

#### SB 25-020: TENANT AND LANDLORD LAW ENFORCEMENT

**Prime Sponsors:** 

Sen. Weissman; Gonzales J. Rep. Lindsay; Mabrey

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Clayton Mayfield, 303-866-5851

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**Fiscal Analyst:** 

clayton.mayfield@coleg.gov

## **Summary Information**

Overview. The bill makes changes to the enforcement of tenant and landlord laws, and establishes a receivership process for residential housing.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis starting in FY 2025-26:

State Revenue

Local Government

**State Expenditures** 

**Appropriations.** For FY 2025-26, the bill requires an appropriation of \$252,894 to the Department of Law.

# Table 1 **State Fiscal Impacts**

	Budget Year	Out Year
Type of Impact <sup>1</sup>	FY 2025-26	FY 2026-27
State Revenue	\$0	\$0
State Expenditures	\$296,092	\$332,649
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	1.7 FTE	2.0 FTE

<sup>&</sup>lt;sup>1</sup> Fund sources for these impacts are shown in the tables below.

# Table 1A State Expenditures

	<b>Budget Year</b>	Out Year
Fund Source	FY 2025-26	FY 2026-27
General Fund	\$252,894	\$281,828
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$43,198	\$50,821
<b>Total Expenditures</b>	\$296,092	\$332,649
Total FTE	1.7 FTE	2.0 FTE

# **Summary of Legislation**

The bill makes several changes regarding the enforcement of tenant and landlord laws.

### Attorney General Enforcement

Beginning January 1, 2026, the bill provides authority for the Attorney General and the Department of Law (DOL) to enforce housing protections for victims of unlawful sexual behavior, stalking, or domestic violence, documentation requirements for housing agreements, and regulations regarding bed bugs in residential premises. Additionally, current law provides specific legal powers to the DOL for a subset of independently initiated enforcement actions. The bill allows the use of these legal powers in any actions taken by the DOL pursuant to the powers and duties of the Attorney General, and also allows the DOL to seek any penalties or use any enforcement mechanisms provided to tenants by tenant and landlord laws.

#### Local Government Enforcement

The bill allows counties and municipalities to independently initiate enforcement actions to regulate tenant and landlord laws. This authority is effective January 1, 2026, regarding the same three types of tenant and landlord laws referenced above. Enforcement authority for certain other types of tenant and landlord laws is effective upon passage of the bill.

# Receivership of Residential Housing

The bill establishes a process under which residential housing may be placed into receivership. Receivership is a legal process where a court appoints an entity to take control of a company's assets to manage operations and repay debts. The DOL may apply to a district court for the appointment of a receiver to operate multifamily residential property if owners violate state laws regarding maintenance of residential premises. A city or county may do the same for violations of applicable local government ordinances concerning multifamily residential property.

The bill outlines the process for the conduct of receivership cases, including proper notice to parties, powers and responsibilities for entities appointed as receivers, and the process for ending receiverships.

# **Assumptions**

The bill provides authority for the DOL to take enforcement actions regarding covered tenant and landlord laws, but is permissive in nature. The fiscal note assumes that by providing this authority, the intent of the bill is that the department undertake enforcement actions when necessary once the authority to do so is effective. Without additional resources, the DOL will prioritize violations under the bill within existing resources and its total workload. The fiscal note shows costs and a required appropriation for additional resources that will allow the DOL to begin taking enforcement actions authorized by the bill. However, an appropriation is not required if the intent of the bill is for the DOL to conduct new enforcement actions within existing resources to the extent they are prioritized by the Attorney General.

#### **State Revenue**

The bill potentially increases state revenue from civil penalties. Tenant and landlord laws provide a variety of relief options for aggrieved parties, including the assessment of civil penalties. Under the bill, the DOL is given authority to seek these penalties and any others already provided by law to the department under tenant and landlord laws. When civil penalties are awarded in cases brought by the department, they are classified as a damage award and not subject to TABOR. Given the uncertainty about the number of cases that may be pursued by the Attorney General, as well as the wide range in possible penalty amounts, the fiscal note cannot estimate the potential impact of these civil penalties.

# **State Expenditures**

The bill increases state expenditures in the Department of Law by about \$300,000 in FY 2025-26 and by about \$333,000 in FY 2026-27 and ongoing. These costs, paid from the General Fund, are summarized in Table 2 and discussed below. The bill also minimally affects workload in the Judicial Department.

# Table 2 State Expenditures Department of Law

	<b>Budget Year</b>	Out Year
Cost Component	FY 2025-26	FY 2026-27
Personal Services	\$237,378	\$279,268
Operating Expenses	\$2,176	\$2,560
Capital Outlay Costs	\$13,340	\$0
Centrally Appropriated Costs	\$43,198	\$50,821
Total Costs	\$296,092	\$332,649
Total FTE	1.7 FTE	2.0 FTE

### **Department of Law**

The department requires two additional staff attorneys to implement the bill. These additional staff attorneys will coordinate enforcement actions, file receivership petitions, and work with local governments regarding enforcement actions as needed. Staff are prorated for a September 1, 2025 start date, and amounts include standard operating and capital outlay costs.

# **Trial Court Impacts — Judicial Department**

Workload in Judicial Department trial courts will increase if additional civil cases are filed under the bill. This increase is expected to be minimal based on the assumed deterrent effect that the possibility of receivership will have on landlords who may be subject to enforcement actions. Any increase in workload for the trial courts can be absorbed within existing resources, and no change in appropriations is required.

# **Centrally Appropriated Costs**

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table(s) above.

## **Local Government**

Similar to the state, workload will increase for counties and cities that choose to take enforcement actions allowed by the bill, including applying for receiverships and coordinating with the DOL, if necessary. The bill does not require local governments to take actions, so the fiscal note assumes that local governments will pursue enforcement actions according to available resources.

Page 5 January 23, 2025

SB 25-020

## **Effective Date**

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

# **State Appropriations**

For FY 2025-26, the bill requires a General Fund appropriation of \$252,894 to the Department of Law, and 1.7 FTE.

# **State and Local Government Contacts**

Counties Local Affairs

Judicial Municipalities

Law