



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated March 22, 2023)

Drafting Number:	LLS 23-0743	Date:	April 20, 2023
Prime Sponsors:	Sen. Winter F. Rep. Froelich; Garcia	Bill Status:	House Trans. & Local Govt.
		Fiscal Analyst:	Clayton Mayfield 303-866-5851 clayton.mayfield@coleg.gov

Bill Topic: PROTECTIONS FOR RESIDENTIAL TENANTS

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input checked="" type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill limits landlord uses of prospective tenant financial information in rental applications and limits security deposits charged by landlords. Starting in FY 2023-24, the bill may minimally increase state and local revenue and expenditures on an ongoing basis.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

The bill limits landlords from using certain financial and rental history information about prospective tenants during the rental application process, and places other requirements on landlords concerning rental applications. Specifically, under the bill, a landlord must:

- not inquire about the amount of income, except to verify that it exceeds 200 percent of annual rent, or credit score, if an applicant uses a housing subsidy;
- not inquire about applicant income for applicants not using a housing subsidy except to determine whether annual income equals or exceeds 200 percent of annual rent;
- not require applicant income greater than 200 percent of annual rent if an applicant is not using a housing subsidy;

Violations of these provisions constitute an unfair housing practice, with remedies allowed by law. Additionally, landlords are liable for an initial penalty of \$50 to an aggrieved party for violations, and another statutory penalty of \$2,500 if a violation is not cured within seven calendar days.

Finally, the bill prohibits landlords from charging a security deposit greater than two monthly rent, and nothing in the bill precludes a landlord from gathering necessary financial information to verify that a tenant's income meets requirements for income-restricted rental units if the landlord receives funding from an entity that requires such verification.

Background

Under current law, the Colorado Civil Rights Division in the Department of Regulatory Agencies (DORA) investigates complaints of discrimination resulting from unfair housing practices. DORA may refer discriminatory housing practice cases to the Attorney General for further action, and the Attorney General may initiate civil actions based on such referrals.

State Revenue and Expenditures

The bill primarily impacts private parties, who are assumed to follow the law. To the extent that the bill results in additional claims of unfair housing practices, state revenue and expenditures may increase as detailed below.

Judicial Department. The bill may increase the workload of the trial courts to the extent additional civil cases are filed. State revenue from filing fees may increase beginning in FY 2023-24. This fee revenue is subject to TABOR. Overall, any impact from new civil cases is expected to be minimal and absorbable within current resources.

Department of Law. The department may receive requests from DORA for additional legal services due to the bill creating a new unfair housing practice; however, any legal support needed can be accommodated within current resources. Additionally, the Consumer Protection Unit may directly receive additional complaints; however, any additional complaints will be responded to within existing resources. No change in appropriations is required.

DORA. Workload may increase from additional unfair housing complaints, which can be absorbed within existing resources. No change in appropriations is required.

Local Government

Similar to the state, county courts may receive additional civil case filings and correspondingly see an increase in revenue and workload. County courts are funded by counties.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, and applies to conduct that occurs on or after the effective date.

State and Local Government Contacts

Judicial
Regulatory Agencies

Law

Local Affairs