



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

**FISCAL NOTE**

**Drafting Number:** LLS 18-1272  
**Prime Sponsors:** Rep. Herod

**Date:** May 1, 2018  
**Bill Status:** House Local Government  
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**Bill Topic:** PROHIBIT HOUSING DISCRIMINATION SOURCE OF INCOME

**Summary of Fiscal Impact:**

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Statutory Public Entity

The bill adds discrimination based on source of income as a type of unfair housing practice. The bill increases state and local revenue, expenditures, and workload on an ongoing basis.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** The fiscal note reflects the introduced bill.

**Table 1**  
**State Fiscal Impacts Under HB 18-1432**

		<b>FY 2018-19</b>	<b>FY 2019-20</b>
<b>Revenue</b>	Cash Funds	Up to \$5,000	Up to \$5,000
<b>Expenditures</b>		-	-
<b>Transfers</b>		-	-
<b>TABOR Refund</b>		Up to \$5,000	Up to \$5,000

## Summary of Legislation

The bill adds discrimination based on source of income as a type of unfair housing practice. Under this bill, no person may:

- refuse to lease residential housing based on a potential tenant's source of income;
- discriminate in the terms of a rental agreement based on a person's source of income, or based on a person's receipt of public housing assistance;
- include in any rental advertisement a limitation or preference based on source of income; or
- use representations related to a person's source of income to induce another person to rent or lease property.

## Background

Under the federal Fair Housing Act, tenants are protected from housing discrimination on the basis of race, color, religion, national origin, sex, disability, and familial status. In Colorado, these categories are expanded to include sexual orientation, sexual identification, ancestry, creed, marital status, and landlord retaliation. Local governments can impose additional regulations on the rights and duties of landlords and tenants.

Tenants who believe they have been discriminated against may file a complaint with either the Civil Rights Division within the Department of Regulatory Agencies (DORA), or the U.S. Department of Housing and Urban Development. If the Attorney General in the Department of Law (DOL) has probable cause to believe that an individual or group has engaged in an unfair housing practice, he or she may commence a civil action in the courts.

## State Revenue and Expenditures

The bill will result in a minimal cash fund revenue increase from court filings in the Judicial Department, and a minimal workload increase in the Department of Law, the Department of Regulatory Agencies, and the Department of Local Affairs. These impacts begin in FY 2018-19.

**Judicial Department.** By expanding the definition of unfair housing practices, trial courts may be called upon to review and rule on administrative actions taken against individuals related to unfair housing practices. Courts may also experience a small increase in the number of civil actions brought by tenants against landlords and property owners, thereby minimally increasing workload, and court revenue from filings, currently about \$97 per case filed in county court and about \$225 per case filed in district court. Total new revenue in any fiscal year is anticipated to be less than \$5,000.

**Department of Law.** The DOL provides regulatory guidance and legal services to state agencies, and may initiate legal action against individuals engaged in unfair housing practices. Although few criminal proceedings are anticipated, the bill will minimally increase the amount of services the department provides to client agencies regarding enforcement of unfair housing practices and the regulation of real estate professionals. No change in appropriations is required.

**Department of Regulatory Agencies.** State law provides for the administrative discipline for violations of state and federal fair housing laws. The Colorado Civil Rights Commission in the DORA can anticipate a slight increase in the number of professionals accused of unfair housing practices and the administrative effort those accusations create. No change in appropriations is required.

**Department of Local Affairs (DOLA).** The Division of Housing in DOLA provides rental assistance statewide through local housing authorities and non-profit service organizations. The bill will minimally increase workload in the division to update information sources and provide guidance concerning the law to clients and partner service agencies. This effort does not require additional appropriations.

## **TABOR Impact**

This bill minimally increases state revenue from court filing fees, which will minimally increase the amount of money required to be refunded under TABOR for FY 2018-19 and FY 2019-20. Since the bill increases the TABOR refund obligation without a corresponding change in General Fund revenue, the amount of money available in the General Fund for the budget will decrease by an identical amount.

## **Local Government and Statutory Public Entity Impact**

The bill will increase workload for the Colorado Housing and Finance Authority, as well as other local housing authorities, to update policies, and to modify documents used to communicate with real estate professionals and home buyers.

## **Effective Date**

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

## **State and Local Government Contacts**

Counties  
Local Affairs

Judicial  
Municipalities

Law  
Regulatory Agencies