

CHAPTER 291

PROPERTY

HOUSE BILL 25-1240

BY REPRESENTATIVE(S) Joseph and Froelich, Bacon, Boesenecker, Brown, Duran, Garcia, Lieder, Lindsay, Mabrey, Rutinel, Sirota, Story, Zokaie, Jackson;
also SENATOR(S) Winter F. and Wallace, Ball, Cutter, Gonzales J., Jodeh, Kipp, Michaelson Jenet, Sullivan, Weissman.

AN ACT**CONCERNING PROTECTIONS FOR TENANTS WHO USE HOUSING SUBSIDIES.**

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

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

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

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

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

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

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.

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

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

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

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

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

(2) The general assembly also finds that:

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

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

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

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

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

(b) Create an environment in which all tenants, regardless of income or source

of income, have equal opportunity to secure housing and maintain their homes, thus contributing to healthier, more vibrant communities across the state.

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

PART 15
PROTECTIONS FOR TENANTS OF SUBSIDIZED HOUSING

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

(1) "LANDLORD" MEANS:

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

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

(2) "TENANT" HAS THE MEANING SET FORTH IN SECTION 38-12-502 (9).

38-12-1502. Notice required before initiation of eviction proceeding. (1) A LANDLORD WHO INITIATES AN EVICTION PROCEEDING FOR NONPAYMENT OF RENT AGAINST A TENANT SHALL COMPLY WITH THE NOTICE REQUIREMENTS SET FORTH IN 15 U.S.C. SEC. 9058 (c), AS ENACTED INTO LAW ON MARCH 27, 2020, NOTWITHSTANDING ANY CHANGES IN FEDERAL LAW THAT MAY OCCUR OR MAY HAVE OCCURRED SUBSEQUENT TO THIS DATE.

(2) THE DIVISION OF HOUSING CREATED IN SECTION 24-32-704 IS ENCOURAGED TO COMPILE A LIST OF RESOURCES FOR LANDLORDS, WHICH LIST:

(a) HELPS A LANDLORD DETERMINE WHETHER ANY OF THE LANDLORD'S PROPERTIES ARE A COVERED DWELLING, AS DEFINED IN 15 U.S.C. SEC. 9058 (a)(1);

(b) DESCRIBES FINANCIAL RESOURCES THAT MAY BE AVAILABLE TO LANDLORDS;

(c) IS PUBLISHED ON THE DIVISION'S PUBLIC WEBSITE; AND

(d) IS COMPILED AND PUBLISHED USING EXISTING RESOURCES.

SECTION 3. In Colorado Revised Statutes, 38-12-507, **amend** (2)(g)(IV) as follows:

38-12-507. Breach of warranty of habitability - tenant's remedies. (2) (g) If a tenant proves an affirmative defense pursuant to this subsection (2) by a preponderance of the evidence, the court shall:

(IV) 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~~ WAS paid TO THE LANDLORD pursuant to the rental agreement while a breach of the warranty of habitability at the residential premises existed, REGARDLESS OF WHETHER PART OR

ALL OF THE RENT WAS PAID BY THE TENANT OR BY A HOUSING SUBSIDY ISSUED TO THE TENANT;

SECTION 4. In Colorado Revised Statutes, 24-34-502, **amend** (1)(p) and (1)(q); and **add** (1)(r) as follows:

24-34-502. Unfair housing practices prohibited - definition. (1) It is an unfair housing practice, unlawful, and prohibited:

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

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

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

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

(II) COOPERATE WITH A TENANT WHO IS APPLYING FOR RENTAL ASSISTANCE IN GOOD FAITH, INCLUDING BY REFUSING TO PROVIDE DOCUMENTS THAT ARE REQUIRED BY A STATE GOVERNMENT AGENCY, A LOCAL GOVERNMENT AGENCY, OR OTHER ADMINISTRATING ENTITY TO SUPPORT THE TENANT'S APPLICATION.

SECTION 5. In Colorado Revised Statutes, 24-34-505.6, **amend** (6) introductory portion and (6)(a); and **add** (8) as follows:

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

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

(8) A CALCULATION OF ACTUAL DAMAGES PURSUANT TO THIS SECTION 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.

SECTION 6. In Colorado Revised Statutes, 24-34-508, **amend** (1)(f) as follows:

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

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

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

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

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

(II) THE COMMISSION SHALL REQUIRE A RESPONDENT TO PAY, IN ADDITION TO ANY AWARD OF DAMAGES PURSUANT TO SECTION 24-34-505.6, A CIVIL PENALTY TO THE PLAINTIFF PURSUANT TO THIS SUBSECTION (1)(f) IN AN AMOUNT OF AT LEAST FIVE THOUSAND DOLLARS IF:

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

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

SECTION 7. Applicability. This act applies to conduct occurring on or after the effective date of this act.

SECTION 8. 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: May 29, 2025