First Regular Session Seventy-fourth General Assembly STATE OF COLORADO

REREVISED

This Version Includes All Amendments Adopted in the Second House

LLS NO. 23-0541.01 Shelby Ross x4510

HOUSE BILL 23-1120

HOUSE SPONSORSHIP

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House Committees

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Local Government & Housing Appropriations

A BILL FOR AN ACT

101	CONCERNING EVICTION PROTECTIONS FOR RESIDENTIAL TENANTS
102	WHO RECEIVE PUBLIC ASSISTANCE, AND, IN CONNECTION
103	THEREWITH, 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 requires a landlord and residential tenant to participate in mandatory mediation prior to commencing an eviction action if the residential tenant receives supplemental security income, federal social security disability insurance, or cash assistance through the Colorado works program (collectively, "cash assistance"). The landlord and

SENATE rd Reading Unamended

SENATE Amended 2nd Reading May 5, 2023

HOUSE 3rd Reading Unamended April 13, 2023

HOUSE Amended 2nd Reading April 12, 2023

Shading denotes HOUSE amendment. <u>Double underlining denotes SENATE amendment.</u>

Capital letters or bold & italic numbers indicate new material to be added to existing law.

Dashes through the words or numbers indicate deletions from existing law.

residential tenant do not have to participate in mediation if the residential tenant did not disclose or declined to disclose in writing to the landlord that the residential tenant receives cash assistance. Failure to comply with mandatory mediation is an affirmative defense.

The bill prohibits a law enforcement officer from executing a writ of restitution against a residential tenant for at least 30 days after the entry of judgment if the residential tenant receives cash assistance.

The bill requires a written rental agreement to include a statement that a residential tenant who receives cash assistance has a right to mediation prior to the landlord filing an eviction complaint with the court.

The bill prohibits a written rental agreement from including a waiver of mandatory mediation.

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

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

- (a) There is a wide disparity in access to legal representation between landlords and people experiencing eviction in Colorado. A 2021 study found that renters are represented by legal counsel in only one percent of eviction cases, while landlords are represented in 77 percent of cases.
- (b) This disparity in access to legal representation creates an imbalance in power during eviction proceedings;
- (c) Prelitigation mediation helps to restore the balance of power during eviction proceedings by facilitating communication between renters and landlords in a neutral setting. Skilled, neutral mediators can help guide the parties to find a reasonable and long-lasting alternative to eviction.
- (d) Colorado is experiencing a housing shortage. A 2022 report from the general assembly's affordable housing and transformational task force found that the state needs an additional 325,000 rental units to meet current demand.

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1	(e) People with disabilities face an additional barrier to finding
2	housing that meets their accessibility requirements;
3	(f) People who receive cash assistance face an additional barrier
4	to finding housing that is affordable on a fixed income; and
5	(g) Extending the period of time before law enforcement can
6	execute a writ of restitution gives a renter with disabilities or a renter who
7	receives cash assistance more time to find new housing and improves the
8	renter's likelihood of remaining housed.
9	(2) The general assembly further finds that:
10	(a) Evictions threaten existing affordable housing by creating
11	additional burdens for independent property owners, including legal fees,
12	unpaid rent and utility fees, additional vacancies, and resident turnover;
13	and
14	(b) Reducing evictions and preventing people from becoming
15	homeless saves taxpayers money by reducing public spending on court
16	costs, emergency shelter, medical care, foster care, and juvenile
17	delinquency.
18	(3) Therefore, the general assembly declares it is necessary to
19	avoid eviction proceedings and provide additional protections for people
20	with disabilities and people who receive cash assistance who are
21	experiencing an eviction.
22	SECTION 2. In Colorado Revised Statutes, 13-40-110, amend
23	(1); and add (3) as follows:
24	13-40-110. Action - how <u>commenced - report.</u> (1)(a) An action
25	under this article ARTICLE 40 is commenced by filing with the court a
26	complaint in writing describing the property with reasonable certainty, the
27	grounds for the recovery thereof, the name of the person in possession or

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1	occupancy, and a prayer for recovery of possession, AND A SIGNED
2	AFFIDAVIT THAT STATES:
3	(I) THE RESIDENTIAL TENANT RECEIVES SUPPLEMENTAL SECURITY
4	INCOME, SOCIAL SECURITY DISABILITY INSURANCE UNDER TITLE II OF THE
5	FEDERAL "SOCIAL SECURITY ACT", 42 U.S.C. SEC. 401 ET SEQ., AS
6	AMENDED, OR CASH ASSISTANCE THROUGH THE COLORADO WORKS
7	PROGRAM CREATED IN PART 7 OF ARTICLE 2 OF TITLE 26, AND THE
8	COMPLAINANT AND RESIDENTIAL TENANT PARTICIPATED IN MANDATORY
9	MEDIATION AND THE MEDIATION WAS UNSUCCESSFUL;
10	(II) THE COMPLAINANT AND RESIDENTIAL TENANT DID NOT
11	PARTICIPATE IN MANDATORY MEDIATION BECAUSE THE RESIDENTIAL
12	TENANT:
13	(A) DID NOT DISCLOSE OR DECLINED TO DISCLOSE IN WRITING IN
14	RESPONSE TO A WRITTEN INQUIRY FROM THE COMPLAINANT THAT THE
15	RESIDENTIAL TENANT RECEIVES SUPPLEMENTAL SECURITY INCOME, SOCIAL
16	SECURITY DISABILITY INSURANCE UNDER TITLE II OF THE FEDERAL
17	"SOCIAL SECURITY ACT", 42 U.S.C. SEC. 401 ET SEQ., AS AMENDED, OR
18	CASH ASSISTANCE THROUGH THE COLORADO WORKS PROGRAM CREATED
19	IN PART 7 OF ARTICLE 2 OF TITLE 26; OR
20	(B) DOES NOT RECEIVE SUPPLEMENTAL SECURITY INCOME, SOCIAL
21	SECURITY DISABILITY INSURANCE UNDER TITLE II OF THE FEDERAL
22	"SOCIAL SECURITY ACT", 42 U.S.C. SEC. 401 ET SEQ., AS AMENDED, OR
23	CASH ASSISTANCE THROUGH THE COLORADO WORKS PROGRAM CREATED
24	IN PART 7 OF ARTICLE 2 OF TITLE 26; OR
25	(III) THE COMPLAINANT AND RESIDENTIAL TENANT DID NOT
26	PARTICIPATE IN MANDATORY MEDIATION BECAUSE THE COMPLAINANT IS:
27	(A) A $501(c)(3)$ nonprofit organization that offers

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1	OPPORTUNITIES FOR MEDIATION TO RESIDENTIAL TENANTS PRIOR TO FILING
2	A RESIDENTIAL EVICTION IN COURT; OR
3	(B) A LANDLORD WITH FIVE OR FEWER SINGLE-FAMILY RENTAL
4	HOMES AND NO MORE THAN FIVE TOTAL RENTAL UNITS, INCLUDING ANY
5	SINGLE-FAMILY HOMES.
6	(b) MANDATORY MEDIATION MUST BE CONDUCTED BY A TRAINED
7	NEUTRAL THIRD PARTY AND BE PROVIDED AT NO COST TO THE
8	RESIDENTIAL TENANT. THE LANDLORD IS ONLY REQUIRED TO PAY FOR THE
9	LANDLORD'S PORTION OF THE MANDATORY MEDIATION. THE
10	COMPLAINANT AND RESIDENTIAL TENANT MAY HAVE LEGAL
11	REPRESENTATION PRESENT DURING THE MANDATORY MEDIATION. A
12	RESIDENTIAL TENANT MAY VOLUNTARILY WAIVE THE TENANT'S RIGHT TO
13	MANDATORY MEDIATION, BUT A WAIVER MUST NOT BE IN ANY LEASE
14	AGREEMENT OR OTHER AGREEMENT BETWEEN THE COMPLAINANT AND
15	RESIDENTIAL TENANT PURSUANT TO SECTION 38-12-801.
16	(c) The office of <u>dispute resolution</u> , <u>created in section</u>
17	13-22-303, SHALL SCHEDULE THE MANDATORY MEDIATION AT THE FIRST
18	AVAILABLE DATE, BUT NO LATER THAN FOURTEEN CALENDAR DAYS AFTER
19	THE LANDLORD REQUESTS THE MEDIATION.
20	(d) Failure to comply with the mandatory mediation
21	REQUIREMENTS OUTLINED IN THIS SUBSECTION (1) IS AN AFFIRMATIVE
22	DEFENSE. IF THE AFFIRMATIVE DEFENSE IS RAISED AND THE COMPLAINANT
23	CANNOT DEMONSTRATE THAT THE REQUIREMENTS WERE MET, THE COURT
24	SHALL DISMISS THE CASE WITHOUT PREJUDICE AND A NEW COMPLAINT
25	MUST BE FILED.
26	(e) The complaint may also set forth the amount of rent due, the
27	rate at which it is accruing, the amount of damages due, and the rate at

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1	which they are accruing and may include a prayer for rent due or to
2	become due, present and future damages, costs, and any other relief to
3	which plaintiff is entitled.
4	(3) BEGINNING JANUARY, 2024, THE JUDICIAL DEPARTMENT SHALL
5	REPORT TO THE HOUSE OF REPRESENTATIVES JUDICIARY COMMITTEE AND
6	THE SENATE JUDICIARY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES,
7	DURING THE JUDICIAL DEPARTMENT'S "SMART ACT" HEARING THE TOTAL
8	NUMBER OF MEDIATIONS SCHEDULED BY THE OFFICE OF DISPUTE
9	RESOLUTION PURSUANT TO THIS SECTION, THE OUTCOMES OF THE
10	MEDIATIONS, AND THE COST OF THE MEDIATIONS FOR THE PREVIOUS
11	FISCAL YEAR.
12	SECTION 3. In Colorado Revised Statutes, 13-40-122, amend
13	(1) as follows:
14	13-40-122. Writ of restitution after judgment. (1) (a) A court
15	shall not issue a writ of restitution upon any judgment entered in any
16	action pursuant to this article 40 until forty-eight hours after the time of
17	the entry of the judgment. If the Writ of Restitution concerns a
18	RESIDENTIAL TENANT WHO RECEIVES SUPPLEMENTAL SECURITY INCOME,
19	SOCIAL SECURITY DISABILITY INSURANCE UNDER TITLE II OF THE FEDERAL
20	"SOCIAL SECURITY ACT", 42 U.S.C. SEC. 401 ET SEQ., AS AMENDED, OR
21	CASH ASSISTANCE THROUGH THE COLORADO WORKS PROGRAM CREATED
22	IN PART 7 OF ARTICLE 2 OF TITLE 26, THE WRIT MUST SPECIFY THAT THE
23	WRIT IS NOT EXECUTABLE FOR THIRTY DAYS AFTER ENTRY OF JUDGMENT
24	PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION; EXCEPT IN THE CASE:
25	(I) IN WHICH A COURT HAS ORDERED A JUDGMENT FOR POSSESSION
26	FOR A SUBSTANTIAL VIOLATION PURSUANT TO SECTION 13-40-107.5; OR
27	(II) OF A LANDLORD WITH FIVE OR FEWER SINGLE FAMILY RENTAL

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1	HOMES AND NO MORE THAN FIVE TOTAL RENTAL UNITS INCLUDING ANY
2	SINGLE FAMILY HOMES.
3	(b) A writ of restitution shall MUST be executed by the officer
4	having the same only in the daytime and between sunrise and sunset, and
5	the officer shall not execute a writ of restitution concerning a residential
6	tenancy until at least ten days after entry of the judgment; EXCEPT THAT
7	THE OFFICER SHALL NOT EXECUTE A WRIT OF RESTITUTION CONCERNING
8	A RESIDENTIAL TENANCY UNTIL AT LEAST THIRTY DAYS AFTER ENTRY OF
9	JUDGMENT IF THE RESIDENTIAL TENANT RECEIVES SUPPLEMENTAL
10	SECURITY INCOME, SOCIAL SECURITY DISABILITY INSURANCE UNDER TITLE
11	II of the federal "Social Security Act", 42 U.S.C. sec. 401 et seq.,
12	AS AMENDED, OR CASH ASSISTANCE THROUGH THE COLORADO WORKS
13	PROGRAM CREATED IN PART 7 OF ARTICLE 2 OF TITLE 26, AS SPECIFIED IN
14	THE WRIT; EXCEPT IN THE CASE:
15	(I) IN WHICH A COURT HAS ORDERED A JUDGMENT FOR POSSESSION
16	FOR A SUBSTANTIAL VIOLATION PURSUANT TO SECTION 13-40-107.5; OR
17	(II) OF A LANDLORD WITH FIVE OR FEWER SINGLE FAMILY RENTAL
18	HOMES AND NO MORE THAN FIVE TOTAL RENTAL UNITS INCLUDING ANY
19	SINGLE FAMILY HOMES.
20	(c) Any writ of restitution governed by this section may be
21	executed by the county sheriff's office in which the property is located by
22	a sheriff, undersheriff, or deputy sheriff, as described in section
23	16-2.5-103 (1) or (2), while off duty or on duty at rates charged by the
24	employing sheriff's office in accordance with section 30-1-104 (1)(gg).
25	SECTION 4. In Colorado Revised Statutes, amend 13-40-106 as
26	follows:
27	13-40-106. Written demand. (1) The demand required by

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I	section 13-40-104 shall be made in writing, specifying the grounds of the
2	demandant's right to the possession of such premises, describing the
3	same, and the time when the same shall be delivered up, and shall be
4	signed by the person claiming such possession, his agent, or his attorney.
5	(2) The demand must also include a statement that a
6	RESIDENTIAL TENANT WHO RECEIVES SUPPLEMENTAL SECURITY INCOME,
7	SOCIAL SECURITY DISABILITY INSURANCE UNDER \overline{T} ITLE \overline{II} OF THE FEDERAL
8	"SOCIAL SECURITY ACT", 42 U.S.C. SEC. 401 ET SEQ., AS AMENDED, OR
9	CASH ASSISTANCE THROUGH THE COLORADO WORKS PROGRAM CREATED
10	IN PART $\overline{7}$ OF ARTICLE $\overline{2}$ OF TITLE $\overline{26}$ HAS A RIGHT TO MEDIATION PRIOR TO
11	THE LANDLORD FILING AN EVICTION COMPLAINT WITH THE COURT
12	PURSUANT TO SECTION 13-40-110.
13	SECTION 5. In Colorado Revised Statutes, 24-34-502, add (1.8)
14	as follows:
15	24-34-502. Unfair housing practices prohibited - definitions.
16	(1.8) It is not a violation of this section for a landlord to ask a
17	RESIDENTIAL TENANT WHETHER THE TENANT RECEIVES SUPPLEMENTAL
18	SECURITY INCOME, SOCIAL SECURITY DISABILITY INSURANCE UNDER TITLE
19	II of the federal "Social Security Act", 42 U.S.C. sec. 401 et seq.,
20	AS AMENDED, OR CASH ASSISTANCE THROUGH THE COLORADO WORKS
21	PROGRAM CREATED IN PART 7 OF ARTICLE 2 OF TITLE 26 FOR THE PURPOSES
22	OF COMPLYING WITH SECTION 13-40-110 (1).
23	SECTION 6. In Colorado Revised Statutes, 38-12-801, amend
24	(3); and add (2.5) as follows:
25	38-12-801. Written rental agreement - prohibited clauses -
26	copy - tenant. (2.5) (a) A WRITTEN RENTAL AGREEMENT MUST INCLUDE

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1	DISCRIMINATION AND REQUIRES A NON-EXEMPT LANDLORD TO ACCEPT
2	ANY LAWFUL AND VERIFIABLE SOURCE OF MONEY PAID DIRECTLY,
3	INDIRECTLY, OR ON BEHALF OF A PERSON, INCLUDING INCOME DERIVED
4	FROM ANY LAWFUL PROFESSION OR OCCUPATION AND INCOME OR RENTAL
5	PAYMENTS DERIVED FROM ANY GOVERNMENT OR PRIVATE ASSISTANCE,
6	GRANT, OR LOAN PROGRAM.
7	(b) This subsection (2.5) does not apply to a Landlord with
8	FIVE OR FEWER SINGLE FAMILY RENTAL HOMES AND NO MORE THAN FIVE
9	TOTAL RENTAL UNITS INCLUDING ANY SINGLE FAMILY HOMES.
10	(3) (a) A written rental agreement must not include:
11	(a) (I) An unreasonable liquidated damages clause that assigns a
12	cost to a party stemming from an eviction notice or an eviction action
13	from a violation of the rental agreement; or
14	(b) (II) A one-way, fee-shifting clause that awards attorney fees
15	and court costs only to one party. Any fee-shifting clause contained in a
16	rental agreement must award attorney fees to the prevailing party in a
17	court dispute concerning the rental agreement, residential premises, or
18	dwelling unit.
19	(III) A WAIVER OF MANDATORY MEDIATION REQUIRED PURSUANT
20	TO SECTION $13-40-110(1)$; OR
21	(IV) A CLAUSE THAT ALLOWS A LANDLORD TO RECOUP ANY COSTS
22	ASSOCIATED WITH MANDATORY MEDIATION REQUIRED PURSUANT TO
23	SECTION 13-40-110 (1).
24	(c) (b) Any clause in violation of subsection (3)(a) or (3)(b) of this
25	section THIS SUBSECTION (3) is null and void and unenforceable.
26	SECTION 7. Appropriation. (1) For the 2023-24 state fiscal
2.7	year. \$328.026 is appropriated to the judicial department for use by courts

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1	administration. This appropriation is from the general fund. To implement
2	this act, the department may use this appropriation as follows:
3	(a) \$246,076 for general courts administration, which amount is
4	based on an assumption that the department will require an additional 0.6
5	<u>FTE;</u>
6	(b) \$75,000 for information technology infrastructure; and
7	(c) \$6,950 for capital outlay.
8	SECTION 8. Safety clause. The general assembly hereby finds,
9	determines, and declares that this act is necessary for the immediate
10	preservation of the public peace, health, or safety.

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