First Regular Session Seventy-fourth General Assembly STATE OF COLORADO

REVISED

This Version Includes All Amendments Adopted on Second Reading in the Second House HOUSE BILL 23-1120

LLS NO. 23-0541.01 Shelby Ross x4510

HOUSE BILL 23

HOUSE SPONSORSHIP

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A BILL FOR AN ACT

101 CONCERNING EVICTION PROTECTIONS FOR RESIDENTIAL TENANTS

102 WHO RECEIVE PUBLIC ASSISTANCE, AND, IN CONNECTION

103 THEREWITH, MAKING AN APPROPRIATION.

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 <u>http://leg.colorado.gov</u>.)

The bill requires a landlord and residential tenant to participate in mandatory mediation prior to commencing an eviction action if the residential tenant receives supplemental security income, federal social security disability insurance, or cash assistance through the Colorado works program (collectively, "cash assistance"). The landlord and SENATE Amended 2nd Reading May 5, 2023

HOUSE 3rd Reading Unamended April 13, 2023

> Amended 2nd Reading April 12, 2023

HOUSE

residential tenant do not have to participate in mediation if the residential tenant did not disclose or declined to disclose in writing to the landlord that the residential tenant receives cash assistance. Failure to comply with mandatory mediation is an affirmative defense.

The bill prohibits a law enforcement officer from executing a writ of restitution against a residential tenant for at least 30 days after the entry of judgment if the residential tenant receives cash assistance.

The bill requires a written rental agreement to include a statement that a residential tenant who receives cash assistance has a right to mediation prior to the landlord filing an eviction complaint with the court.

The bill prohibits a written rental agreement from including a waiver of mandatory mediation.

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

2

SECTION 1. Legislative declaration. (1) The general assembly

3 finds that:

4 (a) There is a wide disparity in access to legal representation
5 between landlords and people experiencing eviction in Colorado. A 2021
6 study found that renters are represented by legal counsel in only one
7 percent of eviction cases, while landlords are represented in 77 percent
8 of cases.

9 (b) This disparity in access to legal representation creates an
10 imbalance in power during eviction proceedings;

(c) Prelitigation mediation helps to restore the balance of power
during eviction proceedings by facilitating communication between
renters and landlords in a neutral setting. Skilled, neutral mediators can
help guide the parties to find a reasonable and long-lasting alternative to
eviction.

(d) Colorado is experiencing a housing shortage. A 2022 report
from the general assembly's affordable housing and transformational task
force found that the state needs an additional 325,000 rental units to meet
current demand.

- (e) People with disabilities face an additional barrier to finding
 housing that meets their accessibility requirements;
- 3 (f) People who receive cash assistance face an additional barrier
 4 to finding housing that is affordable on a fixed income; and
- 5 (g) Extending the period of time before law enforcement can 6 execute a writ of restitution gives a renter with disabilities or a renter who 7 receives cash assistance more time to find new housing and improves the 8 renter's likelihood of remaining housed.
- 9

(2) The general assembly further finds that:

(a) Evictions threaten existing affordable housing by creating
additional burdens for independent property owners, including legal fees,
unpaid rent and utility fees, additional vacancies, and resident turnover;
and

(b) Reducing evictions and preventing people from becoming
homeless saves taxpayers money by reducing public spending on court
costs, emergency shelter, medical care, foster care, and juvenile
delinquency.

(3) Therefore, the general assembly declares it is necessary to
avoid eviction proceedings and provide additional protections for people
with disabilities and people who receive cash assistance who are
experiencing an eviction.

SECTION 2. In Colorado Revised Statutes, 13-40-110, amend
(1); and add (3) as follows:

13-40-110. Action - how <u>commenced - report.</u> (1) (a) An action
under this article ARTICLE 40 is commenced by filing with the court a
complaint in writing describing the property with reasonable certainty, the
grounds for the recovery thereof, the name of the person in possession or

occupancy, and a prayer for recovery of possession, AND A SIGNED
 AFFIDAVIT THAT STATES:

(I) THE RESIDENTIAL TENANT RECEIVES SUPPLEMENTAL SECURITY
INCOME, SOCIAL SECURITY DISABILITY INSURANCE UNDER TITLE II OF THE
FEDERAL "SOCIAL SECURITY ACT", 42 U.S.C. SEC. 401 ET SEQ., AS
AMENDED, OR CASH ASSISTANCE THROUGH THE COLORADO WORKS
PROGRAM CREATED IN PART 7 OF ARTICLE 2 OF TITLE 26, AND THE
COMPLAINANT AND RESIDENTIAL TENANT PARTICIPATED IN MANDATORY
MEDIATION AND THE MEDIATION WAS UNSUCCESSFUL;

10 (II) THE COMPLAINANT AND RESIDENTIAL TENANT DID NOT
11 PARTICIPATE IN MANDATORY MEDIATION BECAUSE THE RESIDENTIAL
12 TENANT:

(A) DID NOT DISCLOSE OR DECLINED TO DISCLOSE IN WRITING IN
RESPONSE TO A WRITTEN INQUIRY FROM THE COMPLAINANT THAT THE
RESIDENTIAL TENANT RECEIVES SUPPLEMENTAL SECURITY INCOME, SOCIAL
SECURITY DISABILITY INSURANCE UNDER TITLE II OF THE FEDERAL
"SOCIAL SECURITY ACT", 42 U.S.C. SEC. 401 ET SEQ., AS AMENDED, OR
CASH ASSISTANCE THROUGH THE COLORADO WORKS PROGRAM CREATED
IN PART 7 OF ARTICLE 2 OF TITLE 26; OR

(B) DOES NOT RECEIVE SUPPLEMENTAL SECURITY INCOME, SOCIAL
SECURITY DISABILITY INSURANCE UNDER TITLE II OF THE FEDERAL
"SOCIAL SECURITY ACT", 42 U.S.C. SEC. 401 ET SEQ., AS AMENDED, OR
CASH ASSISTANCE THROUGH THE COLORADO WORKS PROGRAM CREATED
IN PART 7 OF ARTICLE 2 OF TITLE 26; OR

(III) THE COMPLAINANT AND RESIDENTIAL TENANT DID NOT
PARTICIPATE IN MANDATORY MEDIATION BECAUSE THE COMPLAINANT IS:
(A) A 501(c)(3) NONPROFIT ORGANIZATION THAT OFFERS

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1 OPPORTUNITIES FOR MEDIATION TO RESIDENTIAL TENANTS PRIOR TO FILING

2 A RESIDENTIAL EVICTION IN COURT; OR

3 (B) A LANDLORD WITH FIVE OR FEWER SINGLE-FAMILY RENTAL
4 HOMES AND NO MORE THAN FIVE TOTAL RENTAL UNITS, INCLUDING ANY
5 SINGLE-FAMILY HOMES.

6 (b) MANDATORY MEDIATION MUST BE CONDUCTED BY A TRAINED 7 NEUTRAL THIRD PARTY AND BE PROVIDED AT NO COST TO THE 8 RESIDENTIAL TENANT. THE LANDLORD IS ONLY REQUIRED TO PAY FOR THE 9 LANDLORD'S PORTION OF THE MANDATORY MEDIATION. THE 10 COMPLAINANT AND RESIDENTIAL TENANT MAY HAVE LEGAL 11 REPRESENTATION PRESENT DURING THE MANDATORY MEDIATION. A 12 RESIDENTIAL TENANT MAY VOLUNTARILY WAIVE THE TENANT'S RIGHT TO 13 MANDATORY MEDIATION, BUT A WAIVER MUST NOT BE IN ANY LEASE 14 AGREEMENT OR OTHER AGREEMENT BETWEEN THE COMPLAINANT AND 15 **RESIDENTIAL TENANT PURSUANT TO SECTION 38-12-801.**

16 (c) THE OFFICE OF <u>DISPUTE RESOLUTION, CREATED IN SECTION</u>
 17 <u>13-22-303</u>, SHALL SCHEDULE THE MANDATORY MEDIATION AT THE FIRST
 18 AVAILABLE DATE, BUT NO LATER THAN FOURTEEN CALENDAR DAYS AFTER
 19 THE LANDLORD REQUESTS THE MEDIATION.

(d) FAILURE TO COMPLY WITH THE MANDATORY MEDIATION
REQUIREMENTS OUTLINED IN THIS SUBSECTION (1) IS AN AFFIRMATIVE
DEFENSE. IF THE AFFIRMATIVE DEFENSE IS RAISED AND THE COMPLAINANT
CANNOT DEMONSTRATE THAT THE REQUIREMENTS WERE MET, THE COURT
SHALL DISMISS THE CASE WITHOUT PREJUDICE AND A NEW COMPLAINT
MUST BE FILED.

26 (e) The complaint may also set forth the amount of rent due, the
27 rate at which it is accruing, the amount of damages due, and the rate at

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which they are accruing and may include a prayer for rent due or to
 become due, present and future damages, costs, and any other relief to
 which plaintiff is entitled.

4 (3) BEGINNING JANUARY, 2024, THE JUDICIAL DEPARTMENT SHALL 5 REPORT TO THE HOUSE OF REPRESENTATIVES JUDICIARY COMMITTEE AND 6 THE SENATE JUDICIARY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, 7 DURING THE JUDICIAL DEPARTMENT'S "SMART ACT" HEARING THE TOTAL 8 NUMBER OF MEDIATIONS SCHEDULED BY THE OFFICE OF DISPUTE 9 RESOLUTION PURSUANT TO THIS SECTION, THE OUTCOMES OF THE 10 MEDIATIONS, AND THE COST OF THE MEDIATIONS FOR THE PREVIOUS 11 FISCAL YEAR.

SECTION 3. In Colorado Revised Statutes, 13-40-122, amend
(1) as follows:

14 **13-40-122.** Writ of restitution after judgment. (1) (a) A court 15 shall not issue a writ of restitution upon any judgment entered in any action pursuant to this article 40 until forty-eight hours after the time of 16 17 the entry of the judgment. IF THE WRIT OF RESTITUTION CONCERNS A 18 RESIDENTIAL TENANT WHO RECEIVES SUPPLEMENTAL SECURITY INCOME, 19 SOCIAL SECURITY DISABILITY INSURANCE UNDER TITLE II OF THE FEDERAL 20 "SOCIAL SECURITY ACT", 42 U.S.C. SEC. 401 ET SEQ., AS AMENDED, OR 21 CASH ASSISTANCE THROUGH THE COLORADO WORKS PROGRAM CREATED 22 IN PART 7 OF ARTICLE 2 OF TITLE 26, THE WRIT MUST SPECIFY THAT THE 23 WRIT IS NOT EXECUTABLE FOR THIRTY DAYS AFTER ENTRY OF JUDGMENT 24 PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION; EXCEPT IN THE CASE: 25 (I) IN WHICH A COURT HAS ORDERED A JUDGMENT FOR POSSESSION 26 FOR A SUBSTANTIAL VIOLATION PURSUANT TO SECTION 13-40-107.5; OR 27 (II) OF A LANDLORD WITH FIVE OR FEWER SINGLE FAMILY RENTAL

1 HOMES AND NO MORE THAN FIVE TOTAL RENTAL UNITS INCLUDING ANY

2 SINGLE FAMILY HOMES.

3 (b) A writ of restitution shall MUST be executed by the officer 4 having the same only in the daytime and between sunrise and sunset, and 5 the officer shall not execute a writ of restitution concerning a residential 6 tenancy until at least ten days after entry of the judgment; EXCEPT THAT 7 THE OFFICER SHALL NOT EXECUTE A WRIT OF RESTITUTION CONCERNING 8 A RESIDENTIAL TENANCY UNTIL AT LEAST THIRTY DAYS AFTER ENTRY OF 9 JUDGMENT IF THE RESIDENTIAL TENANT RECEIVES SUPPLEMENTAL 10 SECURITY INCOME, SOCIAL SECURITY DISABILITY INSURANCE UNDER TITLE 11 II OF THE FEDERAL "SOCIAL SECURITY ACT", 42 U.S.C. SEC. 401 ET SEQ., 12 AS AMENDED, OR CASH ASSISTANCE THROUGH THE COLORADO WORKS 13 PROGRAM CREATED IN PART 7 OF ARTICLE 2 OF TITLE 26, AS SPECIFIED IN 14 THE WRIT; EXCEPT IN THE CASE:

(I) IN WHICH A COURT HAS ORDERED A JUDGMENT FOR POSSESSION
FOR A SUBSTANTIAL VIOLATION PURSUANT TO SECTION 13-40-107.5; OR
(II) OF A LANDLORD WITH FIVE OR FEWER SINGLE FAMILY RENTAL
HOMES AND NO MORE THAN FIVE TOTAL RENTAL UNITS INCLUDING ANY
SINGLE FAMILY HOMES.

(c) Any writ of restitution governed by this section may be
executed by the county sheriff's office in which the property is located by
a sheriff, undersheriff, or deputy sheriff, as described in section
16-2.5-103 (1) or (2), while off duty or on duty at rates charged by the
employing sheriff's office in accordance with section 30-1-104 (1)(gg).
SECTION 4. In Colorado Revised Statutes, amend 13-40-106 as

26 follows:

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13-40-106. Written demand. (1) The demand required by

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1 section 13-40-104 shall be made in writing, specifying the grounds of the 2 demandant's right to the possession of such premises, describing the 3 same, and the time when the same shall be delivered up, and shall be 4 signed by the person claiming such possession, his agent, or his attorney. 5 (2) THE DEMAND MUST ALSO INCLUDE A STATEMENT THAT A 6 RESIDENTIAL TENANT WHO RECEIVES SUPPLEMENTAL SECURITY INCOME, 7 SOCIAL SECURITY DISABILITY INSURANCE UNDER TITLE II OF THE FEDERAL 8 "SOCIAL SECURITY ACT", 42 U.S.C. SEC. 401 ET SEQ., AS AMENDED, OR 9 CASH ASSISTANCE THROUGH THE COLORADO WORKS PROGRAM CREATED 10 IN PART 7 OF ARTICLE 2 OF TITLE 26 HAS A RIGHT TO MEDIATION PRIOR TO 11 THE LANDLORD FILING AN EVICTION COMPLAINT WITH THE COURT 12 PURSUANT TO SECTION 13-40-110. 13 **SECTION 5.** In Colorado Revised Statutes, 24-34-502, add (1.8) 14 as follows: 15 24-34-502. Unfair housing practices prohibited - definitions. 16 (1.8) It is not a violation of this section for a landlord to ask a 17 RESIDENTIAL TENANT WHETHER THE TENANT RECEIVES SUPPLEMENTAL 18 SECURITY INCOME, SOCIAL SECURITY DISABILITY INSURANCE UNDER TITLE 19 II OF THE FEDERAL "SOCIAL SECURITY ACT", 42 U.S.C. SEC. 401 ET SEQ., 20 AS AMENDED, OR CASH ASSISTANCE THROUGH THE COLORADO WORKS 21 PROGRAM CREATED IN PART 7 OF ARTICLE 2 OF TITLE 26 FOR THE PURPOSES 22 OF COMPLYING WITH SECTION 13-40-110 (1). 23 SECTION 6. In Colorado Revised Statutes, 38-12-801, amend 24 (3); and **add** (2.5) as follows: 25 38-12-801. Written rental agreement - prohibited clauses -26 **copy - tenant.** (2.5) (a) A WRITTEN RENTAL AGREEMENT MUST INCLUDE 27 A STATEMENT THAT SECTION 24-34-502(1) PROHIBITS SOURCE OF INCOME

1	DISCRIMINATION AND REQUIRES A NON-EXEMPT LANDLORD TO ACCEPT
2	ANY LAWFUL AND VERIFIABLE SOURCE OF MONEY PAID DIRECTLY,
3	INDIRECTLY, OR ON BEHALF OF A PERSON, INCLUDING INCOME DERIVED
4	FROM ANY LAWFUL PROFESSION OR OCCUPATION AND INCOME OR RENTAL
5	PAYMENTS DERIVED FROM ANY GOVERNMENT OR PRIVATE ASSISTANCE,
6	GRANT, OR LOAN PROGRAM.
7	(b) This subsection (2.5) does not apply to a landlord with
8	FIVE OR FEWER SINGLE FAMILY RENTAL HOMES AND NO MORE THAN FIVE
9	TOTAL RENTAL UNITS INCLUDING ANY SINGLE FAMILY HOMES.
10	(3) (a) A written rental agreement must not include:
11	(a) (I) An unreasonable liquidated damages clause that assigns a
12	cost to a party stemming from an eviction notice or an eviction action
13	from a violation of the rental agreement; or
14	(b) (II) A one-way, fee-shifting clause that awards attorney fees
15	and court costs only to one party. Any fee-shifting clause contained in a
16	rental agreement must award attorney fees to the prevailing party in a
17	court dispute concerning the rental agreement, residential premises, or
18	dwelling unit.
19	(III) A WAIVER OF MANDATORY MEDIATION REQUIRED PURSUANT
20	TO SECTION 13-40-110 (1); OR
21	(IV) A clause that allows a landlord to recoup any costs
22	ASSOCIATED WITH MANDATORY MEDIATION REQUIRED PURSUANT TO
23	SECTION 13-40-110 (1).
24	(c) (b) Any clause in violation of subsection (3)(a) or (3)(b) of this
25	section THIS SUBSECTION (3) is null and void and unenforceable.
26	SECTION 7. Appropriation. (1) For the 2023-24 state fiscal
27	year, \$328,026 is appropriated to the judicial department for use by courts

1	administration. This appropriation is from the general fund. To implement
2	this act, the department may use this appropriation as follows:
3	(a) \$246,076 for general courts administration, which amount is
4	based on an assumption that the department will require an additional 0.6
5	<u>FTE;</u>
6	(b) \$75,000 for information technology infrastructure; and
7	(c) \$6,950 for capital outlay.
8	SECTION 8. Safety clause. The general assembly hereby finds,
9	determines, and declares that this act is necessary for the immediate
10	preservation of the public peace, health, or safety.