

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 25-0087.01 Richard Sweetman x4333

HOUSE BILL 25-1240

HOUSE SPONSORSHIP

Joseph and Froelich,

SENATE SPONSORSHIP

Winter F.,

House Committees
Business Affairs & Labor

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING PROTECTIONS FOR TENANTS WHO USE HOUSING**
102 **SUBSIDIES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill requires a landlord who initiates an eviction proceeding for nonpayment of rent against a tenant to comply with certain notice requirements set forth in federal law for tenants who use housing subsidies (covered tenants).

The bill prohibits a landlord from charging a covered tenant a late fee in an amount that exceeds \$20.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

HOUSE
Amended 2nd Reading
March 10, 2025

Under current law, if a tenant proves as an affirmative defense to an eviction proceeding that the landlord violated the warranty of habitability, the court must order a reduction in the fair rental value of the dwelling unit and order the landlord to reimburse the tenant any difference in rent between the reduced fair rental value and any greater amount of rent that the tenant paid. The bill states that the landlord must reimburse this amount regardless of whether part or all of the rent was paid by the tenant or by a housing subsidy issued to the tenant.

Current law defines certain acts as unfair housing practices and exempts a landlord with 3 or fewer rental units from enforcement of several such definitions. Current law also states that a landlord with 5 or fewer single-family rental homes and no more than 5 total rental units is not required to accept federal housing choice vouchers. The bill repeals both of these exemptions. The bill also states that a landlord commits an unfair housing practice if the landlord fails to:

- Make reasonable efforts to timely respond to requests for information and documentation that is necessary for a rental assistance application program; or
- Cooperate with a tenant who is applying for rental assistance in good faith.

Current law allows a person to pursue relief for damages resulting from a landlord's commission of an unfair housing practice. The bill states that, if a court awards damages to a plaintiff who prevails in such an action, and the violation concerns discrimination on the basis of an individual's use of a housing subsidy, the court shall award at least \$5,000 in damages. The bill also states that a calculation of such damages must include consideration of losses that a tenant may incur as a result of the tenant forfeiting their housing subsidy as a result of the landlord discriminating against the tenant based on the tenant's source or amount of income.

Current law provides that, in addition to relief awarded to a tenant in a private action, the Colorado civil rights commission may order a respondent found to have engaged in an unfair housing practice to pay a civil penalty in an amount that has no minimum and a maximum that varies based on whether the respondent has prior violations. The bill establishes a minimum penalty amount of \$5,000 if a person commits any of certain unfair housing violations and the violation concerns discrimination on the basis of an individual's use of a housing subsidy.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds that:

1 (a) Access to stable and affordable housing is a fundamental right
2 and essential to a person's dignity, economic security, and ability to
3 thrive. Housing should not be denied based on a person's income source,
4 including the use of federal housing subsidies such as the housing choice
5 voucher program administered by the federal department of housing and
6 urban development, known as "HUD".

7 (b) Tenants who rely on housing subsidies are disproportionately
8 vulnerable to housing instability, often facing discrimination, undue fees,
9 and barriers to securing or maintaining housing. Such obstacles
10 undermine their ability to build long-term stability and well-being.

11 (c) Discrimination based on the use of housing subsidies creates
12 an unjust disadvantage for families, particularly families in communities
13 that have been historically marginalized, such as families with low
14 incomes, people of color, individuals with disabilities, and survivors of
15 domestic violence. This discrimination not only perpetuates poverty but
16 also contributes to broader societal inequities.

17 (d) The housing choice voucher program plays a vital role in
18 providing economic opportunities and ensuring that all families,
19 regardless of income, have access to decent, safe, and affordable housing.
20 However, tenants who use vouchers face systemic barriers, including
21 landlord resistance, restrictive policies, and limited housing availability.

22 (e) According to recent studies from 2023, Colorado faces a
23 shortfall of 100,000 homes and apartments, a crisis that further limits the
24 availability of affordable housing for families, particularly for families
25 using housing subsidies. This shortage exacerbates housing insecurity for
26 families with low incomes and makes it even harder for voucher holders
27 to find homes.

1 (f) Federal rental assistance programs play a critical role in
2 supporting Colorado's most vulnerable populations, including seniors,
3 people with disabilities, veterans, and working families. In 2020, federal
4 rental assistance programs provided Colorado with \$628 million, helping
5 127,200 people in 65,000 households afford modest housing. Of these
6 recipients, 72% are seniors, children, or people with disabilities, who are
7 often at the greatest risk of housing instability.

8 (g) Rental assistance supports working families, with 53% of
9 nondisabled, working-age households that include at least one worker
10 receiving HUD rental assistance. Rental assistance helps people maintain
11 housing in all types of communities, including 112,000 people in cities
12 and suburbs, as well as 15,300 people in rural areas and small towns.

13 (h) Ensuring that tenants with housing subsidies can use their
14 vouchers effectively and without fear of discrimination is critical to
15 breaking the cycle of poverty and advancing racial, social, and economic
16 justice in Colorado; and

17 (i) Protecting tenants from unfair eviction practices and ensuring
18 their access to rental assistance strengthens communities, reduces the
19 long-term costs of homelessness, and allows vulnerable individuals and
20 families to contribute positively to society without the constant fear of
21 losing their homes.

22 (2) The general assembly also finds that:

23 (a) Tenants who use housing subsidies are integral members of the
24 community and deserve the same respect, protections, and opportunities
25 as other renters. By safeguarding their rights, we help create stronger,
26 more stable communities, reducing the risks of homelessness and
27 fostering economic mobility.

1 (b) Preventing unfair evictions, discrimination, and other barriers
2 to housing for subsidy recipients not only improves the lives of vulnerable
3 Coloradans but also saves taxpayer money by reducing reliance on
4 emergency services, shelter systems, and public assistance programs; and

5 (c) It is critical to remove barriers that disproportionately affect
6 low-income households and families of color by ensuring that landlords
7 make reasonable efforts to cooperate with tenants who are applying for
8 rental assistance in good faith, creating a more inclusive rental market
9 that serves all Coloradans.

10 (3) Therefore, the general assembly declares that it is essential to:

11 (a) Provide stronger protections for tenants who use housing
12 subsidies; and

13 (b) Create an environment in which all tenants, regardless of
14 income or source of income, have equal opportunity to secure housing
15 and maintain their homes, thus contributing to healthier, more vibrant
16 communities across the state.

17 **SECTION 2.** In Colorado Revised Statutes, **add** part 15 to article
18 12 of title 38 as follows:

19 **PART 15**

20 **PROTECTIONS FOR TENANTS OF SUBSIDIZED HOUSING**

21 **38-12-1501. Definitions.** AS USED IN THIS PART 15, UNLESS THE
22 CONTEXT OTHERWISE REQUIRES:

23 (1) "LANDLORD" MEANS:

24 (a) A LANDLORD, AS DEFINED IN SECTION 38-12-502 (5); OR

25 (b) THE MANAGEMENT OR LANDLORD OF A MOBILE HOME PARK, AS
26 DEFINED IN SECTION 38-12-201.5 (3).

27 (2) "TENANT" HAS THE MEANING SET FORTH IN SECTION 38-12-502

1 (9).

2 **38-12-1502. Notice required before initiation of eviction**

3 **proceeding.** (1) A LANDLORD WHO INITIATES AN EVICTION PROCEEDING
4 FOR NONPAYMENT OF RENT AGAINST A TENANT SHALL COMPLY WITH THE
5 NOTICE REQUIREMENTS SET FORTH IN 15 U.S.C. SEC. 9058 (c), AS
6 ENACTED INTO LAW ON MARCH 7, 2020, NOTWITHSTANDING ANY
7 CHANGES IN FEDERAL LAW THAT MAY OCCUR OR MAY HAVE OCCURRED
8 SUBSEQUENT TO THIS DATE.

9 (2) THE DIVISION OF HOUSING CREATED IN SECTION 24-32-704 IS
10 ENCOURAGED TO COMPILE A LIST OF RESOURCES FOR LANDLORDS, WHICH
11 LIST:

12 (a) HELPS A LANDLORD DETERMINE WHETHER ANY OF THE
13 LANDLORD'S PROPERTIES ARE A COVERED DWELLING, AS DEFINED IN 15
14 U.S.C. 9058 (a)(1);

15 (b) DESCRIBES FINANCIAL RESOURCES THAT MAY BE AVAILABLE
16 TO LANDLORDS;

17 (c) IS PUBLISHED ON THE DIVISION'S PUBLIC WEBSITE; AND

18 (d) IS COMPILED AND PUBLISHED USING EXISTING RESOURCES.

19

20 **SECTION 3.** In Colorado Revised Statutes, 38-12-507, **amend**

21 (2)(g)(IV) as follows:

22 **38-12-507. Breach of warranty of habitability - tenant's**

23 **remedies.** (2) (g) If a tenant proves an affirmative defense pursuant to
24 this subsection (2) by a preponderance of the evidence, the court shall:

25 (IV) Order the landlord to reimburse the tenant any difference in
26 rent between the reduced fair rental value and any greater amount of rent
27 that ~~the tenant~~ WAS paid TO THE LANDLORD pursuant to the rental

1 agreement while a breach of the warranty of habitability at the residential
2 premises existed, REGARDLESS OF WHETHER PART OR ALL OF THE RENT
3 WAS PAID BY THE TENANT OR BY A HOUSING SUBSIDY ISSUED TO THE
4 TENANT;

5 **SECTION 4.** In Colorado Revised Statutes, 24-34-502, **amend**
6 (1)(p) and (1)(q); [REDACTED] and **add** (1)(r) as follows:

7 **24-34-502. Unfair housing practices prohibited - definition.**

8 (1) It is an unfair housing practice, unlawful, and prohibited:

9 (p) For any person, for profit, to induce or attempt to induce
10 another person to rent any housing by representations regarding the entry
11 or prospective entry into the neighborhood of a person or persons with
12 particular sources of income; ~~or~~

13 (q) For any person to violate section 38-12-904 (1)(c) or (1)(d);
14 OR

15 (r) FOR ANY LANDLORD, AS DEFINED IN SECTION 38-12-1501 (1),
16 TO FAIL TO:

17 (I) MAKE REASONABLE EFFORTS TO TIMELY RESPOND TO REQUESTS
18 FOR INFORMATION AND DOCUMENTATION NECESSARY FOR A RENTAL
19 ASSISTANCE APPLICATION PROCESS; OR

20 (II) COOPERATE WITH A TENANT WHO IS APPLYING FOR RENTAL
21 ASSISTANCE IN GOOD FAITH, INCLUDING BY REFUSING TO PROVIDE
22 DOCUMENTS THAT ARE REQUIRED BY A STATE GOVERNMENT AGENCY, A
23 LOCAL GOVERNMENT AGENCY, OR OTHER ADMINISTRATING ENTITY TO
24 SUPPORT THE TENANT'S APPLICATION.

25 [REDACTED]
26 **SECTION 5.** In Colorado Revised Statutes, 24-34-505.6, **amend**
27 (6) introductory portion and (6)(a); and **add** (8) as follows:

1 **24-34-505.6. Enforcement by private persons.** (6) In addition
2 to the relief ~~which~~ THAT may be granted in accordance with section
3 24-34-508, the following relief is available:

4 (a) If the court finds that a discriminatory housing practice has
5 occurred or is about to occur, the court may award to the plaintiff actual
6 and punitive damages or may grant as relief, as the court deems
7 appropriate, any permanent or temporary injunction, temporary
8 restraining order, or other order, including an order enjoining the
9 defendant from engaging in such practice or ordering such affirmative
10 action as may be appropriate. IF THE COURT AWARDS DAMAGES TO A
11 PLAINTIFF AS DESCRIBED IN THIS SUBSECTION (6)(a), AND THE COURT
12 FINDS THAT THE DEFENDANT VIOLATED SECTION 24-34-502 (1)(h), (1)(l),
13 (1)(m), (1)(n), (1)(o), (1)(p), OR (1)(r) AND THAT THE VIOLATION
14 CONCERNS DISCRIMINATION ON THE BASIS OF AN INDIVIDUAL'S USE OF A
15 HOUSING SUBSIDY, AS DEFINED IN SECTION 38-12-902 (1.7), THE COURT
16 SHALL AWARD TO THE PLAINTIFF AT LEAST FIVE THOUSAND DOLLARS IN
17 DAMAGES.

18 (8) A CALCULATION OF ACTUAL DAMAGES PURSUANT TO THIS
19 SECTION MUST INCLUDE CONSIDERATION OF LOSSES THAT A TENANT MAY
20 INCUR AS A RESULT OF THE TENANT FORFEITING THEIR HOUSING SUBSIDY
21 AS A RESULT OF THE LANDLORD DISCRIMINATING AGAINST THE TENANT
22 BASED ON THE TENANT'S SOURCE OR AMOUNT OF INCOME.

23 **SECTION 6.** In Colorado Revised Statutes, 24-34-508, **amend**
24 (1)(f) as follows:

25 **24-34-508. Relief authorized.** (1) In addition to the relief
26 authorized by section 24-34-306 (9), the commission may order a
27 respondent who has been found to have engaged in an unfair housing

1 practice:

2 (f) (I) To ~~assess~~ PAY a civil penalty ~~against the respondent~~ in the
3 following ~~amounts~~ AMOUNT:

4 ~~(F)~~ (A) ~~Not to exceed~~ NO MORE THAN ten thousand dollars if the
5 respondent has not been adjudged to have committed ~~any~~ A prior
6 discriminatory housing practice;

7 ~~(H)~~ (B) ~~Not to exceed~~ NO MORE THAN twenty-five thousand
8 dollars if the respondent has been adjudged to have committed ~~any other~~
9 ANOTHER discriminatory housing practice during the five-year period
10 ending on the date of the filing of the charge; OR

11 ~~(HH)~~ (C) ~~Not to exceed~~ NO MORE THAN fifty thousand dollars if the
12 respondent has been adjudged to have committed two or more
13 discriminatory housing practices during the seven-year period ending on
14 the date of the filing of the charge.

15 (II) THE COMMISSION SHALL REQUIRE A RESPONDENT TO PAY, IN
16 ADDITION TO ANY AWARD OF DAMAGES PURSUANT TO SECTION
17 24-34-505.6, A CIVIL PENALTY TO THE PLAINTIFF PURSUANT TO THIS
18 SUBSECTION (1)(f) IN AN AMOUNT OF AT LEAST FIVE THOUSAND DOLLARS
19 IF:

20 (A) THE RESPONDENT IS FOUND TO HAVE ENGAGED IN A VIOLATION
21 OF SECTION 24-34-502 (1)(h), (1)(l), (1)(m), (1)(n), (1)(o), (1)(p), OR
22 (1)(r); AND

23 (B) THE VIOLATION CONCERNS DISCRIMINATION ON THE BASIS OF
24 AN INDIVIDUAL'S USE OF A HOUSING SUBSIDY, AS DEFINED IN SECTION
25 38-12-902 (1.7).

26 **SECTION 7. Applicability.** This act applies to conduct occurring
27 on or after the effective date of this act.

1 **SECTION 8. Safety clause.** The general assembly finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, or safety or for appropriations for
4 the support and maintenance of the departments of the state and state
5 institutions.