



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1284: REQUIREMENTS FOR TENANT UTILITY BILLING

Prime Sponsors:

Rep. Phillips; Paschal

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Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill imposes certain requirements on landlords related to water utility billing and submeters for properties they manage.

Types of impacts. The bill is projected to affect the following areas beginning on January 1, 2027:

- Minimal State Revenue
- Minimal State Workload
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill clarifies that landlords may use a ratio utility billing system to charge tenants for utilities. If a landlord employs a ratio utility billing system, the landlord must disclose the formula to tenants and deduct at least 10 percent of the total amount billed across all units to account for common areas. Monthly bills for utilities must only include certain charges.

The bill requires landlords to install and maintain submeters for properties that apply for initial water service after January 1, 2027, allowing for individual unit utility billing. The bill requires that a tenant's bill include water billing information.

Tenants may report malfunctioning submeters to landlords, who must investigate the submeter within 14 days of receiving the report. Submeters must be replaced if they produce inaccurate readings; the bill specifies which alternate billing models may be used if a submeter is in the process of being replaced.

If a landlord charges their tenants for utility service separate from their rent, the bill requires disclosure of fees and billing methods. Tenants may request water utility invoices which must be delivered within 14 days. Tenants may file civil actions in court for violations and may be entitled to damages and may recover attorney fees and court costs.

State Revenue

The bill may increase revenue to the Judicial Department from an increase in civil case filings. The fiscal note assumes that landlords will comply with the additional requirements and that the number of additional cases will be minimal. Revenue from filing fees is subject to TABOR.

State Expenditures

Department of Law

Workload may increase for staff to investigate new complaints against landlords who violate utility billing requirements. The department will review complaints and prioritize investigations as necessary within available resources.

Judicial Department

The trial courts may have an increase in cases filed for violations. It is assumed the landlords will abide by the law, and that any violations resulting in new court cases will be minimal. No change in appropriations is required.

Local Government

If district attorneys receive complaints related to utility billing, workload will increase to investigate complaints and seek relief when appropriate. It is assumed most such cases will be handled by the Department of Law.

Local governments that provide water and utility services may have an increase in workload to assist landlords with complying with the bill's requirements. These impacts will vary depending on the number of ratio utility billing systems and submeters for residential properties.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed and applies to rental agreements entered after January 1, 2027.

State and Local Government Contacts

Judicial

Local Affairs

Law

Regulatory Agencies

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).