

Chuck Cole
25850 County Road 162
Nathrop, Co 81236
February 16, 2020

Honorable Julie Gonzalez
Colorado State Legislature
Denver, Colorado

Dear Representative Gonzalez:

I am writing regarding your sponsorship of HB20-1141.

My wife and I are landlords, having a small residential property in Colorado Springs and a five-unit property in Glenwood Springs. Along with social security the income from these properties provides for us in our retirement. I hope you will take my word for it when I say that we worked hard during our careers to acquire, maintain, and pay them off to insure a dependable income when we aged. I also hope you will take my word for it when I say that we have been paternalistic landlords, treating our obligations to our tenants seriously and extending them the benefit of the doubt when they got in a jamb financially. Over the years we have, occasionally, been taken advantage of but all in all we believe it has worked well for both us and our tenants. We attribute this to the development of mutual respect and the flexibility and reasonableness it brings to negotiations between parties. We believe House Bill 20-1141 will alter this balance.

We have found that in real world negotiations the perception of mutual benefits, personal responsibilities, and respect between parties sets the stage for good outcomes. I have read HB20-1141. As written, many of its' provisions distort what I think of as natural incentives parties in a landlord-tenant relationship have to reach mutually beneficial solutions. Carrots and sticks really do work and they work naturally and automatically assuming there is a level playing field.

HB20-1141 removes any incentive tenants have to pay their rent on time. Timely settling of obligations is one of the tenets of financial agreements. Parties to them take for granted the adherence to commitment. Indeed, they rely on them to the extent of building other agreements predicated upon them. Late adherence to obligations often creates a chain of additional failures as rightfully-relied-upon funds dedicated to the payment of other debt are withheld and are unavailable.

In my reading of The Bill I couldn't help but wonder what conditions brought about the perception that it was needed. Since I really could not figure that out, I assume there is a remedy being sought for a legitimate injustice. Whatever that may be, this bill goes too far. It upsets the apple cart. I urge you to withdraw this bill and rework it to take advantage of ordinary concepts of integrity, mutual benefit, personal responsibility, and natural incentives.

Sincerely,
Chuck Cole

HB20-1141 (Fee Bill)

I come today to speak to you about the HB20-1141 proposed bill. I am currently a property manager in the Colorado Springs area. I mostly manage single family homes, many of which are owned by military members who have been re-stationed, but hope to return because Colorado is HOME. I would like to provide my point of view in 3 aspects.

1st-As a renter

My husband has been in the military for 18 years, and we have always been renters until this past August. It has not always been easy to find rental properties that fit our needs while staying on or under our military housing allotment. As a property manager, I know that if these fee options are taken away, rent will be increased overall to offset the inability to charge those that have earned these fees. This will drive up rent costs for families like mine.

2nd-As a military home-owner and possible future landlord

4 years ago, my husband and I drove through Colorado before arriving at our next duty station and we knew that this was HOME. When we were able to get an assignment in the Springs, we purchased our very first house. With my husband approaching retirement, we worry that we may be reassigned one more time before his time in service is completed. This would mean that we would potentially have to rent our home. Without the ability to charge fees, it takes the pressure off tenants to pay their rent in a timely manner, but my husband and I will rely on our tenants making their payments on time for us to pay our Mortgage. If they bounce their rent check, we wouldn't be able to recoup NSF fees, and if we needed to hire legal counsel to start an eviction process we would incur 100% of the expense. I think many in a similar position would opt to sell instead of retaining their homes.

Lastly, as a property manager

Tenants paying late, getting HOA fines, bouncing checks, breaking a lease, or incurring other fees are an exception, not a rule. Taking away the ability to charge these fees would punish our responsible tenants because we would have no choice but to raise the rent in general to offset these costs. When tenants break their lease and we re-rent the property, we incur many costs that should be the tenant's responsibility including re-listing fees, payroll for showings, prepping costs, and leasing the property to new tenants. For four-plexes and 6-plexes that I manage, this would cause issues for the way that shared utilities are charged to tenants. Ultimately, I fear that investment properties will be sold off, which would reduce my portfolio and my income.

With these things considered, please consider my points and vote NO, on HB 20-1141

To Whom It May Concern,

I am writing this letter as a constituent to express my opposition to HB20-1141. I'd like to start off by saying that I believe Landlords, Management Companies, and Legislators can and should work together to create a fair and equitable system for both Tenants and Landlords. I can't directly speak on behalf of other Management Companies or Landlords, but I believe that the vast majority of said parties are willing to work with Legislators to fight against practices that are harmful to Tenants, Landlords, and the rental industry. With that said, I firmly believe that HB20-1141 is not only harmful to Landlords, but Tenants as well. This bill, if passed as currently written, will have dire and far reaching consequences for the rental industry and the economic growth of Colorado. Preventing Landlords from charging any fees other than late fees, such as pet fees, cleaning fees, lease break fees, etc., increases a Landlord's liability when it comes to renting their property out. This will cause Landlords to either sell their rental properties and invest in a state that provides more protection or raise the rent to offset new liabilities this bill imposes on them. This will create a shortage of rentals, the remaining of which will not be affordable to tenants. Passing this bill will hurt the very people it aims to help and will make the affordable housing issue even worse.

Sincerely,
Jon Lackey
Property Manager
Curbow Real Estate
3659 Star Ranch Rd
Colorado Springs, CO 80906
719-390-1100
jon@curbow.com