIGHTY PERCENT OR LESS THAN THE AREA MEDIAN INCOME; AND

(III) BE AT RISK OF EVICTION OR DISPLACEMENT.

(f) GRANT MONEY SHALL BE EXPENDED ONLY BY A NONPROFIT ORGANIZATION THAT CONTRACTS WITH THE DIVISION PURSUANT TO SUBSECTION (7)(c) OF THIS SECTION. PERMISSIBLE USES OF GRANT MONEY INCLUDE ONLY THE FOLLOWING:

(I) PAYING RENT IN ARREARS, RENT PRESENTLY OWED, AND RENT UP TO TWO MONTHS IN ADVANCE ON BEHALF OF A GRANT RECIPIENT; EXCEPT THAT GRANT MONEY SHALL NOT BE EXPENDED TO PAY RENT FOR ANY PERIOD OF TIME AFTER JUNE 30, 2024;

(II) PAYING UTILITY BILLS, LATE FEES, COURT COSTS, REASONABLE ATTORNEY FEES, AND ANY OTHER COSTS ASSOCIATED WITH PREVENTING A TENANT'S EVICTION;

(III) PAYING COSTS ASSOCIATED WITH RELOCATION, INCLUDING DEPOSITS AND OTHER MOVE-IN EXPENSES, ON BEHALF OF A GRANT RECIPIENT;

(IV) PAYING FOR EFFORTS TO GENERATE AWARENESS OF THE GRANT PROGRAM AMONG TENANTS WHO ARE AT RISK OF EVICTION OR DISPLACEMENT;

(V) PAYING FOR PROJECT DELIVERY COSTS ASSOCIATED WITH APPLICATION REVIEW AS DETERMINED BY THE DIVISION;

(VI) PAYING FOR HOUSING STABILITY SERVICES, AS DEFINED WITHIN THE IMPLEMENTATION GUIDELINES OF THE EMERGENCY RENTAL ASSISTANCE PROGRAM OF THE FEDERAL DEPARTMENT OF THE TREASURY; AND

(VII) PAYING COSTS OF ADMINISTERING THE GRANT PROGRAM.

(g) THE DIVISION IS ENCOURAGED TO ESTABLISH CRITERIA AND PROCEDURES BY WHICH A NONPROFIT ORGANIZATION THAT CONTRACTS WITH THE DIVISION TO PROVIDE GRANTS PURSUANT TO SUBSECTION (7)(b) OF THIS SECTION MAY NEGOTIATE WITH LANDLORDS TO SETTLE DEBTS OWED BY TENANTS AS UNPAID RENT.

(h) TO RECEIVE A GRANT, A TENANT MUST APPLY THROUGH THE STATEWIDE APPLICATION PORTAL. THE DIVISION SHALL ESTABLISH PROCEDURES FOR THE ASSIGNMENT OF EACH APPLICATION TO A NONPROFIT ORGANIZATION WITH WHICH THE DIVISION HAS CONTRACTED PURSUANT TO SUBSECTION (7)(c) OF THIS SECTION.

(i) (I) EACH NONPROFIT ORGANIZATION THAT CONTRACTS WITH THE DIVISION PURSUANT TO SUBSECTION (7)(c) OF THIS SECTION SHALL REPORT TO THE EXECUTIVE DIRECTOR CONCERNING ANY GRANT THAT IS FACILITATED BY THE NONPROFIT ORGANIZATION. THE REPORT MUST BE SUBMITTED TO THE EXECUTIVE DIRECTOR OR TO THE EXECUTIVE DIRECTOR'S DESIGNEE WITHIN A TIME FRAME DETERMINED IN THE CONTRACT BETWEEN THE NONPROFIT ORGANIZATION AND THE DIVISION.

(II) DURING THE SECOND REGULAR SESSION OF THE SEVENTY-FOURTH GENERAL ASSEMBLY, THE EXECUTIVE DIRECTOR SHALL REPORT TO THE SENATE LOCAL GOVERNMENT AND HOUSING COMMITTEE AND THE HOUSE OF REPRESENTATIVES TRANSPORTATION, HOUSING, AND LOCAL GOVERNMENT COMMITTEE, OR ANY SUCCESSOR COMMITTEES, UNDER THE "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT", PART 2 OF ARTICLE 7 OF TITLE 2, CONCERNING THE ADMINISTRATION OF THE GRANT PROGRAM. THE REPORT MUST INCLUDE A SUMMARY OF ANY INFORMATION REPORTED TO THE EXECUTIVE DIRECTOR PURSUANT TO SUBSECTION (7)(i)(I) OF THIS SECTION.

(III) NOT LATER THAN APRIL 5, 2024, THE EXECUTIVE DIRECTOR SHALL SUBMIT A WRITTEN REPORT TO THE JOINT BUDGET COMMITTEE, THE SENATE LOCAL GOVERNMENT AND HOUSING COMMITTEE, AND THE HOUSE OF REPRESENTATIVES TRANSPORTATION, HOUSING, AND LOCAL GOVERNMENT COMMITTEE, OR ANY SUCCESSOR COMMITTEES, CONCERNING THE ADMINISTRATION OF THE GRANT PROGRAM. THE REPORT MUST INCLUDE A SUMMARY OF ANY INFORMATION

REPORTED TO THE EXECUTIVE DIRECTOR PURSUANT TO SUBSECTION (7)(i)(I) OF THIS SECTION.

(j) WITHIN THREE DAYS AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (7), THE STATE TREASURER SHALL TRANSFER FIFTEEN MILLION ONE HUNDRED THOUSAND DOLLARS FROM THE GENERAL FUND TO THE FUND AND FOURTEEN MILLION NINE HUNDRED THOUSAND DOLLARS FROM THE REVENUE LOSS RESTORATION CASH FUND CREATED IN SECTION 24-75-227 (2) TO THE FUND. THE DIVISION SHALL PRIORITIZE EXPENDING MONEY TRANSFERRED FROM THE REVENUE LOSS RESTORATION CASH FUND BEFORE EXPENDING THE MONEY TRANSFERRED FROM THE GENERAL FUND. ANY UNENCUMBERED MONEY THAT REMAINS IN THE FUND ON JUNE 30, 2024, FROM THE MONEY TRANSFERRED FROM THE REVENUE LOSS RESTORATION CASH FUND REVERTS TO THE REVENUE LOSS RESTORATION CASH FUND, AND ANY MONEY THAT REMAINS IN THE FUND ON JUNE 30, 2024, FROM THE MONEY TRANSFERRED FROM THE GENERAL FUND REVERTS TO THE GENERAL FUND.

(k) A LANDLORD THAT ISSUES TO A TENANT A NOTICE OF LATE RENT OR A DEMAND FOR PAYMENT OF RENT IS ENCOURAGED TO INCLUDE WITH THE NOTICE OR DEMAND FOR PAYMENT A NOTIFICATION TO THE TENANT CONCERNING THE GRANT PROGRAM AND THE POSSIBILITY THAT THE TENANT MAY BE ELIGIBLE TO RECEIVE A GRANT FROM THE GRANT PROGRAM.

(l) THIS SUBSECTION (7) IS REPEALED, EFFECTIVE JUNE 30, 2025.

SECTION 3. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: November 28, 2023