



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Final Fiscal Note

| | | | |
|-------------------------|---------------------------------------|------------------------|---|
| Drafting Number: | LLS 21-0649 | Date: | August 12, 2021 |
| Prime Sponsors: | Rep. Ricks; Bradfield Sen. Bridges | Bill Status: | Signed into Law |
| | | Fiscal Analyst: | Clare Pramuk 303-866-2677 clare.pramuk@state.co.us |

| | |
|--------------------|---|
| Bill Topic: | REPORT TENANT RENT PAYMENT INFO TO CREDIT AGENCIES |
|--------------------|---|

| | | |
|----------------------------------|---|---|
| Summary of Fiscal Impact: | <input type="checkbox"/> State Revenue | <input type="checkbox"/> TABOR Refund |
| | <input checked="" type="checkbox"/> State Expenditure | <input type="checkbox"/> Local Government |
| | <input type="checkbox"/> State Transfer | <input checked="" type="checkbox"/> Statutory Public Entity |

This bill creates the Rent Reporting for Credit Pilot Program, to be implemented by the Colorado Housing and Finance Authority. It will increase state expenditures for FY 2021-22.

| | |
|-------------------------------|--|
| Appropriation Summary: | For FY 2021-22, the bill requires an appropriation of \$205,000 to the Department of the Treasury. |
|-------------------------------|--|

| | |
|----------------------------|--|
| Fiscal Note Status: | The fiscal note reflects the enacted bill. |
|----------------------------|--|

Summary of Legislation

This bill creates the Rent Reporting for Credit Pilot Program to facilitate the reporting of participant tenants' rent payment information to consumer reporting agencies. On or before October 1, 2021, the State Treasurer is required to issue a warrant in the amount of \$205,000 to the Colorado Housing and Finance Authority (CHFA). CHFA is required to promulgate rules for the administration of the pilot program and contract with a third-party program administrator to implement the program.

On or after October 15, 2021, the contractor, in consultation with CHFA, is required to recruit no more than 10 landlords and attempt to include at least 100 tenants to participate in the pilot program. Participation in the pilot program is voluntary and a participating tenant is required to complete a financial education course prior to a landlord reporting that tenant's rent payment information. Participating landlords may be eligible for compensation for their participation.

On or before June 1, 2024, CHFA and the contractor will submit a final report on the pilot program to the Governor and the General Assembly including information specified in the bill. The pilot program is repealed September 1, 2024.

Background

CHFA was created in 1973 as a political subdivision of the state by the Colorado General Assembly to address the shortage of affordable housing in the state. In 1982, CHFA was authorized to also provide loans to businesses. It is governed by a board of directors and among its powers is the authority to borrow and loan money and issue bonds.

State Expenditures

The bill will increase General Fund expenditures by \$205,000 in FY 2021-22. These funds may be expended through FY 2023-24, and will be provided to CHFA to administer the pilot program.

Statutory Public Entity

CHFA will have an increase of \$205,000 in expenditures for the pilot program. These costs include:

- \$50,000 for a contractor to oversee the pilot program, conduct outreach, recruit landlords and tenants, train landlords on reporting, collect program data, and produce the final report;
- \$5,000 for financial education classes for program participants; and
- \$150,000 for landlords to cover their costs associated with the reporting requirements, including time and technology purchases. It also includes incentives for landlords to participate in the program and recruit tenants.

CHFA's cost to support the pilot project can be addressed within their current operational capacity. As a political subdivision, these expenditures are not obligations of the state.

Effective Date

The bill takes was signed into law by the Governor and took effect on June 29, 2021.

State Appropriations

For FY 2021-22, the bill requires a General Fund appropriation of \$205,000 to the Department of the Treasury.

State and Local Government Contacts

CHFA

Local Affairs

Treasury