

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

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 21-0649.01 Richard Sweetman x4333

HOUSE BILL 21-1134

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A BILL FOR AN ACT

101 **CONCERNING FACILITATING THE REPORTING OF TENANTS' RENT**
102 **PAYMENT INFORMATION TO CONSUMER REPORTING AGENCIES**
103 **AT THE TENANTS' REQUEST, AND, IN CONNECTION THEREWITH,**
104 **MAKING AN APPROPRIATION.**

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

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

HOUSE
3rd Reading Unamended
May 19, 2021

HOUSE
Amended 2nd Reading
May 18, 2021

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The pilot program is repealed, effective June 1, 2024.

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:

4 (a) According to the Urban Institute, home ownership is currently
5 the largest single source of wealth building, but in Colorado, a significant
6 racial gap in home ownership rates exists;

7 (b) In 2018:

8 (I) Sixty-eight percent of White households were home owners,
9 compared to thirty-seven percent of Black households and fifty-two
10 percent of Latino households. This is especially problematic because
11 home ownership plays a bigger role in building wealth for communities
12 of color than it does for White households. According to a recent study,
13 home ownership amounts to fifty-three percent of wealth for Blacks and
14 thirty-nine percent of wealth for Whites.

15 (II) The national mortgage loan denial rate for Black applicants
16 was double that of White applicants, at eighteen percent versus nine
17 percent. Among Black and Latino households, the most common reason
18 for denial was debt-to-income ratios. The second most common reason
19 was credit history.

20 (c) Due to traditional credit scoring models, many communities

1 of color are credit invisible or unscorable. Roughly fifteen percent of
2 Blacks and Latinos are credit invisible compared to ten percent of Whites;
3 similarly, thirteen percent of Blacks and twelve percent of Latinos are
4 credit unscorable compared to seven percent of Whites. Credit invisibility
5 and unscorability are barriers to financial opportunity that have adverse
6 effects lasting generations.

7 (2) The general assembly also finds that:

8 (a) Communities of color find it difficult to gain access to credit,
9 especially when it comes to mortgages;

10 (b) For renters, the rental payment is often their single largest
11 credit or contractual obligation;

12 (c) Reporting rental payments is a way to even the playing field
13 and enable communities of color, lower-income households, and residents
14 of rural communities to generate and build credit without taking on
15 additional debt; and

16 (d) Reporting rental payments allows renters to build credit in
17 much the same way that home owners build credit through the reporting
18 of mortgage payments.

19 (3) Therefore, the general assembly declares that it is in the best
20 interests of the state to create a pilot program whereby participant tenants
21 may elect to have their rent payment information reported to consumer
22 reporting agencies and thereby build and improve their credit.

23 **SECTION 2.** In Colorado Revised Statutes, **add** 24-36-123 as
24 follows:

25 **24-36-123. Rent reporting for credit pilot program - Colorado**
26 **housing and finance authority - appropriations - repeal.** (1) ON OR
27 BEFORE OCTOBER 1, 2021, THE STATE TREASURER SHALL ISSUE A

1 WARRANT IN THE AMOUNT OF TWO HUNDRED FIVE THOUSAND DOLLARS
2 FROM THE TREASURY DEPARTMENT TO THE COLORADO HOUSING AND
3 FINANCE AUTHORITY CREATED IN SECTION 29-4-704 FOR THE
4 IMPLEMENTATION OF THE RENT REPORTING FOR CREDIT PILOT PROGRAM
5 CREATED IN SECTION 29-4-1003.

6 (2) THE GENERAL ASSEMBLY SHALL APPROPRIATE MONEY TO THE
7 TREASURY DEPARTMENT FOR THE PURPOSES OF THIS SECTION AND PART 10
8 OF ARTICLE 4 OF TITLE 29.

9 (3) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2024.

10 **SECTION 3.** In Colorado Revised Statutes, **add** part 10 to article
11 4 of title 29 as follows:

12 **PART 10**

13 **RENT REPORTING FOR CREDIT PILOT PROGRAM**

14 **29-4-1001. Short title.** THE SHORT TITLE OF THIS PART 10 IS THE
15 "RENT REPORTING FOR CREDIT PILOT PROGRAM ACT".

16 **29-4-1002. Definitions.** AS USED IN THIS PART 10, UNLESS THE
17 CONTEXT OTHERWISE REQUIRES:

18 (1) "AUTHORITY" MEANS THE COLORADO HOUSING AND FINANCE
19 AUTHORITY CREATED IN SECTION 29-4-704.

20 (2) "CONSUMER REPORTING AGENCY" HAS THE MEANING SET
21 FORTH IN 15 U.S.C. SEC. 1681a (f).

22 (3) "CONTRACTOR" MEANS THE CONTRACTOR WITH WHICH THE
23 AUTHORITY CONTRACTS TO ADMINISTER THE PILOT PROGRAM PURSUANT
24 TO SECTION 29-4-1003 (2).

25 (4) "DWELLING UNIT" HAS THE MEANING SET FORTH IN SECTION
26 38-12-502 (3).

27 (5) "FINANCIAL EDUCATION COURSE" MEANS AN EDUCATIONAL

1 COURSE THAT PROVIDES INFORMATION ABOUT THE IMPORTANCE OF
2 BUILDING AND MAINTAINING GOOD CREDIT, INCLUDING A FINANCIAL
3 EDUCATION COURSE OFFERED BY OR THROUGH A LOCAL BANK, A
4 NONPROFIT ORGANIZATION, THE AUTHORITY, A HOUSING AUTHORITY, A
5 STATE GOVERNMENT AGENCY, A LOCAL GOVERNMENT AGENCY, OR ANY
6 THIRD PARTY UNDER CONTRACT WITH ANY SUCH ENTITY.

7 (6) "LANDLORD" HAS THE MEANING SET FORTH IN SECTION
8 38-12-502 (5).

9 (7) "PARTICIPANT LANDLORD" MEANS A LANDLORD THAT HAS
10 AGREED IN WRITING TO PARTICIPATE IN THE PILOT PROGRAM AND HAS
11 SATISFIED THE REQUIREMENTS DESCRIBED IN SECTION 29-4-1003 (3)(b).

12 (8) "PARTICIPANT TENANT" MEANS A TENANT THAT HAS ELECTED
13 TO PARTICIPATE IN THE PILOT PROGRAM AND SATISFIED THE
14 REQUIREMENTS DESCRIBED IN SECTION 29-4-1003 (4) AND WHOSE
15 LANDLORD IS A PARTICIPANT LANDLORD.

16 (9) "PILOT PROGRAM" MEANS THE RENT REPORTING FOR CREDIT
17 PILOT PROGRAM CREATED IN SECTION 29-4-1003.

18 (10) "RENT PAYMENT INFORMATION" MEANS INFORMATION
19 CONCERNING A TENANT'S TIMELY PAYMENT OF RENT, UNTIMELY PAYMENT
20 OF RENT, OR NONPAYMENT OF RENT. "RENT PAYMENT INFORMATION" DOES
21 NOT INCLUDE INFORMATION CONCERNING A TENANT'S PAYMENT OR
22 NONPAYMENT OF ANY FEES.

23 (11) "TENANT" HAS THE MEANING SET FORTH IN SECTION
24 38-12-502 (9).

25 **29-4-1003. Rent reporting for credit pilot program - created**
26 **- third-party contractor - participant landlords and participant**
27 **tenants - financial education courses required - compensation for**

1 **participant landlords.** (1) THE RENT REPORTING FOR CREDIT PILOT
2 PROGRAM IS CREATED TO FACILITATE THE REPORTING OF PARTICIPANT
3 TENANTS' RENT PAYMENT INFORMATION TO CONSUMER REPORTING
4 AGENCIES.

5 (2) ON OR BEFORE OCTOBER 1, 2021, THE AUTHORITY SHALL
6 CONTRACT WITH A THIRD PARTY TO ADMINISTER THE PILOT PROGRAM. THE
7 CONTRACTOR SHALL ADMINISTER THE PILOT PROGRAM IN ACCORDANCE
8 WITH THIS PART 10 AND RULES PROMULGATED BY THE AUTHORITY
9 PURSUANT TO SECTION 29-4-1004.

10 (3) (a) ON AND AFTER OCTOBER 15, 2021, THE CONTRACTOR, IN
11 CONSULTATION WITH THE AUTHORITY, SHALL RECRUIT NO MORE THAN TEN
12 PARTICIPANT LANDLORDS AND, TO THE EXTENT PRACTICABLE, SHALL
13 ATTEMPT TO INCLUDE A TOTAL OF AT LEAST ONE HUNDRED PARTICIPANT
14 TENANTS, WITH AN EMPHASIS ON SELECTING PARTICIPANT TENANTS FROM
15 POPULATIONS THAT ARE UNDER-SERVED AND UNDER-REPRESENTED IN
16 HOME OWNERSHIP. TO THE EXTENT PRACTICABLE, THE CONTRACTOR
17 SHALL RECRUIT PARTICIPANT LANDLORDS WHO OFFER:

18 (I) A VARIETY OF TYPES OF DWELLING UNITS FOR RENT, INCLUDING
19 DWELLING UNITS OF VARIOUS SIZES;

20 (II) DWELLING UNITS FOR RENT THAT ARE LOCATED IN DIVERSE
21 AREAS OF THE STATE; AND

22 (III) AT LEAST FIVE DWELLING UNITS FOR RENT.

23 (b) IN ORDER TO BECOME A PARTICIPANT LANDLORD, A LANDLORD
24 MUST AGREE IN WRITING:

25 (I) TO PARTICIPATE IN THE PILOT PROGRAM FOR AT LEAST
26 FOURTEEN MONTHS, BUT THE AUTHORITY SHALL NOT REQUIRE A
27 LANDLORD TO REPORT A PARTICIPANT TENANT'S RENT PAYMENT

1 INFORMATION UNDER THE PILOT PROGRAM AFTER APRIL 1, 2024;

2 (II) NOT TO CHARGE A PARTICIPANT TENANT FOR PARTICIPATION
3 IN THE PILOT PROGRAM;

4 (III) TO COMPLY WITH RULES PROMULGATED BY THE AUTHORITY
5 PURSUANT TO SECTION 29-4-1004; AND

6 (IV) TO PROVIDE INFORMATION, TO THE EXTENT PRACTICABLE, TO
7 THE AUTHORITY AND THE CONSULTANT CONCERNING THE EXECUTION OF
8 THE PROGRAM FOR THE PURPOSE OF INFORMING THE REPORT DESCRIBED
9 IN SECTION 29-4-1005.

10 (c) THE CONTRACTOR MAY WORK WITH STATEWIDE OR NATIONAL
11 ASSOCIATIONS OF LANDLORDS TO IDENTIFY POTENTIAL PARTICIPANT
12 LANDLORDS.

13 (d) THE CONTRACTOR SHALL SUPPORT AND WORK WITH
14 LANDLORDS TO RECRUIT TENANTS TO PARTICIPATE IN THE PILOT PROGRAM.

15 (4) A TENANT MAY PARTICIPATE IN THE PILOT PROGRAM ONLY IF
16 THE TENANT AGREES TO PARTICIPATE AND COMPLETES A FINANCIAL
17 EDUCATION COURSE. A PARTICIPANT TENANT MUST DEMONSTRATE THAT
18 THE PARTICIPANT TENANT HAS COMPLETED A FINANCIAL EDUCATION
19 COURSE BEFORE THE PARTICIPANT TENANT MAY HAVE A PARTICIPANT
20 LANDLORD REPORT THE PARTICIPANT TENANT'S RENT PAYMENT
21 INFORMATION.

22 (5) ON AND AFTER OCTOBER 15, 2021, THE CONTRACTOR SHALL:

23 (a) PROVIDE EDUCATION TO PARTICIPANT LANDLORDS AND
24 POTENTIAL PARTICIPANT LANDLORDS CONCERNING THE REQUIREMENTS OF
25 PARTICIPATION IN THE PILOT PROGRAM; AND

26 (b) PROVIDE INFORMATION TO PARTICIPANT LANDLORDS TO HELP
27 RECRUIT PARTICIPANT TENANTS, INCLUDING, AT A MINIMUM,

1 INFORMATION CONCERNING HOW TO PARTICIPATE IN THE PILOT PROGRAM
2 AND THE LIST OF FINANCIAL EDUCATION COURSES ESTABLISHED PURSUANT
3 TO RULES PROMULGATED BY THE AUTHORITY PURSUANT TO SECTION
4 29-4-1004.

5 (6) PARTICIPANT LANDLORDS THAT SATISFY THE REQUIREMENTS
6 DESCRIBED IN SUBSECTION (3)(b) OF THIS SECTION MAY BE ELIGIBLE TO
7 RECEIVE COMPENSATION FOR THEIR PARTICIPATION IN THE PILOT
8 PROGRAM. SUCH COMPENSATION:

9 (a) SHALL BE PAID FROM MONEY RECEIVED BY THE AUTHORITY
10 FROM THE STATE TREASURER PURSUANT TO SECTION 24-36-123; AND

11 (b) SHALL BE PAID TO PARTICIPANT LANDLORDS IN ACCORDANCE
12 WITH RULES ESTABLISHED BY THE AUTHORITY PURSUANT TO SECTION
13 29-4-1004.

14 **29-4-1004. Rent reporting for credit pilot program - rules.**

15 (1) ON OR BEFORE OCTOBER 1, 2021, THE AUTHORITY SHALL ESTABLISH
16 RULES FOR THE ADMINISTRATION OF THE PILOT PROGRAM. AT A MINIMUM,
17 THE RULES MUST:

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

23 (b) ENSURE THAT EACH PARTICIPANT LANDLORD REPORTS ONLY
24 RENT PAYMENT INFORMATION CONCERNING A PARTICIPANT TENANT'S
25 PAYMENT OR NONPAYMENT OF RENT AFTER THE DATE UPON WHICH THE
26 PARTICIPANT TENANT ELECTED TO PARTICIPATE IN THE PILOT PROGRAM;

27 (c) ESTABLISH AMOUNTS, SCHEDULES, AND OTHER TERMS OF

1 COMPENSATION FOR PARTICIPANT LANDLORDS PURSUANT TO SECTION
2 29-4-1003 (6); AND

3 (d) ESTABLISH A STANDARD FORM FOR PARTICIPANT TENANTS TO
4 USE TO ELECT TO PARTICIPATE OR CEASE PARTICIPATING IN THE PILOT
5 PROGRAM, WHICH STANDARD FORM MAY BE ELECTRONIC AND MUST
6 INCLUDE:

7 (I) A STATEMENT THAT THE PARTICIPANT TENANT'S PARTICIPATION
8 IN THE PILOT PROGRAM IS VOLUNTARY AND THAT A PARTICIPANT TENANT
9 MAY CEASE PARTICIPATING IN THE PILOT PROGRAM AT ANY TIME AND FOR
10 ANY REASON BY PROVIDING NOTICE TO THE PARTICIPANT TENANT'S
11 PARTICIPANT LANDLORD;

12 (II) A STATEMENT THAT ALL OF THE PARTICIPANT TENANT'S RENT
13 PAYMENTS MAY BE REPORTED, REGARDLESS OF WHETHER THE PAYMENTS
14 ARE TIMELY, LATE, OR MISSED, AND THAT REPORTING MAY COMMENCE
15 WITHIN THIRTY DAYS AFTER THE PARTICIPANT TENANT ELECTS TO
16 PARTICIPATE IN THE PILOT PROGRAM;

17 (III) A STATEMENT THAT IF THE PARTICIPANT TENANT ELECTS TO
18 CEASE PARTICIPATING IN THE PILOT PROGRAM, THE PARTICIPANT TENANT
19 MAY NOT RESUME PARTICIPATING IN THE PILOT PROGRAM;

20 (IV) INSTRUCTIONS DESCRIBING HOW TO ELECT TO CEASE
21 PARTICIPATING IN THE PILOT PROGRAM; AND

22 (V) A SIGNATURE BLOCK WHERE THE PARTICIPANT TENANT MAY
23 SIGN AND DATE THE FORM.

24 **29-4-1005. Rent reporting for credit pilot program - report.**

25 (1) ON OR BEFORE JUNE 1, 2024, THE AUTHORITY, IN CONSULTATION WITH
26 THE CONTRACTOR, SHALL SUBMIT TO THE GOVERNOR AND THE GENERAL
27 ASSEMBLY A REPORT CONCERNING THE PILOT PROGRAM. AT A MINIMUM,

1 THE REPORT MUST INDICATE:

2 (a) THE NUMBER OF PARTICIPANT LANDLORDS, INCLUDING AN

3 INDICATION AS TO WHETHER MORE THAN TEN LANDLORDS EXPRESSED AN

4 INTEREST IN PARTICIPATING;

5 (b) THE NUMBER OF PARTICIPANT TENANTS, INCLUDING THE

6 NUMBER OF PARTICIPANT TENANTS WHO CEASED PARTICIPATING IN THE

7 PILOT PROGRAM;

8 (c) THE DEMOGRAPHICS OF PARTICIPANT TENANTS, INCLUDING

9 RACE, ETHNICITY, GENDER, INCOME, AND AGE, AS MAY BE VOLUNTARILY

10 PROVIDED BY PARTICIPANT TENANTS;

11 (d) THE COST OF ADMINISTERING THE PILOT PROGRAM;

12 (e) THE NUMBER OF RESIDENTIAL PROPERTIES OFFERED BY EACH

13 LANDLORD;

14 (f) FOR EACH PARTICIPANT LANDLORD:

15 (I) THE NATURE OF THE REPORTING MECHANISM USED TO REPORT

16 PARTICIPANT TENANTS' RENT PAYMENT INFORMATION TO CONSUMER

17 REPORTING AGENCIES; AND

18 (II) THE CITY AND COUNTY OF EACH PROPERTY OFFERED BY THE

19 PARTICIPANT LANDLORD;

20 (g) A SHORT NARRATIVE OF CHALLENGES FACED BY PARTICIPANT

21 LANDLORDS AND PARTICIPANT TENANTS DURING THE PILOT PROGRAM;

22 AND

23 (h) A SIMPLE ASSESSMENT OF HOW THE PILOT PROGRAM, IN

24 AGGREGATE, POSITIVELY OR NEGATIVELY AFFECTED PARTICIPATING

25 TENANTS' CREDIT.

26 (2) IN ADDITION TO THE INFORMATION DESCRIBED IN SUBSECTION

27 (1) OF THIS SECTION, THE REPORT MAY INCLUDE ANY RECOMMENDATIONS

1 OF THE AUTHORITY CONCERNING THE CONTINUATION OR REPEAL OF THE
2 PILOT PROGRAM.

3 (3) THE AUTHORITY SHALL MAKE THE REPORT DESCRIBED IN
4 SUBSECTION (1) OF THIS SECTION AVAILABLE ON ITS PUBLIC WEBSITE FOR
5 AT LEAST ONE YEAR AFTER THE AUTHORITY SUBMITS THE REPORT.

6 **29-4-1006. Repeal of part.** THIS PART 10 IS REPEALED, EFFECTIVE
7 SEPTEMBER 1, 2024.

8 **SECTION 4. Appropriation.** For the 2021-22 state fiscal year,
9 \$205,000 is appropriated to the department of treasury. This appropriation
10 is from the general fund. To implement this act, the department may use
11 this appropriation for payment to the Colorado housing and finance
12 authority for the rent reporting for credit pilot program.

13 **SECTION 5. Safety clause.** The general assembly hereby finds,
14 determines, and declares that this act is necessary for the immediate
15 preservation of the public peace, health, or safety.