



## Legislative Council Staff

*Nonpartisan Services for Colorado's Legislature*

# Revised Fiscal Note

(replaces fiscal note dated January 30, 2023)

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<b>Drafting Number:</b>	LLS 23-0543	<b>Date:</b>	March 6, 2023
<b>Prime Sponsors:</b>	Rep. Mabrey; Velasco Sen. Rodriguez	<b>Bill Status:</b>	Senate Local Government
		<b>Fiscal Analyst:</b>	Josh Abram   303-866-3561 josh.abram@colleg.gov

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**Bill Topic:** REPEAL PROHIBITION LOCAL RESIDENTIAL RENT CONTROL

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**Summary of Fiscal Impact:** **No fiscal impact.** The bill removes a state prohibition on local government ordinances or regulations that control rent on private residential property, and places conditions on future rent control policies adopted by local governments. It is assessed as having no direct fiscal impact on state or local government.

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

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**Fiscal Note Status:** This revised fiscal note reflects the reengrossed bill.

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## Summary of Legislation

The bill repeals current law prohibiting a local government from enacting laws that control rent on private residential real property, or private residential housing.

If a local government chooses to adopt a rent control policy, the bill places certain conditions on those policies as follows.

- It must be uniformly applied among all renters and all private residential properties and housing units that are similarly situated.
- It may not be applied for 15 years from the date when the first certificate of occupancy was issued on a residential property or housing unit, except for mobile homes.
- Any limits on annual rent increases must not be for less than the percentage increase in the consumer price index plus three percentage points, plus reasonable increases reflective of the actual costs incurred and demonstrated by a landlord in conducting substantial renovations.
- It must not apply to housing units that are already rent stabilized.

## **Assessment of No Fiscal Impact**

Removing a state prohibition on local rent control ordinances does not change the expenditures or revenue of any state agency or local government. Adopting and enforcing local ordinances or regulations is an inherent power and function of local governments, and allowing local governments to enact and enforce regulations with statutory limitations does not directly result in new expenditures or revenue for those governments.

Depending on the types of future ordinance adopted, local governments may have increased revenue or expenditures to enact and enforce those future laws. Although future actions may create fiscal impacts for local governments that choose to enact rent control ordinances, this bill has no direct impact on those revenues, expenditures, or workload. For this reason, the bill is assessed as having no fiscal impact.

## **Effective Date**

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## **State and Local Government Contacts**

Counties

Local Affairs

Municipalities