Revised Fiscal Note
(replaces fiscal note dated March 11, 2021)

Drafting Number: LLS 21-0649
Prime Sponsors: Rep. Ricks; Bradfield
Sen. Bridges
Date: April 16, 2021
Bill Status: House Appropriations
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Bill Topic: REPORT TENANT RENT PAYMENT INFO TO CREDIT AGENCIES

Summary of Fiscal Impact:
☐ State Revenue
☒ State Expenditure
☐ State Transfer
☐ TABOR Refund
☐ Local Government
☒ Statutory Public Entity

This bill creates the Rent Reporting for Credit Pilot Program, to be implemented by the Colorado Housing and Finance Authority. It will increase state expenditures for FY 2021-22.

Appropriation Summary: For FY 2021-22, the bill requires an appropriation of $205,000 to the Department of the Treasury.

Fiscal Note Status: The fiscal note reflects the introduced bill, as amended by the House Business Affairs and Labor Committee.

Summary of Legislation

This bill creates the Rent Reporting for Credit Pilot Program to facilitate the reporting of participant tenants’ rent payment information to consumer reporting agencies. On or before October 1, 2021, the State Treasurer is required to issue a warrant in the amount of $205,000 to the Colorado Housing and Finance Authority (CHFA). CHFA is required to promulgate rules for the administration of the pilot program and contract with a third-party program administrator to implement the program.

On or after October 15, 2021, the contractor, in consultation with CHFA, is required to recruit no more than 10 landlords and attempt to include at least 100 tenants to participate in the pilot program. Participation in the pilot program is voluntary and a participating tenant is required to complete a financial education course prior to a landlord reporting that tenant’s rent payment information. Participating landlords may be eligible for compensation for their participation.

On or before June 1, 2024, CHFA and the contractor will submit a final report on the pilot program to the Governor and the General Assembly including information specified in the bill. The pilot program is repealed September 1, 2024.
Background

CHFA was created in 1973 as a political subdivision of the state by the Colorado General Assembly to address the shortage of affordable housing in the state. In 1982, CHFA was authorized to also provide loans to businesses. It is governed by a board of directors and among its powers is the authority to borrow and loan money and issue bonds.

State Expenditures

The bill will increase General Fund expenditures by $205,000 in FY 2021-22. These funds may be expended through FY 2023-24, and will be provided to CHFA to administer the pilot program.

Statutory Public Entity

CHFA will have an increase of $205,000 in expenditures for the pilot program. These costs include:

- $50,000 for a contractor to oversee the pilot program, conduct outreach, recruit landlords and tenants, train landlords on reporting, collect program data, and produce the final report;
- $5,000 for financial education classes for program participants; and
- $150,000 for landlords to cover their costs associated with the reporting requirements, including time and technology purchases. It also includes incentives for landlords to participate in the program and recruit tenants.

CHFA’s cost to support the pilot project can be addressed within their current operational capacity. As a political subdivision, these expenditures are not obligations of the state.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2021-22, the bill requires a General Fund appropriation of $205,000 to the Department of the Treasury.

State and Local Government Contacts

| CHFA | Local Affairs | Treasury |

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit: leg.colorado.gov/fiscalnotes.