

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 25-0087.01 Richard Sweetman x4333

HOUSE BILL 25-1240

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A BILL FOR AN ACT

101 **CONCERNING PROTECTIONS FOR TENANTS WHO USE HOUSING**
102 **SUBSIDIES.**

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 requires a landlord who initiates an eviction proceeding for nonpayment of rent against a tenant to comply with certain notice requirements set forth in federal law for tenants who use housing subsidies (covered tenants).

The bill prohibits a landlord from charging a covered tenant a late fee in an amount that exceeds \$20.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.*

Under current law, if a tenant proves as an affirmative defense to an eviction proceeding that the landlord violated the warranty of habitability, the court must order a reduction in the fair rental value of the dwelling unit and order the landlord to reimburse the tenant any difference in rent between the reduced fair rental value and any greater amount of rent that the tenant paid. The bill states that the landlord must reimburse this amount regardless of whether part or all of the rent was paid by the tenant or by a housing subsidy issued to the tenant.

Current law defines certain acts as unfair housing practices and exempts a landlord with 3 or fewer rental units from enforcement of several such definitions. Current law also states that a landlord with 5 or fewer single-family rental homes and no more than 5 total rental units is not required to accept federal housing choice vouchers. The bill repeals both of these exemptions. The bill also states that a landlord commits an unfair housing practice if the landlord fails to:

- Make reasonable efforts to timely respond to requests for information and documentation that is necessary for a rental assistance application program; or
- Cooperate with a tenant who is applying for rental assistance in good faith.

Current law allows a person to pursue relief for damages resulting from a landlord's commission of an unfair housing practice. The bill states that, if a court awards damages to a plaintiff who prevails in such an action, and the violation concerns discrimination on the basis of an individual's use of a housing subsidy, the court shall award at least \$5,000 in damages. The bill also states that a calculation of such damages must include consideration of losses that a tenant may incur as a result of the tenant forfeiting their housing subsidy as a result of the landlord discriminating against the tenant based on the tenant's source or amount of income.

Current law provides that, in addition to relief awarded to a tenant in a private action, the Colorado civil rights commission may order a respondent found to have engaged in an unfair housing practice to pay a civil penalty in an amount that has no minimum and a maximum that varies based on whether the respondent has prior violations. The bill establishes a minimum penalty amount of \$5,000 if a person commits any of certain unfair housing violations and the violation concerns discrimination on the basis of an individual's use of a housing subsidy.

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:

1 (a) Access to stable and affordable housing is a fundamental right
2 and essential to a person's dignity, economic security, and ability to
3 thrive. Housing should not be denied based on a person's income source,
4 including the use of federal housing subsidies such as the housing choice
5 voucher program administered by the federal department of housing and
6 urban development, known as "HUD".

7 (b) Tenants who rely on housing subsidies are disproportionately
8 vulnerable to housing instability, often facing discrimination, undue fees,
9 and barriers to securing or maintaining housing. Such obstacles
10 undermine their ability to build long-term stability and well-being.

11 (c) Discrimination based on the use of housing subsidies creates
12 an unjust disadvantage for families, particularly families in communities
13 that have been historically marginalized, such as families with low
14 incomes, people of color, individuals with disabilities, and survivors of
15 domestic violence. This discrimination not only perpetuates poverty but
16 also contributes to broader societal inequities.

17 (d) The housing choice voucher program plays a vital role in
18 providing economic opportunities and ensuring that all families,
19 regardless of income, have access to decent, safe, and affordable housing.
20 However, tenants who use vouchers face systemic barriers, including
21 landlord resistance, restrictive policies, and limited housing availability.

22 (e) According to recent studies from 2023, Colorado faces a
23 shortfall of 100,000 homes and apartments, a crisis that further limits the
24 availability of affordable housing for families, particularly for families
25 using housing subsidies. This shortage exacerbates housing insecurity for
26 families with low incomes and makes it even harder for voucher holders
27 to find homes.

1 (f) Federal rental assistance programs play a critical role in
2 supporting Colorado's most vulnerable populations, including seniors,
3 people with disabilities, veterans, and working families. In 2020, federal
4 rental assistance programs provided Colorado with \$628 million, helping
5 127,200 people in 65,000 households afford modest housing. Of these
6 recipients, 72% are seniors, children, or people with disabilities, who are
7 often at the greatest risk of housing instability.

8 (g) Rental assistance supports working families, with 53% of
9 nondisabled, working-age households that include at least one worker
10 receiving HUD rental assistance. Rental assistance helps people maintain
11 housing in all types of communities, including 112,000 people in cities
12 and suburbs, as well as 15,300 people in rural areas and small towns.

13 (h) Ensuring that tenants with housing subsidies can use their
14 vouchers effectively and without fear of discrimination is critical to
15 breaking the cycle of poverty and advancing racial, social, and economic
16 justice in Colorado; and

17 (i) Protecting tenants from unfair eviction practices and ensuring
18 their access to rental assistance strengthens communities, reduces the
19 long-term costs of homelessness, and allows vulnerable individuals and
20 families to contribute positively to society without the constant fear of
21 losing their homes.

22 (2) The general assembly also finds that:

23 (a) Tenants who use housing subsidies are integral members of the
24 community and deserve the same respect, protections, and opportunities
25 as other renters. By safeguarding their rights, we help create stronger,
26 more stable communities, reducing the risks of homelessness and
27 fostering economic mobility.

1 (b) Preventing unfair evictions, discrimination, and other barriers
2 to housing for subsidy recipients not only improves the lives of vulnerable
3 Coloradans but also saves taxpayer money by reducing reliance on
4 emergency services, shelter systems, and public assistance programs; and

5 (c) It is critical to remove barriers that disproportionately affect
6 low-income households and families of color by ensuring that landlords
7 make reasonable efforts to cooperate with tenants who are applying for
8 rental assistance in good faith, creating a more inclusive rental market
9 that serves all Coloradans.

10 (3) Therefore, the general assembly declares that it is essential to:

11 (a) Provide stronger protections for tenants who use housing
12 subsidies; and

13 (b) Create an environment in which all tenants, regardless of
14 income or source of income, have equal opportunity to secure housing
15 and maintain their homes, thus contributing to healthier, more vibrant
16 communities across the state.

17 **SECTION 2.** In Colorado Revised Statutes, **add** part 15 to article
18 12 of title 38 as follows:

19 PART 15

20 PROTECTIONS FOR TENANTS OF SUBSIDIZED HOUSING

21 **38-12-1501. Definitions.** AS USED IN THIS PART 15, UNLESS THE
22 CONTEXT OTHERWISE REQUIRES:

23 (1) "LANDLORD" MEANS:

24 (a) A LANDLORD, AS DEFINED IN SECTION 38-12-502 (5); OR

25 (b) THE MANAGEMENT OR LANDLORD OF A MOBILE HOME PARK, AS
26 DEFINED IN SECTION 38-12-201.5 (3).

27 (2) "TENANT" HAS THE MEANING SET FORTH IN SECTION 38-12-502

1 (9).

2 **38-12-1502. Notice required before initiation of eviction**
3 **proceeding.** A LANDLORD WHO INITIATES AN EVICTION PROCEEDING FOR
4 NONPAYMENT OF RENT AGAINST A TENANT SHALL COMPLY WITH THE
5 NOTICE REQUIREMENTS SET FORTH IN 15 U.S.C. SEC. 9058 (c), AS
6 ENACTED INTO LAW ON MARCH 7, 2020, NOTWITHSTANDING ANY
7 CHANGES IN FEDERAL LAW THAT MAY OCCUR OR MAY HAVE OCCURRED
8 SUBSEQUENT TO THIS DATE.

9 **SECTION 3.** In Colorado Revised Statutes, 38-12-105, **amend**
10 (1) introductory portion and (1)(b) introductory portion; and **add** (1)(b.5)
11 as follows:

12 **38-12-105. Late fees charged to tenants and mobile home**
13 **owners - maximum late fee amounts - prohibited acts - penalties -**
14 **period to cure violations - remedies - unfair or deceptive trade**
15 **practice.** (1) A landlord shall not take any of the following actions or
16 direct ~~any~~ AN agent to take any of the following actions on the landlord's
17 behalf:

18 (b) EXCEPT AS DESCRIBED IN SUBSECTION (1)(b.5) OF THIS
19 SECTION, charge a tenant or home owner a late fee in an amount that
20 exceeds the greater of:

21 (b.5) CHARGE A TENANT WHO IS RECEIVING A HOUSING SUBSIDY,
22 AS DEFINED IN SECTION 38-12-902 (1.7), A LATE FEE IN AN AMOUNT THAT
23 EXCEEDS TWENTY DOLLARS.

24 **SECTION 4.** In Colorado Revised Statutes, 38-12-507, **amend**
25 (2)(g)(IV) as follows:

26 **38-12-507. Breach of warranty of habitability - tenant's**
27 **remedies.** (2) (g) If a tenant proves an affirmative defense pursuant to

1 this subsection (2) by a preponderance of the evidence, the court shall:

2 (IV) Order the landlord to reimburse the tenant any difference in
3 rent between the reduced fair rental value and any greater amount of rent
4 that ~~the tenant~~ WAS paid TO THE LANDLORD pursuant to the rental
5 agreement while a breach of the warranty of habitability at the residential
6 premises existed, REGARDLESS OF WHETHER PART OR ALL OF THE RENT
7 WAS PAID BY THE TENANT OR BY A HOUSING SUBSIDY ISSUED TO THE
8 TENANT;

9 **SECTION 5.** In Colorado Revised Statutes, 24-34-502, **amend**
10 (1)(p) and (1)(q); **repeal** (1.5)(a) and (1.7); and **add** (1)(r) as follows:

11 **24-34-502. Unfair housing practices prohibited - definition.**

12 (1) It is an unfair housing practice, unlawful, and prohibited:

13 (p) For any person, for profit, to induce or attempt to induce
14 another person to rent any housing by representations regarding the entry
15 or prospective entry into the neighborhood of a person or persons with
16 particular sources of income; ~~or~~

17 (q) For any person to violate section 38-12-904 (1)(c) or (1)(d);

18 OR

19 (r) FOR ANY LANDLORD, AS DEFINED IN SECTION 38-12-1501 (1),

20 TO FAIL TO:

21 (I) MAKE REASONABLE EFFORTS TO TIMELY RESPOND TO REQUESTS
22 FOR INFORMATION AND DOCUMENTATION NECESSARY FOR A RENTAL
23 ASSISTANCE APPLICATION PROCESS; OR

24 (II) COOPERATE WITH A TENANT WHO IS APPLYING FOR RENTAL
25 ASSISTANCE IN GOOD FAITH, INCLUDING BY REFUSING TO PROVIDE
26 DOCUMENTS THAT ARE REQUIRED BY A STATE GOVERNMENT AGENCY, A
27 LOCAL GOVERNMENT AGENCY, OR OTHER ADMINISTRATING ENTITY TO

1 SUPPORT THE TENANT'S APPLICATION.

2 (1.5) (a) ~~Subsections (1)(l) to (1)(p) of this section do not apply~~
3 ~~to a landlord with three or fewer units of housing for rent or lease.~~

4 (1.7) ~~Notwithstanding any provision of subsection (1) of this~~
5 ~~section to the contrary, if a landlord owns five or fewer single family~~
6 ~~rental homes and no more than five total rental units including any single~~
7 ~~family homes, the landlord is not required to accept federal housing~~
8 ~~choice vouchers for any of those five single family homes as an~~
9 ~~acceptable source of income under subsection (1) of this section.~~

10 **SECTION 6.** In Colorado Revised Statutes, 24-34-505.6, **amend**
11 (6) introductory portion and (6)(a); and **add** (8) as follows:

12 **24-34-505.6. Enforcement by private persons.** (6) In addition
13 to the relief ~~which~~ THAT may be granted in accordance with section
14 24-34-508, the following relief is available:

15 (a) If the court finds that a discriminatory housing practice has
16 occurred or is about to occur, the court may award to the plaintiff actual
17 and punitive damages or may grant as relief, as the court deems
18 appropriate, any permanent or temporary injunction, temporary
19 restraining order, or other order, including an order enjoining the
20 defendant from engaging in such practice or ordering such affirmative
21 action as may be appropriate. IF THE COURT AWARDS DAMAGES TO A
22 PLAINTIFF AS DESCRIBED IN THIS SUBSECTION (6)(a), AND THE COURT
23 FINDS THAT THE DEFENDANT VIOLATED SECTION 24-34-502 (1)(h), (1)(l),
24 (1)(m), (1)(n), (1)(o), (1)(p), OR (1)(r) AND THAT THE VIOLATION
25 CONCERNS DISCRIMINATION ON THE BASIS OF AN INDIVIDUAL'S USE OF A
26 HOUSING SUBSIDY, AS DEFINED IN SECTION 38-12-902 (1.7), THE COURT
27 SHALL AWARD TO THE PLAINTIFF AT LEAST FIVE THOUSAND DOLLARS IN

1 DAMAGES.

2 (8) A CALCULATION OF ACTUAL DAMAGES PURSUANT TO THIS
3 SECTION MUST INCLUDE CONSIDERATION OF LOSSES THAT A TENANT MAY
4 INCUR AS A RESULT OF THE TENANT FORFEITING THEIR HOUSING SUBSIDY
5 AS A RESULT OF THE LANDLORD DISCRIMINATING AGAINST THE TENANT
6 BASED ON THE TENANT'S SOURCE OR AMOUNT OF INCOME.

7 **SECTION 7.** In Colorado Revised Statutes, 24-34-508, **amend**
8 (1)(f) as follows:

9 **24-34-508. Relief authorized.** (1) In addition to the relief
10 authorized by section 24-34-306 (9), the commission may order a
11 respondent who has been found to have engaged in an unfair housing
12 practice:

13 (f) (I) To ~~assess~~ PAY a civil penalty ~~against the respondent~~ in the
14 following ~~amounts~~ AMOUNT:

15 ~~(F)~~ (A) ~~Not to exceed~~ NO MORE THAN ten thousand dollars if the
16 respondent has not been adjudged to have committed ~~any~~ A prior
17 discriminatory housing practice;

18 ~~(H)~~ (B) ~~Not to exceed~~ NO MORE THAN twenty-five thousand
19 dollars if the respondent has been adjudged to have committed ~~any other~~
20 ANOTHER discriminatory housing practice during the five-year period
21 ending on the date of the filing of the charge; OR

22 ~~(HH)~~ (C) ~~Not to exceed~~ NO MORE THAN fifty thousand dollars if the
23 respondent has been adjudged to have committed two or more
24 discriminatory housing practices during the seven-year period ending on
25 the date of the filing of the charge.

26 (II) THE COMMISSION SHALL REQUIRE A RESPONDENT TO PAY, IN
27 ADDITION TO ANY AWARD OF DAMAGES PURSUANT TO SECTION

1 24-34-505.6, A CIVIL PENALTY TO THE PLAINTIFF PURSUANT TO THIS
2 SUBSECTION (1)(f) IN AN AMOUNT OF AT LEAST FIVE THOUSAND DOLLARS
3 IF:

4 (A) THE RESPONDENT IS FOUND TO HAVE ENGAGED IN A VIOLATION
5 OF SECTION 24-34-502 (1)(h), (1)(l), (1)(m), (1)(n), (1)(o), (1)(p), OR
6 (1)(r); AND

7 (B) THE VIOLATION CONCERNS DISCRIMINATION ON THE BASIS OF
8 AN INDIVIDUAL'S USE OF A HOUSING SUBSIDY, AS DEFINED IN SECTION
9 38-12-902 (1.7).

10 **SECTION 8. Applicability.** This act applies to conduct occurring
11 on or after the effective date of this act.

12 **SECTION 9. Safety clause.** The general assembly finds,
13 determines, and declares that this act is necessary for the immediate
14 preservation of the public peace, health, or safety or for appropriations for
15 the support and maintenance of the departments of the state and state
16 institutions.