A BILL FOR AN ACT

CONCERNING FACILITATING THE REPORTING OF TENANTS' RENT PAYMENT INFORMATION TO CONSUMER REPORTING AGENCIES AT THE TENANTS' REQUEST.

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 creates the tenants' rent payment information pilot program (pilot program) and directs the Colorado housing and finance authority (authority) to contract with a third party to administer the pilot program in accordance with rules promulgated by the authority.

The administrator shall recruit no more than 10 landlords to
participate in the pilot program. A tenant may participate in the pilot program only if the tenant elects to participate and completes a financial education course.

On or before January 1, 2024, the authority, in consultation with the administrator, shall submit to applicable legislative committees of reference a report concerning the pilot program.

The pilot program is repealed, effective June 1, 2024.

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

SECTION 1. In Colorado Revised Statutes, add 29-4-736 as follows:

29-4-736. Tenants' rent payment information pilot program - created - administrator - financial education courses required - rules - definitions - repeal. (1) As used in this section, unless the context otherwise requires:

(a) "Administrator" means the administrator with which the authority contracts to administer the pilot program pursuant to subsection (2) of this section.

(b) "Consumer reporting agency" means:

(I) A consumer reporting agency that compiles and maintains files on consumers on a nationwide basis, as defined in 15 U.S.C. sec. 1681a (p); or

(II) A consumer reporting agency, as defined in 15 U.S.C. sec. 1681a (f), so long as the consumer reporting agency resells or otherwise furnishes the rent payment information to a consumer reporting agency that compiles and maintains files on consumers on a nationwide basis, as defined in 15 U.S.C. sec. 1681a (p).

(c) "Dwelling unit" has the meaning set forth in section 38-12-502 (3).
(d) "FINANCIAL EDUCATION COURSE" MEANS AN EDUCATIONAL COURSE THAT PROVIDES INFORMATION ABOUT THE IMPORTANCE OF BUILDING AND MAINTAINING GOOD CREDIT, INCLUDING A FINANCIAL EDUCATION COURSE OFFERED BY A LOCAL BANK, A NONPROFIT ORGANIZATION, A HOUSING AUTHORITY, A STATE GOVERNMENT AGENCY SUCH AS THE AUTHORITY, OR A LOCAL GOVERNMENT AGENCY.

(e) "LANDLORD" HAS THE MEANING SET FORTH IN SECTION 38-12-502 (5).

(f) "PARTICIPANT LANDLORD" MEANS A LANDLORD THAT HAS ELECTED TO PARTICIPATE IN THE PILOT PROGRAM. A PARTICIPANT LANDLORD MAY BE A PERSON, A PUBLIC HOUSING AUTHORITY, OR A NONPROFIT ORGANIZATION THAT IS A LANDLORD.

(g) "PARTICIPANT TENANT" MEANS A TENANT THAT HAS ELECTED TO PARTICIPATE IN THE PILOT PROGRAM AND WHOSE LANDLORD IS A PARTICIPANT LANDLORD.

(h) "PILOT PROGRAM" MEANS THE TENANTS' RENT PAYMENT INFORMATION PILOT PROGRAM CREATED IN SUBSECTION (2) OF THIS SECTION.

(i) "RENT PAYMENT INFORMATION" MEANS INFORMATION CONCERNING A TENANT'S TIMELY PAYMENT OF RENT, UNTIMELY PAYMENT OF RENT, AND NONPAYMENT OF RENT. "RENT PAYMENT INFORMATION" DOES NOT INCLUDE INFORMATION CONCERNING A TENANT'S PAYMENT OR NONPAYMENT OF ANY FEES.

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

(2) (a) THE TENANTS' RENT PAYMENT INFORMATION PILOT PROGRAM IS CREATED TO FACILITATE THE REPORTING OF PARTICIPANT
TENANTS' RENT PAYMENT INFORMATION TO CONSUMER REPORTING AGENCIES.

(b) On or before October 1, 2021, the Authority shall contract with a third party to administer the pilot program. The administrator shall administer the pilot program in accordance with this section and rules promulgated by the Authority pursuant to subsection (3) of this section.

(c) (I) On or before October 15, 2021, the Administrator, in consultation with the Authority, shall commence recruiting landlords and tenants to participate in the pilot program.

(II) The Administrator shall recruit no more than ten landlords to participate in the pilot program. To the extent practicable, the Administrator shall recruit participant landlords who:

(A) Offer a variety of types of dwelling units for rent, including dwelling units of various sizes;

(B) Offer dwelling units for rent that are located in diverse areas of the State;

(C) Offer at least five dwelling units for rent; and

(D) Agree to comply with rules promulgated by the Authority pursuant to subsection (3) of this section.

(III) The Administrator may work with statewide or national associations of landlords to identify potential participant landlords.

(IV) The Administrator shall recruit at least one hundred tenants to participate in the pilot program.

(d) (I) A tenant may participate in the pilot program only
IF THE TENANT ELECTS TO PARTICIPATE AND COMPLETES A FINANCIAL EDUCATION COURSE. THE ADMINISTRATOR SHALL ENSURE THAT EACH PARTICIPANT TENANT COMPLETES A FINANCIAL EDUCATION COURSE BEFORE THE PARTICIPANT TENANT MAY HAVE A PARTICIPANT LANDLORD REPORT THE PARTICIPANT TENANT'S RENT PAYMENT INFORMATION.

(II) ON AND AFTER OCTOBER 15, 2021, THE ADMINISTRATOR SHALL:

(A) DIRECT EACH POTENTIAL PARTICIPANT TENANT TO THE LIST OF FINANCIAL EDUCATION COURSES ESTABLISHED PURSUANT TO RULES PROMULGATED BY THE AUTHORITY PURSUANT TO SUBSECTION (3) OF THIS SECTION; AND

(B) PROVIDE EDUCATION TO PARTICIPANT LANDLORDS AND POTENTIAL PARTICIPANT LANDLORDS CONCERNING THE REQUIREMENTS OF PARTICIPATION IN THE PILOT PROGRAM.

(3) (a) ON OR BEFORE OCTOBER 1, 2021, THE AUTHORITY SHALL PROMULGATE RULES FOR THE ADMINISTRATION OF THE PILOT PROGRAM. AT A MINIMUM, THE RULES MUST:

(I) INCLUDE A LIST OF FINANCIAL EDUCATION COURSES THAT TENANTS MAY COMPLETE IN ORDER TO PARTICIPATE IN THE PILOT PROGRAM, INCLUDING ONLINE CLASSES SORTED BY LOCATION AND, TO THE EXTENT PRACTICABLE, ADDRESSES, PHONE NUMBERS, WEBSITES, AND OTHER CONTACT INFORMATION;

(II) ENSURE THAT EACH PARTICIPANT LANDLORD REPORTS ONLY RENT PAYMENT INFORMATION CONCERNING A PARTICIPANT TENANT'S PAYMENT OR NONPAYMENT OF RENT AFTER THE DATE UPON WHICH THE PARTICIPANT TENANT ELECTED TO PARTICIPATE IN THE PILOT PROGRAM; AND
(III) Establish a standard form for participant tenants to use to elect to participate in the pilot program, which standard form must include:

(A) A statement that the participant tenant's participation in the pilot program is voluntary and that a participant tenant may cease participating in the pilot program at any time and for any reason by providing notice to the participant tenant's participant landlord;

(B) A statement that all of the participant tenant's rent payments will be reported, regardless of whether the payments are timely, late, or missed, and that reporting will commence within thirty days after the participant tenant elects to participate in the pilot program;

(C) Instructions describing how to submit the form to the participant landlord;

(D) A statement that if the participant tenant elects to cease participating in the pilot program, the participant tenant may not resume participating in the pilot program;

(E) Instructions describing how to elect to cease participating in the pilot program; and

(F) A signature block where the participant tenant may sign and date the form.

(b) The authority shall make the list of financial education courses described in subsection (3)(a)(I) of this section and the standard form described in subsection (3)(a)(III) of this section available to be downloaded from the authority's public website.
(4) (a) On or before January 1, 2024, the Authority, in consultation with the Administrator, shall submit to the Transportation and Local Government Committee of the House of Representatives and to the Local Government Committee of the Senate, or to any successor committee, a report concerning the pilot program. At a minimum, the report must indicate:

(I) the number of participant landlords, including an indication as to whether more than ten landlords expressed an interest in participating;

(II) the number of participant tenants;

(III) the cost of administering the pilot program;

(IV) for each participant landlord:

(A) the number of residential properties offered by the landlord; and

(B) the location of each property offered by the landlord; and

(V) the nature of the reporting mechanism used by the Administrator to report tenants' rent payment information to consumer reporting agencies.

(b) In addition to the information described in subsection (4)(a) of this section, the report may include any recommendations of the Authority concerning the continuation or repeal of the pilot program.

(c) The Authority shall make the report described in subsection (4)(a) of this section available on its public website.

(5) This section is repealed, effective June 1, 2024.

SECTION 2. Act subject to petition - effective date. This act
takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.