



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1240: PROTECTIONS FOR TENANTS WITH HOUSING SUBSIDIES

Prime Sponsors:

Rep. Joseph; Froelich
Sen. Winter F.

Fiscal Analyst:

Clayton Mayfield, 303-866-5851
clayton.mayfield@coleg.gov

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Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill modifies tenant and landlord laws regarding tenants using housing subsidies.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Revenue
- State Expenditures

Appropriations. For FY 2025-26, the bill requires an appropriation of \$33,268 to the Department of Regulatory Agencies.

Table 1
State Fiscal Impacts

| Type of Impact ¹ | Budget Year FY 2025-26 | Out Year FY 2026-27 |
|-----------------------------|---------------------------|------------------------|
| State Revenue | \$0 | \$0 |
| State Expenditures | \$42,513 | \$42,513 |
| Transferred Funds | \$0 | \$0 |
| Change in TABOR Refunds | \$0 | \$0 |
| Change in State FTE | 0.5 FTE | 0.5 FTE |

¹ Fund sources for these impacts are shown in the tables below.

Table 1A
State Expenditures

| Fund Source | Budget Year FY 2025-26 | Out Year FY 2026-27 |
|---------------------------|-----------------------------------|--------------------------------|
| General Fund | \$33,268 | \$33,268 |
| Cash Funds | \$0 | \$0 |
| Federal Funds | \$0 | \$0 |
| Centrally Appropriated | \$9,245 | \$9,245 |
| Total Expenditures | \$42,513 | \$42,513 |
| Total FTE | 0.5 FTE | 0.5 FTE |

Summary of Legislation

The bill modifies several tenant and landlord laws and provides additional protections for tenants who receive housing subsidies, as described below.

Eviction Notice

Landlords are prohibited from evicting a tenant for nonpayment of rent less than 30 days after a notice to vacate is provided.

Late Fees

Landlords are prohibited from charging a late fee greater than \$20 to tenants receiving housing subsidies.

Warranty of Habitability

Current law requires landlords to reimburse tenants for the difference between rent paid and the fair rental value when a breach in the warranty of habitability is proved. The bill requires reimbursement regardless of whether a tenant uses a housing subsidy.

Unfair Housing Practices

Landlords who fail to make reasonable efforts to respond to requests for information necessary for a rental assistance application, or fail to cooperate with tenants and rental assistance administrators regarding applications, engage in an unfair housing practice. Additionally, the bill removes an exemption to unfair housing practice liability for landlords who offer three or fewer housing units for rent, and an exemption from the requirement to accept federal housing vouchers for landlords who offer five or fewer single family rental homes.

Relief for Unfair Housing Practice Violations

When civil cases are brought by private persons alleging certain unfair housing practice violations involving discrimination on the basis of housing subsidies, the bill requires courts, if awarding damages, to award at least \$5,000 to plaintiffs. When calculating damages, courts must consider losses incurred as a result of a person losing their housing subsidy as a result of discrimination by a landlord.

Additionally, in cases brought through the Colorado Civil Rights Commission regarding certain unfair housing practice violations involving discrimination on the basis of housing subsidies, the commission is required to assess respondents a civil penalty of at least \$5,000, payable to plaintiffs, when violations are found.

State Revenue

By expanding the circumstances that constitute unfair housing practices, the bill may increase revenue to the Judicial Department from an increase in filing fees from civil case filings. Revenue from filing fees is subject to TABOR. The fiscal note assumes that the majority of landlords will follow the law, and any increase in revenue is expected to be minimal.

State Expenditures

The bill increases state expenditures in the Department of Regulatory Agencies by about \$43,000 in FY 2025-26 and future years. 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 Regulatory Agencies

| Cost Component | Budget Year FY 2025-26 | Out Year FY 2026-27 |
|------------------------------|-----------------------------------|--------------------------------|
| Personal Services | \$32,628 | \$32,628 |
| Operating Expenses | \$640 | \$640 |
| Centrally Appropriated Costs | \$9,245 | \$9,245 |
| Total Costs | \$42,513 | \$42,513 |
| Total FTE | 0.5 FTE | 0.5 FTE |

Department of Regulatory Agencies

The Colorado Civil Rights Commission in DORA requires 0.5 FTE to process additional housing discrimination complaints. In FY 2022-23, 31 cases involving housing discrimination on the basis of income were filed with the commission. By removing landlord exemptions under current law regarding unfair housing practices and federal housing voucher acceptance, the bill will increase the potential for the commission to receive discrimination complaints. The fiscal note assumes a 30 percent increase in complaints, which results in a need for an additional 0.5 FTE. The estimate includes standard operating costs, and is prorated for a July 1, 2025, start date.

Judicial Department

Trial courts in the Judicial Department may experience an increase in workload if additional civil cases are filed. The fiscal note assumes that the majority of landlords will comply with the law and any increase will be minimal.

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.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, and applies to conduct occurring on or after this date.

State Appropriations

For FY 2025-26, the bill requires a General Fund appropriation of \$33,268 to the Department of Regulatory Agencies, and 0.5 FTE.

State and Local Government Contacts

Judicial

Local Affairs

Law

Regulatory Agencies

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).