



March 24, 2025

Colorado General Assembly  
House Business Affairs & Labor Committee  
200 E Colfax Ave  
Denver, CO 80203

**Re: In the matter of HB25-1249**

Dear Chair Ricks and Committee Members:

On behalf of Dominium, thank you for the opportunity to submit written comments regarding HB25-1249. Dominium is a national affordable housing owner, developer, and manager with a regional office here in Colorado. We are fortunate to build and preserve beautiful homes for over 100,000 residents across the country. In Colorado alone, we own and manage 10 affordable communities providing almost 1,800 affordable homes. The residents who live in Dominium communities are teachers, first-responders, retail workers, retired seniors on a fixed-income, single-parents with children, folks who are disabled, and those holding housing choice vouchers. We are always working to provide affordable and quality homes for those who need them most.

We appreciate the sentiment behind HB25-1249 but have concerns that there will be some serious unintended consequences if the bill is kept in its current form. Specifically, **Section 2** related to security deposit payments in installments and violations/remedies gives us pause.

Often times, affordable housing developers, like in Dominium's case, do not charge a full month rent for a security deposit. Instead, we charge a "holding fee" which ranges from \$150-\$300 before the screening process. After an applicant is either accepted or denied, we submit the holding fee back to the applicant. Once an applicant is accepted, they can pay the remaining balance of their security deposit (1-month rent) or they can pay a much smaller fee of \$263 for what is called a surety bond. A majority of tenants pay the surety bond which is significantly lower than 1-month worth of rent.

Additionally, this bill specifies that for residents who receive subsidy for rental payments, the resident would be responsible for their portion of the security deposit in the amount they contribute to a month's rent. A majority of the time, this is very little or even zero. As an affordable housing provider, we have major concerns with having no security deposit on a home. This could also lead to landlords working to discriminate against tenants based on income, which is already a serious concern in Colorado.

This bill as currently written also allows for non-payment of security deposits with no threat of eviction. While landlords are allowed to seek monetary funds through civil action, prevailing attorney fees are only granted to the tenant's side. This means that for an affordable housing provider to receive a payment of under \$300, they would be at risk of paying tens of thousands of dollars in attorney fees.

Further, this would add an extensive administrative burden for property managers of affordable housing communities. Not only would property managers have to monitor and track rental payments for every tenant, many of which are paid through subsidies or other supplemental payments, but they would also have to monitor and track security deposit installments for a minimum of 6 months per tenant. Affordable housing providers already have an intense set of compliance and regulations we must follow which are set at the federal and state level. Adding to that in the way this bill suggests would be unnecessary and overburdensome.



As an affordable housing manager, our margins are stretched incredibly thin. Rents are set by the federal government, and there is no flexibility on the rate. Rent payments are the only way to keep the lights on, and operations running smoothly for the individuals and families living at our communities. Security deposits are a part of that operational cost. If there is a pathway for non-payment with no risk of eviction, and no course to collect that cost in a reasonable time, that puts affordable housing property managers and developers at serious financial risk.

At Dominium, we certainly understand the financial stresses that individuals and families have to deal with on a day-to-day basis. This is why Dominium is so passionate about providing quality and long-lasting affordable communities to folks in Colorado and across the country. We currently have options to make the process as affordable and low-cost as possible for our community members, while also being able to continue operations at razor thin margins.

We appreciate the sentiment behind this bill and believe wholeheartedly that tenants deserve to be protected and not incur unnecessary financial burdens that at times are associated with security deposits. However, as the bill is currently written, we believe there could be unintended consequences with severe ramifications that we have highlighted. That is why we respectfully urge the committee to **AMEND HB25-1249 by removing Section 2.**

We look forward to continuing to provide the best and most affordable homes for Coloradans and thank you for your consideration.

Sincerely,

Austin VanDerHeyden  
Government Relations Manager  
Dominium



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Government Relations Manager  
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LCS Committees &lt;committees.lcs.ga@coleg.gov&gt;

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**Testimony against HB1249**

3 messages

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**K. Behm** <kmbehm@hotmail.com>

Tue, Mar 18, 2025 at 3:48 PM

To: "committees.lcs.ga@coleg.gov" &lt;committees.lcs.ga@coleg.gov&gt;

I am writing to ask that this bill 1249 not pass. Capping the amount of the damage deposit to one month will not allow the full amount of damage to be covered in my experience. I have been a landlord for over 10 years. When I have had irresponsible tenants that left me with a big clean up mess, unpaid water bills and damage to the houses, one months rent will not cover the damage. If this bill passes, I may get out of owning properties. I can take my house money and invest it in the stock market for the same amount of income, and not have to deal with tenants that tear up nice property. I am a landlord that provides newly remodeled and nicer properties. If small landlords like myself are unable to recoup the lost money and repair the homes to a nice standard, it will be the future tenants that will be living in less desirable conditions, or the home will simply not be available if landlords like myself are not able to fix up the properties to nicer standards again, and we just sell. I have taken a loss already quite a few times even with being able to charge 2x the rent for a deposit. I can only imagine the loss with only being able to ask for 1x the rent for a deposit. I also would NEVER offer a home for rent with no damage deposit all up front. That is a horrible idea to allow payments of the damage deposit. Within the last year, I have had a tenant move out on the third month of a one year lease with no notice. If the damage deposit was not there, I would have had a substantial loss with not already having it. There is very little chance of actually getting a damage deposit after they have the keys. That is wishful thinking! This bill is a very unfair bill against landlords that are trying to provide necessary housing to tenants. Colorado already does not have enough housing. This bill is just making it more likely that a landlord would NOT provide housing anymore. That ultimately hurts the tenants if there are less houses available as rentals. These laws hurt landlords but ultimately tenants! I am a single mom offering nice housing as a side job, I am not a big corporation. This law will directly affect me and my children if I take losses and can't repair damage. This year I have rented to a student fresh out of school with her first job, a couple with two small children moving here from out-of-state, a young couple just moving into their first home, and a young family with two small children that are not ready to purchase yet. If this bill passes, and landlords sell properties, those families that I have provided nice homes to are just out of luck. There are not a lot of homes in the southern Colorado area I rent homes in. Landlords know what they need to charge for deposits to handle possible repairs. Please vote NO on this harmful bill!!

**Kate Behm**  
**(719) 248-1088**

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**LCS Committees** <committees.lcs.ga@coleg.gov>

Tue, Mar 18, 2025 at 3:54 PM

To: "K. Behm" &lt;kmbehm@hotmail.com&gt;

Hi Kate,

We have received your testimony and will route it to the proper committee.

Thank you,

Katie Kolupke  
Legislative Council Staff  
303-866-3521

[Quoted text hidden]

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**K. Behm** <kmbehm@hotmail.com>  
To: LCS Committees <committees.lcs.ga@coleg.gov>

Tue, Mar 18, 2025 at 3:55 PM

Thanks!!

**Kate Behm**  
**(719) 248-1088**

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**From:** [katie.kolupke@coleg.gov](mailto:katie.kolupke@coleg.gov) <[katie.kolupke@coleg.gov](mailto:katie.kolupke@coleg.gov)> on behalf of LCS Committees  
<[committees.lcs.ga@coleg.gov](mailto:committees.lcs.ga@coleg.gov)>

**Sent:** Tuesday, March 18, 2025 3:54 PM

**To:** K. Behm <[kmbehm@hotmail.com](mailto:kmbehm@hotmail.com)>

**Subject:** Re: Testimony against HB1249

[Quoted text hidden]

## Opposition to SB25-1249-Tenant Security Deposit Protection

I am writing in opposition of this bill. It's passing will not help tenants secure housing. This will result in property owners selling their rentals, decreasing the supply of rental housing, and increasing the price of the existing rentals in the market.

I am the owner of a property management company in Grand Junction. Many of our owner clients are accidental landlords, meaning they did not intend to own a rental home (due to career relocation, etc.). They are hardworking, average people with jobs, families and many other responsibilities other than their rental home. The vast majority have mortgages on these properties and they don't make money from their rental. If they make a few hundred dollars a month, they are lucky. Once you add in vacancies, a large expense or two and suddenly they are negative for the year.

Now remove one of the few remaining protections property owners have against tenant caused damage, non-payment, and eviction. The property owners are the ones that end up taking out credit cards to pay for repairs, borrowing money to pay the mortgage and risking their financial wellbeing because tenants can now live in their home with very little financial obligation. Are you going to pass a new law to protect them?

As a property management company, we often see instances when damages and/or non-payment of rent are in excess of one month's rent. Having security deposits limited to one month is not enough. Repairs are extremely expensive and it is very easy to have damages that exceed this. A recent example is a tenant who never cleaned their hair out of the drain and would allow the shower to over flow. This happened for months. The water damaged the vanity, made the tile come loose, and resulted in mold on the subfloor. The damage was well over one month's rent. Why should the property owner have to pay for this?

Another example. Evictions now take about 3 months. During that time, the owner is receiving no income from their property, while also paying an attorney several thousands of dollars. For a property that rents for \$1500 a month, it will cost the owner 3 months' rent (\$4500), plus attorney's fee (\$1500, on the low end). That owner is out \$6000 and they have to pray there is no damage. But sadly, in cases like this, there is always damage. Under the proposed legislation, the most an owner would have from the tenant is \$1500 to offset this \$6000 cost. That assumes the tenant did not pay in instalments as this bill proposes, in which case the owner NEVER received a security deposit.

The constant assault on property owners by our state government is unacceptable. It is harming hardworking Coloradoans who are not wealthy and are paying a mortgage on their rental property. If this continues, they will simply choose to sell the rental. At the end of the day all this bill (and the others like it) will accomplish is to make housing even less affordable. It is not a coincidence that the most expensive rental markets in the US are also the most regulated.

**DO NOT PASS THIS BILL.**

Thank you.

Ben Russell

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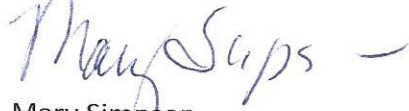
I respectfully oppose HB25-1249, Tenant Security Deposit Protections. I own 13 rentals in Grand Junction and am a retired property manager in which I owned my business for 20+ years and continued to work in the business after I sold it for another 18 years. I mention this only to show my experience in the landlord/tenant business.

1. If landlords cannot require a deposit upon move in, and not be able to take action if deposit payments are not made during the 6 month period you are proposing, tenant will have no vested interest in the rental. The landlord will have no assurance or recourse if property is damaged within the first 6 months and that definitely will cause financial loss to the landlord. A lot of damage can happen during your 6 month deposit payment program. Landlords will not be receptive to leasing their financial investments without some guarantee of protection if resident does not comply. A deposit is only minor protection against the value of the investment. Committee needs to consider the value of the property that is at risk with this lax proposal. I would be happy to give you examples of mistakes I made when I first became a property manager and gave leniencies to residents who did not follow through with their financial commitments and the unbelievable reasons they gave for noncommitment. Landlords need protection.
2. As a landlord, I have agreed to lease to less than qualified tenants if they are able to provide an additional refundable deposit as a good and faithful commitment to comply with terms of lease agreement. It is a win/win for all parties. Those situations will no longer be available for landlords and residents.
3. Allowing tenants to request a 10 day inspection period upon vacating the property which would not allow the landlord to get the property rent ready is not reasonable. Landlord and tenant could easily use a move-in written inspection, photos, & videos to determine condition of property upon move-in and move-out. This is totally reasonable and works without automatically causing possible loss of rents to landlord. This also is the best tool to use regarding normal wear and tear and cleaning charges.
4. The value of landlords owning investment units in a community is invaluable. I take pride in being able to provide well maintained units and fair and reasonable rental rates. Even though I am a small investor, there is a need for what I have been able to provide in my community for the past 40 years. There is a housing shortage for nice rentals that tenants are proud to live in and call home. However, if these lax and unreasonable laws that have been approved and are being proposed are causing me to be concerned that I won't be able to protect my investments in a fair and reasonable manner. I have always considered real estate to be the best ever investment, but having laws imposed with no reasonable merit will require me to have to sadly sell my rentals.
5. Please reconsider these proposals. I can assure you from experience, they will not work, and I have the experience and numerous investors of real estate that agree with me.

You may not hear from them, because they aren't aware of the bill, but they won't agree if it passes. I believe in fair and honest methods of maintaining a worthwhile industry with common sense without extremism.

Thank you for considering my observation of the merits of this bill. It will be destructive to the industry. Feel free to contact me with question or comments.

Best regards,

A handwritten signature in blue ink that reads "Mary Simpson" followed by a horizontal flourish.

Mary Simpson

Msimp49@outlook

970 261 0245