

HB 25-1235: JURY TRIALS FOR TENANT PROCEEDINGS

Prime Sponsors:

Rep. Bacon; Woodrow Sen. Gonzales J.; Weissman

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Fiscal note status: The revised fiscal note reflects the introduced bill, as amended by the House Judiciary Committee. It has also been updated to reflect new information.

Summary Information

Overview. The bill affords parties in forcible entry and detainer cases the right to a trial by jury.

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

State Expenditures

Local Government

Appropriations. For FY 2025-26, the bill requires an appropriation of \$108,273 to the Judicial Department.

Table 1 **State Fiscal Impacts**

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Expenditures	\$139,953	\$131,803
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.9 FTE	0.9 FTE

Fund sources for this impact are shown in the table below.

Table 1A State Expenditures

	Budget Year	Out Year
Fund Source	FY 2025-26	FY 2026-27
General Fund	\$118,981	\$110,831
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$20,972	\$20,972
Total Expenditures	\$139,953	\$131,803
Total FTE	0.9 FTE	0.9 FTE

Summary of Legislation

The bill affords plaintiffs and defendants the right to a trial by jury in forcible entry and detainer (eviction) cases. Defendants who request a jury trial must follow current rules for civil cases or file a separate jury demand with the answer to the court. If a jury trial is requested, the bill requires the court to schedule this trial within ten days of an answer to the court being filed.

Jury trials for eviction cases may allow parties or their counsel to participate remotely, provided that remote participation will not cause delay to the proceedings.

Current law requires that in order for a person to be served with a legal summons for eviction cases, that the person "make diligent effort" by posting a copy of the summons and the complaint in a noticeable location on the property. The bill requires service to be posted "at least one time on three separate days". Additionally, when a person files a record of having served a legal summons with the court, that record must include the following information:

- the date, time and manner of the service;
- a signature of a person who is qualified to serve under civil law; and,
- if the service was made by posting the summons in a noticeable location instead of personal delivery a detailed description of the efforts used to attempt the service, which must include photographs of the service attempts and a record of the summons being mailed.

Under current law, either party in an eviction case may request a delay and the court may require one of the parties to post bond if the trial lasts more than five days and if "good cause" is shown. The bill lengthens the requirement to post bond to a trial longer than fourteen days and requires the court only order bond if a party has a substantial likelihood of suffering economic harm as a result of the delay. The bill has provisions allowing indigent parties to have their bond waived, reduced, or paid in installments.

Lastly, the bill eliminates an exception in current law that allows rental agreements the option for both parties in a case to waive a jury trial for possession hearings for dwelling units.

Background and Assumptions

According to Judicial Department data, there were an average of 40,709 district and county level eviction cases per year in the past three years. Of these, approximately 4,228 resulted in either a hearing or a bench trial. Jury trials for eviction cases are currently rare. The department's <u>Eviction Answer form</u> currently includes the option for Jury Demand.

The fiscal note assumes that, as more attorneys and pro se defendants become aware that they may seek a jury trial, this will result in jury trials that would not otherwise occur without this bill. The fiscal note assumes 4 percent of current eviction hearings/bench trials, or about 170 cases, will become jury trials per year beginning in FY 2025-26. On average, after accounting for jury panel selections and procedures, a jury trial is estimated to take 4 hours more than a bench trial.

State Expenditures

The bill increases state expenditures in the Judicial Department by \$129,000 in FY 2025-26 and \$132,000 in FY 2026-27 and ongoing. These costs, paid from the General Fund, are summarized in Table 2 and discussed below.

Table 2
State Expenditures
Judicial Department

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Operating Expenses	\$1,704	\$954
Capital Outlay Costs	\$7,400	\$0
Mailing Costs	\$4,597	\$4,597
Centrally Appropriated Costs	\$20,972	\$20,972
Total Costs	\$139,953	\$131,803
Total FTE	0.9 FTE	0.9 FTE

Judicial Department

Staff

The courts will require 0.3 FTE magistrate and 0.6 FTE clerk staff in FY 2025-26 and ongoing. Staff reflect the increases in court dockets outlined in the Background and Assumptions section above. Per Judicial Department common policies, each county level magistrate receives support staff at a 1:2 ratio. Magistrate operating costs are included.

Mailing Costs

Courts summon approximately 40 jurors per case and each summons results in postage costs of \$0.68 per summons. Based on the assumed increase in jury trials, mailing costs of \$4,507 in FY 2025-26 and ongoing are required.

Information Technology

The Judicial Department will update their forms and jury demand fees collection systems for pro se filers in order to comply with the bill. 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 above.

Local Government

Similar to the costs for the Judicial Department, Denver County Courts will have an increase in the amount of time spent on court dockets to accommodate longer trial lengths as outlined in the background and assumptions sections above.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State Appropriations

For FY 2025-26, the bill requires a General Fund appropriation of \$108,273 to the Judicial Department, and 0.9 FTE.

Departmental Difference

The Judicial Department estimates that the bill will require \$270,000 and 2.4 FTE per year beginning in FY 2025-26 to implement the bill. This estimate is based on an assumption that the bill will result in 10 percent of current eviction hearings/bench trials, or about 420 cases, becoming jury trials annually beginning in FY 2025-26. This estimate is based on feedback from judges, the assumption that defendants will have an incentive to request a jury trial to delay their eviction due to the state's housing crisis, the high rate of evictions cases, and the lack of a housing court to handle landlord-tenant specific disputes.

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The fiscal note differs from this estimate by assuming that 4 percent of current eviction hearings/bench trials will transition to a jury trial instead of 10 percent. This difference is based on the number of jury trials in other states with similar laws, but factoring in differences in evictions processes and timelines, as well as a presumption that judges will deny requests for a jury trial if there is no dispute on the material claim for damages.

State and Local Government Contacts

Counties Local Affairs

Judicial Municipalities

Law Regulatory Agencies